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TRENDS JOURNAL

HISTORY BEFORE IT HAPPENS®

SPECIAL EDITION

ECONOMIC EPIDEMIC

FROM DIRTY CASH TO DIGITAL TRASH

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24 March 2020

COVID-19: SPECIAL REPORT

ON THE WARPATH

Since it first appeared this past December, COVID-19, which to date has killed some 17,000 in a global population of 7.7 billion, has now been declared a "war" by political leaders worldwide.

Last Wednesday, President Trump was asked by a reporter if he considered the country to be on a "war footing" in terms of fighting the virus. Trump replied, "It's a **war**. I view it as a, in a sense, a **wartime** president."

"This is a **war**," said President Trump on Sunday, announcing he was activating National Guard units in New York, California, and Washington State to help fight the coronavirus, which he has repeatedly referred to as the "invisible enemy."

Last Friday, President Trump invoked "emergency **war** powers" to increase the manufacturing of needed medical supplies… which the United States is woefully unprepared for. Beginning with NAFTA and accelerating with China's admittance into the World Trade Organization in 2001, corporations have outsourced previously "Made in USA" products to cheap labor markets.

On 14 March, Vice President Joe Biden, when asked a question about coronavirus during the debate with Bernie Sanders, responded, “This is a crisis. We’re at **war** with a virus… In a **war**, you do whatever is needed to be done to take care of your people.”

On 16 March, New York City mayor Bill de Blasio described his vision of the virus issue: “We have to understand this as a pure **war** footing.” Two days later, he phoned General Mark Milley, Chairman of the Joint Chiefs of Staff, to discuss military options for dealing with the coronavirus.

“We had a detailed conversation about the capacity that the armed forces could bring to bear to address a crisis like coronavirus and we went over details in terms of different options of what the military might be able to provide.”

In France, last Monday, French President Emmanuel Macron addressed his nation with the words, “We are at **war**… The enemy is invisible and it requires our general mobilization.” He has ordered citizens to be in “lockdown mode,” only allowed out their homes to buy food and medicine.

In Britain, Prime Minister Boris Johnson stated last Tuesday, “We must act like any **wartime** government and do whatever it takes to support our economy.”

In her media address to the nation last Wednesday, German Prime Minister Angela Merkel proclaimed, “Since the Second World **War,** there has been no challenge to our nation that has demanded such a degree of common and united action.”

On 3 March, South Korea President Moon Jae-in said, “The entire country has entered **war** against the infectious disease.”

Ten days later, UN Secretary-General António Guterres declared, “We must declare **war** on this virus.”

On Sunday, Prime Minister Pedro Sánchez of Spain declared, “Europe is at war… we have to respond with our weapons.”

Media Declares War

Stoking fear and joining the battle hymn against coronavirus, here are some representative samples of recent headlines:

- "America is at War, and There's Only One Enemy" – *New York Times*
- "Our Big War" – *Time Magazine*
- "Rattled World 'at war' with Coronavirus as Deaths Surge in Italy, France" – *Reuters*
- "Inside France's Public Health War against the Coronavirus" – *The New Yorker*
- "This is like a War: View from Italy's Coronavirus Frontline" – *The Guardian*
- "This… Invisible Sense of Danger: Doing Journalism in the Coronavirus War" – *Vanity Fair*
- "War in the Time of Coronavirus" – *The Hill*
- "Dems Call for War on Coronavirus" – *Atlantic Media*
- "America's Coronavirus War Has Only Just Begun" – *Bloomberg*
- "Coronavirus Is Not an Emergency. It's A War" – *Forbes*

TRENDPOST: *As Gerald Celente has long noted, "When all else fails, they take you to war."*

As evidenced, war has again been declared; the war drums are beating and the masses march in line.

Whether lying them into wars such as Vietnam and Iraq or the longest war in American history, Afghanistan, with the war on COVID-19, so, too, are the proclamations from "leaders" based on erroneous facts, ignoring readily available facts.

According to scientific data, virtually all who have died from the virus are older adults with chronic health problems. For the rest that have been infected with the virus, most have experienced only mild symptoms, such as fever and coughing and almost everyone recovers.

Yet, the mass hysteria generated by the mainstream media and politicians dominates, and those who challenge the powers that be have been blacklisted from the media, just as they were when challenging the lies that Saddam Hussein had weapons of mass destruction. These facts were long detailed in previous issues of the ***Trends Journal****.*

TREND FORECAST: *From North America to South America, Europe to Asia, nations around the world have called in the military and have imposed, by any other name, Martial Law in the name of fighting the COVID-19 War.*

Italy and Spain are in total lockdown. Germany has banned more than two people to gather in public. France mobilized 100,000 police and gendarmes to enforce confinement laws, fining anyone leaving the house without a required form up to €135 for those who don't comply.

Yesterday, Prime Minister Boris Johnson of the UK announced the imposition of the most restrictive rules since World War II, locking down the nation and ordering the police break up any public gatherings and levy substantial fines for anyone breaking the rules.

"From this evening I must give the British people a very simple instruction – you must stay at home," Johnson said.

In the United States, as with other nations, politicians have made up stringent "social distancing" rules and regulations, how many people can come in your house, who can go to work and who can't… and the people obey or suffer the consequences… the list of countries clamping down on freedom goes on and on.

As for violations of the Constitution, Bill of Rights, and doctrines of nations granting liberty and justice to all, a complicit mainstream media ignores the blatant violations of political leaders who lock people in their homes, close down business, put hundreds of millions out of work, and ban public gatherings.

There is virtually no dissent. Mass protests by the people are prohibited: COVID-19 = Orwell's 1984.

COVID-19 SPREADS GOVERNMENT SURVEILLANCE

Taking advantage of the coronavirus scare, Congressional and Justice Department moves are being proposed to give government more control of the private lives of citizens.

The Senate Judiciary Committee is recommending passage of the “Earn It” bill, co-sponsored by Republican Senator Lindsey Graham and Democratic Senator Richard Blumenthal. Provisions in this bill allow the government to sue any website that doesn’t follow a mandated list of “best practices.”

Who will determine what the “best practices” are? A commission headed by Attorney General William Barr, who is on record advocating for the right of the government to seize any digital message, including those that are encrypted.

The Justice Department also has requested that Congress give it the emergency power to circumvent one of the key principles of American law, the right of habeas corpus, which guarantees a defendant the right to a judicial hearing after being arrested.

Norman Reimer, Executive Director of the National Association of Criminal Defense Lawyers, reacted to this push by the Judicial Department by stating, “So that means you could be arrested and never brought before a judge until they decide that the emergency or the civil disobedience is over.”

It also has been reported the U.S. government has been meeting with executives from Facebook, Google, Twitter, Uber, Apple, IBM, and other tech companies to discuss ways for the government to gain access to citizens’ smartphones to track their locations. The government says monitoring citizens’ whereabouts is “much needed information to combat this public health crisis.”

As Gerald Celente highlighted in a recent “Trends in The News” video, New York Governor Andrew Cuomo gave himself unlimited authority through executive order to deal with emergencies such as the coronavirus crisis.

Global Trend

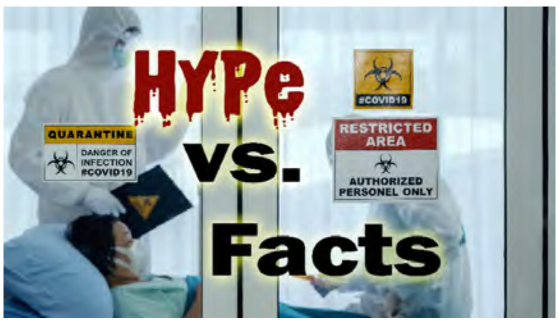
Some international governments are also using the coronavirus pandemic to extend their powers.

In Lombardy, Italy, authorities have been monitoring location data from the smartphones of citizens in order to identify anyone defying the government’s lockdown orders.

In Israel, the gathering of mobile phone data, which was intended as a counter-terrorism strategy, is now being used to monitor the movements of citizens who either have or may have been exposed to the coronavirus. Israel's Security Agency will no longer be required to get a court order to track the movements of any citizen.

Other governments either expanding surveillance of citizens under the pretext of public health concerns or proposing to do so include the UK, Belgium, Poland, Austria, South Korea, Singapore, and Taiwan.

CORONAVIRUS PANDEMIC: HYPE VS. FACTS



As we have noted in previous issues of the **Trends Journal** and in our "Trends in The News" videos, "Presstitutes and Politicians are Peddling Hysteria."

For example, this 21 March headline from the *Washington Post*: "Italy's coronavirus death toll feeds fear of what lies ahead in Europe and the U.S."

Nowhere in the article is it mentioned that according to Italy's National Institute of Health, over 99 percent of those who died had been sick before they contracted the virus, and their average age was 79.5.

Nowhere in the article is the fact that 75 percent of those in Italy who died from coronavirus previously had been diagnosed with high blood pressure, 35 percent had diabetes, and about a third had progressive heart disease.

Of the approximately 5,500 Italians who died from coronavirus as of yesterday, just 17 were under the age of 50. And, every one of those under 40 who died from the virus had previous significant medical conditions.

In Germany, as with the vast majority of the COVID-19 victims, it is more of the same. As many as 25 have died of the virus in one elder care home alone.

So far in the United States, according to data from the Centers for Disease Control (CDC) released on 16 March: "Fatality was highest in persons aged 85 years and older, ranging from 10 percent to 27 percent, followed by 3 percent to 11 percent among persons aged 65-84 years, 1 percent to 3 percent among persons aged 55-64 years, less than 1 percent among persons aged 20-54 years, and no fatalities among persons aged less than 19 years."

The CDC states that people with underlying medical conditions such as heart disease, diabetes, and immune system disorders are more likely to die of COVID-19.

New data from China, where the coronavirus has peaked and is now on the decline, shows that while some 2,000 out of the 81,054 total cases were children under 18 (.02 percent), only 100 developed serious symptoms and one died.

Shilu Tong, director of the department of clinical epidemiology and biostatistics at Shanghai Children's Medical Center, confirmed these findings.

TREND FORECAST: *Whether factual or not, most will dismiss data coming from China as propaganda.*

Moreover, the Chinese have now replaced Muslims as the new objects of distain. Indeed, those who attack Chinese people in Western nations as the culprits for spreading the disease lack the mental capacity to distinguish Chinese from other Asians.

In a study by San Francisco State University, they found that between 9 February and 7 March, there was a 50 percent rise in COVID-19 news articles with anti-Asian discrimination.

PUBLISHER'S NOTE: *As I was writing this, I took a moment to look at the comments from my YouTube posting on Saturday evening. It clearly illustrates the growing animosity that will accelerate between the U.S., western nations, and China:*

> *"THIS IS A WMD ATTACK FROM CHINA. NO DIFFERENCE FROM A NUCLEAR ATTACK ON OUR COUNTRY. WAR CRIMES TRIBUNAL FOR CHINA!"*

Not only will China be attacked for launching the virus, as the global economy dives deeper into the "Greatest Depression," trade war tensions will escalate, and *there will be strong political/consumer movements against the manufacturing and buying of "Made in China" products.*

WORLD CHAMPION KILLER?

Beyond the wars launched by the United States and its allies that have killed millions; displaced tens of millions; and created epidemic levels of disease, starvation, and hardship for the scores of millions ignored by the media, politicians, and the general public… other, more serious health consequences caused by humans have killed and are killing millions more than a worse-case scenario of COVID-19.

Air, water, chemical, food, pesticides, coloring, preservatives, plastic, adverse reaction to prescription drugs… yet no one is calling out the National Guard and closing down businesses and putting hundreds of millions out of work.

With the panic and anxiety over breathing in the coronavirus, let's look at how it compares as a health hazard to other environmental threats.

The Flu: Globally, the World Health Organization (WHO) estimates the flu kills 290,000 to 650,000 people per year.

In the U.S., the Centers for Disease Control (CDC) reports that so far, over 7,000,000 people have been stricken with the flu, with 83,500 requiring hospitalization.

From 1 October 2019 through 1 February 2020, at least 12,000 people have died from influenza, and the number may be as high as 30,000. In the 2017-2018 season, the flu killed 61,000 Americans.

The WHO estimates that globally, the flu kills 290,000 to 650,000 people per year.

Food Poisoning: According to the WHO, unsafe food containing harmful bacteria, viruses, parasites, and chemical substances causes more than 200 diseases.

An estimated 600 million people – almost 1 in 10 in the world – get sick after eating contaminated food and some 420,000 die each year.

Diarrhoeal diseases are the most common illnesses resulting from the consumption of contaminated food, causing 230,000 deaths every year and some 550 million people to get sick.

Air Pollution: The WHO estimates around seven million people die every year from exposure to the fine particles in polluted air that lead to heart disease, lung cancer, and respiratory infections, including pneumonia.

On 3 March, scientists from the Max Planck Institute for Chemistry and the University Medical Center Mainz (in Germany) released a new study showing that globally, the public loss-of-life expectancy caused by air pollution is higher than many other risk factors such as smoking, infectious diseases, or violence.

Institute Director Johannes Lelieveld said, "Air pollution exceeds malaria as a cause of premature death by a factor of 19; it exceeds violence by a factor of 17 and HIV/AIDS by a factor of 9. Given the huge impact on public health and the global population, one could say that our results indicate an air pollution pandemic."

Water Pollution: The World Health Organization estimates that over 3.5 million people die every year from water-related diseases. Some of these diseases include typhoid, cholera, dysentery, and malaria.

The WHO reports that across the globe, some two billion people are drinking contaminated water, resulting in an estimated 485,000 deaths a year.

Toxic Chemicals: According to the 2018 report by The Office of the High Commissioner for United Nations Human Rights, globally, one person dies every 30 seconds from exposure to toxic chemicals. This adds up to some 2.8 million workers dying each year from unhealthy work conditions.

The report also confirms an estimated 200,000 acute poisoning deaths yearly from the use of pesticides: “Hazardous pesticides impose substantial costs on Governments and have catastrophic impacts on health and the potential for human rights abuses against farmers and agricultural workers, communities living near agricultural lands, indigenous communities, and pregnant women and children.”

Adverse Effects from Medicare Care and Prescription Drugs: A 2019 report on patient safety by the WHO concluded that worldwide, some 134 million “adverse events” occur each year in hospitals of low-and middle-income countries, resulting in 2.6 million deaths, with most of the deaths related to misdiagnosis and/or administration of pharmaceutical products.

STAY HOME, EAT, AND DIE

With governments around the world ordering the shut down of schools, businesses, and cultural events combined with mandatory home sheltering, close to one billion people were confined to their homes over the weekend.

On Sunday, Italy banned people from exercising outside, running, and cycling.

In the U.S., where some 80 million people are being forced to stay home, the most serious health risks from coronavirus won’t be flu symptoms. Instead, they will be increased strokes, high blood pressure, diabetes, depression, anxiety, and arthritis resulting from lack of exercise and binge eating.

With gyms closing and millions of Americans moving around much less, the obesity epidemic, linked to more than 60 chronic diseases and which kills nearly three million U.S. citizens a year, will get even worse.

Harvey Spevak, the owner of dozens of gyms and the executive chairman of New York-based Equinox Group, said in a statement, “Many of our members have been asking us to stay open as an outlet to manage stress and anxiety, but with health concerns paramount, we will temporarily close all Equinox locations.”

That statement speaks volumes. The “health concerns” of coronavirus, pontificated from high political leaders who are putting the society in “lockdown,” will likely cause more health issues than the virus itself.

What there is clear evidence for is that as waistlines continue to expand, America, as the **Trends Journal** has reported for years, is “Ready to Explode.”

Fat Chance

According to a report last December in The New England Journal of Medicine, by 2030, nearly half of all American adults will be obese and nearly one in four will be severely obese.

Lack of exercise and the overeating of unhealthy foods, promoted continuously throughout media, are the main causes of the American obesity epidemic. According to the Centers for Disease Control and Prevention, only one in four U.S. adults and one in five high school students meet the minimum recommended guidelines for physical activity.

Now, in lockdown, physical activity rates will continue to diminish.

In addition to obesity, low levels of physical activity contribute to heart disease, type 2 diabetes, and some kinds of cancer, at an estimated cost of $117 billion annually in health care.

Already, evidence is showing that forced “shelter at home” orders are resulting in Americans trying to soothe their anxieties by eating more so-called “comfort foods,” which are for the most part non-nutritious, and, in many cases, outright unhealthy.

In the U.S., even before the extra stress levels caused by the current lockdowns, foods such as chocolate, ice cream, popcorn, and potato chip sales saw huge increases in the first week of March. According to the research firm Nielsen, in addition to snack food purchases soaring, Americans stocked up on pastries, which generated a nearly 20 percent spike in sales.

TREND FORECAST: *Over eating, particularly unhealthy snack foods, will further increase as Americans are forced to "shelter in place."*

As people sit around being fed fear and anxiety by the news coming out of their giant screen TVs, laptops, iPads, and smartphones, they will likely resort to eating increased amounts of snack foods, most of it saturated with sugar, fat, salt, and artificial ingredients.

Dr. Robert Sallis, a sports medicine physician, points out that multiple studies show walking is the best overall exercise for improving health and has the lowest risk of injury than any other form of physical activity.

TREND FORECAST: *The "Whole Health" healing trend will find new life, particularly among Generation Z and Millennials who will be forced by economic decline to spend their food dollars wisely and seek alternative health modalities.*

Among the winners in the medical profession will be chiropractors who are more natural healing-based and provide the more affordable health care.

In addition, the self-responsibility resurgence will mirror what followed the 1987 stock market crash: the ending of the "shop until you drop" era and the ushering in of the "New Age craze," where people sought a higher meaning to life rather than just spending money.

TRENDS-EYE VIEW

FROM DIRTY CASH TO DIGITAL TRASH

by Joseph Maxwell

Before the coronaviruses' germs on paper money scared our attention away from the worldwide demonstrations against economic inequality, the move to digital currencies was already in full stride.

With banks such as the Federal Reserve, the People's Bank of China, and the Bank of Korea quarantining and sterilizing bank notes in order to "save lives," at first glance it appears sensible, and even essential, to shift away from physical currencies.

On 3 March, when the World Health Organization (WHO) reportedly issued a warning that banknotes may be spreading the coronavirus, our digital fate was all but sealed.

This was, however, before WHO spokeswoman Fadela Chaib retracted the statement. Not surprisingly, the retraction occurred after the mainstream media picked up the story and circumvented the truth.

The truth is that throughout history, the world's central bankers have used fear-based events, both natural and engineered, to further fleece their countrymen and women.

In the past couple of years, many major central banks have either launched, or are developing, a Central Bank Digital Currency (CBDC). Announced on 23 March, if passed, the House Democrats' $2.5 trillion coronavirus stimulus bill will establish a digital dollar, which they define as "a balance expressed as a dollar value consisting of digital ledger entries that are recorded as liabilities… [stored in] a digital wallet or account, maintained by a Federal reserve bank."

Along with the United States, the central banks of South Korea, Canada, Russia, Tunisia, China, Turkey, Saudi Arabia, United Arab Emirates, European Union, Eastern Caribbean States, Curaçao and Sint Maartin, Bahamas, Thailand, Cambodia, Singapore, West African States, Sweden, Switzerland, Venezuela, Uruguay, and the Republic of the Marshall Islands are all, in some way, also exploring the useful elements of a digital currency.

Central bankers might say the reason they want digital currencies is to provide faster, safer, and more convenient capital movement – which they can do. But, the actual reason is they have abused the world's monetized debt-based monetary systems to the point of no return.

The problem inherent in the monetized debt system is that if the debt is paid off, there will be no circulating medium… which is a debt trap. Long understood by the “high priests of monetary science,” the way to deal with insurmountable quantities of debt is to reduce its value by creating more debt. And, when the inflation becomes unruly, the bankers simply devalue or revalue the currency, depending on their objectives.

History provides examples of this silent monetary warfare on the unknowing savers and laborers. In 1948, the Deutch Mark wiped out much of Germany’s accrued debt, along with its people’s savings. In 1960, it was the French Franc, followed by Brazil’s Cruzeiros in 1967… also robbing their citizens. The Mark and Franc were replaced by the Euro and through the years the Cruzeiros suffered further devaluation, along with a few name changes. The dollar, and American workers/savers, are now on the same path.

Over the past three weeks, the Federal Reserve has pumped over $2 trillion into the system, lowered the interest rate to near zero, and, on 20 March, announced it would be offering $1 trillion per day for loans in the repo market.

On Monday, the Federal Open Market Committee, the “monetary policymaking body” within the Federal Reserve System, opened the floodgates like never before by declaring they would:

- Purchase “agency commercial mortgage-backed securities in [their] agency mortgage-backed security purchases,”

- Establish the “Primary Market Corporate Credit Facility (PMCCF) for new bond and loan issuance and the Secondary Market Corporate Credit Facility (SMCCF) to provide liquidity for outstanding corporate bonds,”

- Establish the “Term Asset-Backed Securities Loan Facility (TALF) to support the flow of credit to consumers and businesses [which] will enable the issuance of asset-backed securities backed by student loans, auto loans, credit card loans, loans guaranteed by the Small Business Administration, and certain other assets,”

- Facilitate “the flow of credit to municipalities by expanding the Money Market Mutual Fund Liquidity Facility (MMLF) to include a wider range of securities, including municipal variable rate demand notes (VRDNs) and bank certificates of deposit,”

- Facilitate “the flow of credit to municipalities by expanding the Commercial Paper Funding Facility (CPFF) to include high-quality, tax-exempt commercial paper as eligible securities,”

- Soon announce “the establishment of a Main Street Business Lending Program to support lending to eligible small-and-medium sized businesses, complementing efforts by the SBA.”

Starting Thursday, 26 March, the Fed will even reduce the reserve requirement of commercial banks to zero. And, not to be left out, the Department of the Treasury will be “using the Exchange Stabilization Fund (ESF), [which] will provide $30 billion in equity for ‘U.S. dollars, foreign currencies, and Special Drawing Rights (SDRs)’.”

The IMF, with their “world currency” SDRs, has 189 member countries and certainly is able to be the world’s digital “lender of last resort.” The SDR was conveniently created just before President Nixon unpegged the dollar from gold in 1971. The apparent reason was to backstop the banks if the economies reacted too violently to the shift from gold to monetized debt. Now comes the move to digital currency.

Anyone doubting the looming monetary regime change should note the IMF’s $1 trillion “bazooka” announced on 16 March, ostensibly to help nations afflicted with the coronavirus… along with the above mentioned SDR ESF “foot in the door.”

If the central bankers install an entirely new paradigm, one that uses SDR-backed CBDCs to fully track earnings, savings, and spending, it will be a banker’s dream… and not just for central bankers. Even commercial banks such as JPMorgan, with their “JPM Coin,” are joining in the fun. What’s more, it will signal the end of the sovereignty of the U.S. dollar and America itself.

In an interview with the *Financial Times* published 30 June 2019 (five months before the coronavirus first appeared in China), Agustín Carstens, the general manager of the Bank for International Settlements, said, “Global central banks may have to issue their own digital currencies sooner than expected… many central banks are working on it; we are working on it, supporting them… and it might be that it is sooner than we think that there is a market and we need to be able to provide central bank digital currencies.”

According to European Central Bank president Christine Lagarde, digital currencies will have “anti-money laundering and terrorist financing controls [that] would nevertheless run in the background. If a suspicion arose it would be possible to lift the veil of anonymity and investigate."

So, aside from more power to the powerful, the cash that would have been hidden under a mattress or buried in a backyard instead will be in an e-wallet, and "under the table" will be over, forever. *And probably sooner than you think.*

VICTORY GARDENS 2.0

by Amber Freda

With nations in lockdown and a ban on all "non-essential" work sweeping the globe, hundreds of millions suddenly have a lot of free time on their hands.

And with masses out of work, short on cash, and millions wanting to improve their health, planting a vegetable garden is not only practical, but also enjoyable for those who want to rise above the climate of fear and reconnect with nature.

As world leaders and the media compare the coronavirus to war, "VICTORY GARDENS 2.0" will help lift sprits and improve the health of nations.

Victory Gardens, also called "war gardens," were originally planted during World Wars I and II to help reduce the pressure on public food supply during these times of crisis.

Now, in this age of Pandemic Panic, society's survival instincts will return to their roots, rediscovering the path to nature and connecting with the land.

In this new age of "social distancing," a term invented by the political class that has spread fear throughout society, growing food at home has many benefits. Not only will it save money and mean fewer trips to the grocery store, thus risking possible contamination, it will sow the seeds of a healthy project that brings the family together, working the land and enjoying the bountiful harvest.

ECONOMIC UPDATE

U.S. MARKETS

On Monday, the Dow Jones Industrial Average continued its sell off, falling another 582 points, or 3 percent, erasing three years of gains and was on pace to clinch its worst calendar month since 1931. The S&P 500 dropped 2.9 percent, down more than 30 percent from a record close set on 19 February.

Analysts blamed the losing day on the Senate's inability to end bickering over its omnibus rescue bill.

Today, however, the Dow surged over 2,000 points from its three-year low, on news of Washington's coronavirus rescue bill that will dump $2.5 into the economy in hopes of propping it up.

Gold closed on Friday at $1,484 and spiked nearly $200 since then, closing at $1,675 on Tuesday.

Bitcoin ended the week's first trading day at 6,221, holding its own after a precipitous drop last week and edging past its Friday finish of 6,191.

Oil continues to suffer. Brent Crude closed at $23.36 and West Texas Intermediate at $23.82.

Today, on news of a proposed $2 trillion coronavirus aid package, Brent Crude oil gained 22 cents to close at $27.27 per barrel.

TREND FORECAST: *The U.S. government's stimulus measures and the Federal Reserve vowing to purchase Treasury and Mortgage-backed Securities (MBS) to help pump up plunging stocks and keep mega banks and trading houses from crashing will artificially inflate equities and, to a minor extent, the Gross Domestic Product.*

Indeed, gold prices have skyrocketed on the expectation that central banks and governments will continue to lower interest rates and inject monetary methadone into equity markets and economies, thus dramatically devaluing currencies.

Bitcoin and gold will continue to rise as investors seek safe-haven assets at a time of unprecedented money injection measures.

FED RULES AMERICA

The U.S. Federal Reserve, as aptly noted by Pam and Russ Martens, "has just become a brand new national legislative body. It will, without any oversight in Congress, decide what corporation and business to save and which to let fail."

They note that "Wall Street's mega banks and trading houses will, once again have trillions of dollars of toxic securities removed from their balance sheets, including plunging stock through the Fed's Primary Dealer Credit Facility."

Moreover, the Fed announced on Monday it has removed any limit to the amount of treasury bonds it will buy to flood the economy with money during and after the coronavirus crisis.

As we have noted, the Fed secretly pumped in over $29 trillion to the Wall Street Gang during the Great Recession, and it will again, behind the scenes, inject more money into banks, hedge funds, and trading houses as the “Greatest Depression” accelerates.

The Fed also said it will buy select corporate bonds for the first time in its history and soon will initiate what it calls a “Main Street Business Lending Program” to support small businesses.

Last week, the Fed took another extraordinary step to intervene.

After propping up the repo market since September, the U.S. Federal Reserve now will add the $1.1-trillion commercial paper market to its list of dependents.

Commercial paper is a promissory note, usually for no more than nine months, which a business uses to fund day-to-day operations such as payroll.

The Fed can’t lend directly to businesses. Instead, it’s opening its Commercial Paper Funding Facility, through which the Federal Reserve Bank will purchase 90-day debt from companies with high credit ratings.

As investment markets have been roiled, many investors in commercial paper have sought to sell their holdings and retreat to safer harbors at a time when corporations are seeking to borrow even more to keep operating as the economy plummets.

To create the facility, the Fed had to invoke “unusual and exigent circumstances” and get permission from U.S. Treasury Secretary Steve Mnuchin, which he granted on 17 March and for which Congress has no oversight.

TREND FORECAST: *The “Greatest Depression” has begun.*

We forecast that despite central banks monetary policies and governments fiscal policies to interject trillions into equity markets and economies, their measure will temporarily reverse the downward market trend but not generate sustainable economic growth.

The bear market will see the Dow lose as much as 40 percent from its recent highs. Prices will fall further when corporations release their first-quarter earnings reports next month.

UNEMPLOYMENT: WORSE THAN GREAT DEPRESSION

The coronavirus is killing more jobs, businesses, and industries than people.

In America alone, some 43 percent of people are now locked down. While the International Labor Organization projects some 25 million people will be out of work worldwide over the next several months, with income loss from $860 billion to $3.4 trillion, we forecast a much sharper loss of jobs and much greater loss of income.

Indeed, the Great Recession, which began in 2007, cost 22 million people their jobs.

About 14 million Americans – about 9 percent of the workforce – already have lost their jobs because of the pandemic, according to Survey USA, and an additional 25 percent have seen their hours cut back.

Again, these numbers, as we analyze data, do not reflect the true number of those out of work and whose jobs have been lost.

Supporting our forecast that the “Greatest Depression” will be worse than the 1930s Great Depression, on Monday, James Bullard, president of the Federal Reserve Bank of St. Louis, said unemployment could reach 30 percent. Unemployment peaked at 25 percent in the Great Depression.

Before the coronavirus pandemic, the U.S. food service industry alone employed an estimated 12 million workers; now, with restaurants offering only take-out and delivery services, by some estimates more than two million of them are out of work.

Unite Here, a union representing more than 300,000 workers in airports, casinos, hotels, manufacturing, restaurants, textile plants, and other industries, said it expects as many as 90 percent of its members to be laid off.

With hotels, airlines, retailers, and schools slashing operations or shut down, millions will not only be put out of work, they will become homeless on the street.

The self-employed and “gig” workers, barely able to make ends meet in good times, are especially vulnerable, since they have no recourse to government unemployment benefits.

Also, recent studies have found that 40 percent of Americans don’t have enough cash to cover a $400 emergency expense and 53 percent lack savings equal to three months’ living expenses.

In Ohio, on 9 and 10 March, 1,825 people applied for unemployment benefits. A week later, on 16 and 17 March, the number was 48,000. In Pennsylvania, 70,000 people filed claims in one day.

Normally, Kentucky processes 2,000 claims a week; it received 9,000 on 17 March alone. Tennessee’s claims tripled in a week and Michigan recorded four times as many applications in one day last week than were expected.

On 19 March, New York’s state unemployment office received 159,000 calls before noon. The agency’s website traffic has increased fourfold to 250,000 hits a day.

Unemployment numbers emerging from heartland states are “far more dramatic” than those seen during the Great Recession, the *Wall Street Journal* reported. Claims are being filed by people from the full spectrum of professions and economic classes.

Don’t Tell The Truth

On Thursday, the U.S. Labor Department will release official figures on new unemployment claims.

Meanwhile, it has urged state officials not to announce numbers of unemployment claims but only to describe them generally – as a “large increase,” for example – for fear of worsening public panic and the stock market’s sell-off.

Unemployment claims during the Great Recession emptied unemployment trust funds in 35 states, forcing them to borrow a collective $40 billion to keep paying benefits.

To avoid similar straits, as the recession ended, many states cut the amount of benefits and the length of time people could collect them.

Still, 21 states have entered the current crisis with less in their unemployment insurance funds than they would need to remain solvent during an average recession, according to the U.S. Labor Department.

Among the least prepared states: California, Illinois, Massachusetts, New York, Ohio, and Texas.

Many states are acting to eliminate waiting periods before collecting benefits and extending the length of time people can collect them.

The U.S. Congress is structuring a tiered plan to send relief checks to out-of-workers in various degrees of need.

Mortgage lenders Fannie Mae and Freddie Mac have suspended foreclosure proceedings for 60 days, affecting 182,000 homeowners.

Many businesses are faring no better.

Non-financial businesses have an average of $1.53 in cash available for every $1 they owe. The amount was $1.80 at the start of 2008's Great Recession, indicating businesses are less prepared for a cash crunch now than they were then.

TREND FORECAST: *Postponing mortgage payments will offer no tangible relief. It's a bill that must be paid, and with no income coming in and other debt building up, the measures are merely cosmetic.*

Again, we forecast the destruction of careers, families, and lives because of government-mandated shutdowns that ultimately will do more damage than the virus itself. This is unprecedented in world history.

Thus for politicians, mainstream media, and equity markets to forecast the global "stop work" order will be mitigated as a result of money pumping schemes is unsupported with historical or comparable data.

As we have noted, suicides because of financial despair and its fallout – bankruptcy, divorce, hopelessness – will take longer than the virus to play out but will exceed the number of virus-caused deaths.

Homelessness will soar and crime will rise higher than during the Great Recession because, as Gerald Celente has long stated, "When people lose everything and have nothing left to lose, they lose it."

Gun sales are spiking as people's fears for the future are becoming more concerned from the out-of-work, out-of-money, deep-in-debt consequences of the political lockdown of the labor market.

And, as violence rises, the same political class that created the economic crises and the resulting crime wave will increase demands for more gun control.

BOND MARKET TIGHTENS, JUNK BONDS IN CRISIS

The overloaded $1.2 trillion market in junk bonds – bonds issued by high-risk companies – is showing strains and may break down completely.

Years of low interest rates and easy credit have encouraged companies to borrow to buy their own or others' stocks, to buy other companies, or to expand operations, among other financial adventures.

Investors have been accommodating, using some of that low-interest money to chase the high yields that riskier bonds offer.

As a result, bonded corporate debt has risen to a record $10 trillion, most of which has been expected to be repaid on time.

The virus pandemic's economic disaster has put that expectation in doubt, especially for the 12 percent of bonds considered high-risk or, in other words, junk.

Investors have added $400 billion in junk bonds since 2015.

Because of regulations resulting from the Great Recession, the banks that make the loans no longer hold them. Instead, they sell the bonds to fund managers or bundle them into complex investment vehicles called "collateralized loan obligations," or CLOs, marketed worldwide.

CLOs survived the Great Recession relatively unscathed, so they have been popular again recently. This month, however, these bundles have seen violent price swings and have been among the worst-performing investments.

When junk bonds come under pressure, as they are now, funds and other investors try to sell them, sparking market swings, which create even greater uncertainty. Those pressures also discourage lenders from putting additional money into new high-risk bonds, which makes it harder for troubled companies to roll over their loans.

The teetering junk bond market also can make investors leery of bonds in general, causing the credit market to tighten or freeze. That could set off a domino effect of defaults, bankruptcies, lost jobs, and economic turmoil.

TREND FORECAST: *The "Greatest Depression" will trigger a wave of defaults larger than that of the Great Recession. Bottom-of-the-barrel junk bonds, those rated B3 or lower, made up 38 percent of the junk bond market last July, compared with 22 percent in 2008, according to Moody's Analytics.*

"Investors probably will be surprised at the extent of their losses," said Oleg Melentyev, a Bank of America investment strategist. He estimates 29 percent of junk loans will fail when credit tightens again, compared to about 20 percent during the Great Recession; and that investors will recover only about 50 cents on the dollar against 58 cents in 2007 through 2009.

Going Down Hard

Not only are junk bonds are in trouble, Hilton Worldwide Holdings, for example, opened a $2.6-billion line of credit last June. It was valued at 100 cents on the dollar at the end of February and now sits at 73 cents.

Cirque du Soleil owes $700 million; Moody's now rates the loans as "in, or very near, default" after the company, which employs 4,000 people, halted it Las Vegas shows.

Still, some businesses are willing to wade deeper into the bond market.

The Disney Co. hopes to raise as much as $6 billion for "general corporate purposes" by issuing bonds in amounts from $175 million to $500 million and paying interest ranging from 3.35 percent to 4.70 percent.

Whether investors will back the full bond offering while Disney projects short-term losses of at least $500 million during the virus crisis remains to be seen.

TRENDPOST: *The debt bubble is bursting, and no amount of cheap money pumped in by the Fed will solve the problem since it was the cheap money binge that inflated the $250 trillion debt bubble, which is now ready to explode.*

*In the **Trends Journal**, we have been constantly warning of the massive debt dangers, and now those warnings have come to pass.*

THE BANKING CARTEL

U.S. Mega-Banks Going Bust?

From 14 February through 20 March, five of the largest U.S. banks lost an average of 45 percent of their stock market value, reports *Wall Street on Parade (WSOP)*:

- Bank of America: -43.6 percent
- Citigroup: -51.7 percent
- Goldman Sachs: -41.6 percent

- JP Morgan Chase: -39.3 percent
- Morgan Stanley: -46.9 percent

The combined loss totals $154.45 billion in market capitalization, leaving the five with a combined market value of $603.5 billion.

In contrast, WSOP has reviewed records of the Comptroller of the Currency, which regulates banks, and found that these same five banks hold $230 trillion in face value of derivatives – the same tricky investment bundles that brought down the economy to begin the Great Recession.

PUBLISHER'S NOTE: *The difference between the banks' disappearing market capitalization and their exposure to volatile and complex investment instruments indicates the degree to which these banks could see their value continue to plunge as the current economic crisis continues.*

Already, banks across the globe are dramatically slashing jobs and closing branches. While a banking bust is imminent, as loan defaults escalate and losses mount from their trading desks, as already evidenced, central banks will do what they can to keep them floating, as they have done for decades.

Banks Down, Going Out

Businesses and industries across Europe that are suspending operations or closing down all have one thing in common: they owe money to banks.

That means the continent's banks are likely facing incalculable losses as business and personal loan payments are missed or companies default completely.

Assessing the beginning of the "Greatest Depression," investors are hedging against worst-case scenarios.

Banks' cost of insuring themselves against loan losses has risen steadily in recent weeks.

Certain categories of bank bonds have lost 20 percent of their value this year and European banks' share prices have been about halved, falling back to 1980s levels.

Barclay’s, French bank Credit Agricole, BNP Paribas, and Dutch lender ING have large portfolios of oil and gas loans, an industry on the ropes already, worsening their outlook.

Europe’s banks will release their first-quarter results next month. Those will reveal which banks face the greatest likelihood of serious trouble ahead.

Central Banks Pumping Cash

Despite the acknowledged consensus that further lowering of interest rates would not significantly boost sagging economies before the COVID-19 struck, central banks are slashing rates in hopes of pumping up failing economies.

On 19 March, the Bank of England cut its benchmark interest rate for the second time in a week, this time to 0.1 percent, and announced a £200-billion increase to its quantitative easing program, bringing the total to £654 billion.

The moves came because “U.K. and global financial conditions have tightened,” the bank said in a statement.

Taiwan’s central bank shaved 25 basis points from its interest rate, bringing it to 1.125 percent. It was the bank’s first rate reduction since June 2016. The bank also reduced its nationwide growth forecast for this year’s first two quarters to 1.07 percent and scaled back its 2020 forecast from 2.57 percent to 1.92

The Philippines’ central bank took a half-percent off its rate to bring it to 3.25 percent.

Turkey’s central bank has slashed its benchmark interest rate by 1 percentage point.

Norway’s central bank is thinking of intervening to support the krone, the national currency, after it has lost 20 percent of its value in the last two weeks.

The Swiss National Bank has chosen not to cut rates but has announced a plan to sell billions of kroner over the next few weeks to hold down the value of its currency so its exports don’t rise in price.

The U.S. Federal Reserve announced on 12 March that it would buy at least $500 billion in additional U.S. treasury bonds, then bought $275 billion of that amount in the week since.

This quick action has led market-watchers to believe the Fed will spend more than the promised $500 billion in the relatively near future.

Fed chair Jerome Powell said the bank will invest “at a strong rate that we think will restore market function, restore liquidity as quickly as it can be restored.”

PUBLISHER’S NOTE: *The central banks think they’re saving their national economies from the effects of the coronavirus. Actually, the damage isn’t being done by the virus but by politicians’ overreaction to it. We don’t need to be rescued from the virus but from politicians’ decisions to shut down national industries and collapse national economies*

Banks: Ease Rules. Need to Cheat

Squeezed by low or negative interest rates and the prospect of more customers defaulting on loans, banks are demanding that regulations implemented after the Great Recession – covering everything from stricter accounting rules to considering the effects of loans on climate change – be suspended or erased.

The European Central Bank, Bank of England, and bank regulators at several U.S. agencies are confronting a coordinated campaign by banks to loosen rules so that banks have flexibility to deal with fallout from the virus pandemic’s economic consequences.

A key demand is loosening a rule that banks have greater cash reserves at hand to buffer losses from loans that go bad.

The rule is especially strict in Europe, where banks argue that keeping large reserves on hand before loans even begin to become troubled will keep them from lending to viable businesses struggling through the current crisis.

Banks also are required to record some traders’ phone calls and monitor transactions to ensure compliance with regulations and ferret out money laundering. Banks argue that with staffs working at home and workers swamped by the volume of transactions, those rules should be loosened so IT departments can focus on ensuring that banks’ day-to-day operations run smoothly.
Banks are finding regulators amenable.

The Bank of England is reviewing stricter accounting rules with an eye toward suspending them temporarily; several bankers expect the European Central Bank to do the same.

German bankers have loosened capital requirements and the ECB has delayed mandatory stress tests that measure banks' financial resiliency.

The U.S. Federal Reserve Bank has softened liquidity requirements and the Securities and Exchange Commission has eased some requirements to record traders' calls.

Regulators and analysts generally agree that the banks need extraordinary flexibility to deal with the current crisis.

However, regulators shouldn't completely abolish rules that "were responsible for the fact that banks have entered the coronavirus crisis in a much better position than they did the 2008 crisis," said Sascha Steffan, a professor at the Frankfurt School of Finance and Management.

In recent weeks, premiums on banks' insurance policies covering loan losses have spiked. At the same time, the Stoxx Europe 600 Bank Index and Dow Jones bank index have lost 40 percent in value.

SOCIAL DISTANCING LAWS KILLING BUSINESS

With entire cities now locked down, industries closed, and consumers losing their paychecks as the COVID-19 governments force them to close down, the retail sector will be hit with "Greatest Depression" sale slumps.

Key industries requiring face-to-face contact with customers are shutting down, leaving tens of millions of workers suddenly without paychecks.

The legendary restaurant, Gotham Bar and Grill, which helped shape modern fine dining in New York City, has closed permanently, saying, “The coronavirus has made continued operation of the restaurant untenable.”

The Stranger, an independent biweekly Seattle free newspaper, relied for 90 percent of its revenue on selling event tickets and running ads for events, eateries, and other venues where people get together. Those revenue streams disappeared within a couple of weeks and, after laying off 18 workers, the paper is now begging the public for donations to survive.

Darden Restaurants, which owns Olive Garden and seven other dining chains totaling 1,800 eateries, reported sales fell 21 percent during the week of 15 March and is redeploying workers to make deliveries.

Most of New York City’s 700 hotels are closing, and up to 80 percent of their 55,000 employees are expected to be furloughed. Hotels that remain open are closing off entire wings or floors and reducing workers’ hours to meet an occupancy rate of around 20 percent.

From Marriot to Hilton, from theme parks to casinos, big and small, across the globe have shut down, putting millions of employees making paycheck to paycheck wages out of work… along with related industry businesses and workers that supply products and services.

To the lodging industry, the virus crisis is “more severe” than “September 11 and the 2008 Great Recession combined,” said Chip Rogers, president of the American Travel & Lodging Association.

The U.S. Travel Association estimates that total spending on U.S. travel – everything from rooms and rental cars to restaurants and theme park rides – will shrink by $355 billion this year and chop four million workers off payrolls.

The hotel and travel industries are lobbying the Trump administration for $250 billion in help. Airlines already have asked for $50 billion.

“You can’t resell a hotel room from last night,” said Paul Singerman, a bankruptcy lawyer. He worries about “how thinly capitalized hospitality providers and travel businesses are going to make it. When you look at the ripple effect on parties in their supply chains, it is dramatic.”

TREND FORECAST: *With thin profit margins, the restaurant business is tough business even when business is good. Half a million restaurants are forced to close every year, according to RestaurantOwner.com.*

Full-service restaurants generally have margins between 3 to 5 percent. Thus, the delivery service now permitted will bring in a fraction of revenue compared to full dining and bar service… which accounts for more profitable margins, since alcohol sales have a cost-of-goods-sold margin of about 20 percent.

Furthermore, as people run out of money, they will be ordering less takeout.

Now, with orders by governments to shut down, many will not reopen. And, when they are permitted to open to the public, for those that do, desperate staff will steal whatever they can.

TRENDPOST: *"Social distancing" is a new term made up by politicians since the outbreak of the coronavirus. They have made laws restricting the number of people that can walk down the street together or gather in one's house. However, in the U.S., they permit people to go into supermarkets, liquor stores, drug stores, and work on assembly lines and in Amazon warehouses with no restrictions.*

Further, not one shred of scientific facts or quantitative data determining the proper distance between people or how they can gather has been provided.

Urban Malls Next to Fall

For decades, suburban malls have been steadily closing down as their shoppers have been lured away by online retailers. But, malls in well-populated urban centers have largely been spared that fate because more people are closer to them.

Now, in the time of COVID-19, even that advantage is disappearing as shoppers stay home by choice or government mandate.

Apple and Nike are closing their retail stores for two weeks; REI will close its 162 outlets for about the same amount of time and said it will continue to pay employees during that time.

The loss of traffic is gouging mall owners as stores go dark and sales disappear because malls often collect a percentage of store sales in addition to rent.

Simon Property Group, the U.S.'s largest mall owner, has been granted an expansion of its $4 billion credit line to $6 billion. Macerich Co., owner of 47 malls, distributed 75 cents a share in stock dividends last year; this year, it's cutting the dividend to 50 cents and paying 80 percent of it as additional shares of stock instead of cash.

TREND FORECAST: *Like the oil price meltdown where there is more supply than demand, so, too, with retail. With stores fully stocked but unable to sell products because to the lockdown, there will be massive "90% OFF" sales.*

In addition, prices will dramatically decline in the automobile sector – new, used, vintage – and in art, antiques… as well as retail real estate sectors.

Indeed, beyond retail, we forecast a sharp decline in real estate from big cities to small towns.

Should the mass coronavirus hysteria continue, as we had previously forecast, for those that can afford to do so, there will be an exodus from big, congested cities to small rural towns. And now, with the work-at-home trend becoming the new normal, the attraction to move to more affordable towns and away from the maddening, crime-ridden cities will escalate.

Brakes on Car Sales

On 19 March, automaker Ford shut factories in Europe and North America and drew $15.4 billion from two of its credit lines to keep operating as new auto sales plummet around the world.

It's the largest credit draw any company has made since the virus pandemic began, the *Financial Times* reports.

Ford also canceled its stock dividend. After the announcement, Ford's share price fell 5 percent, but it has recovered slightly.

The stock price is also struggling under the weight of Ford's ongoing restructuring.

To boost sales, Ford is offering buyers three months free of car payments, with the following three months' payments deferred.

TREND FORECAST: *This is just the beginning of the "Greatest Depression" for auto sales. New car sales in China plummeted 80 percent year over year in February 2020. This marked the biggest monthly plunge on record.*

Auto production has stopped in much of the world. With people out of work and already deep in auto debt, they will not only default on current loans, they will sell what they own, pushing down used car prices.

THE BIG OIL BUST

As the **Trends Journal** has been reporting, U.S. oil companies – especially those heavily invested in fracked wells – are facing three threats to their existence: oil prices lower than they've been for years and, for many companies, lower than the cost of pulling oil out of the ground; the global economic shutdown; and $86 billion in bonded debt coming due between now and 2024.

In 2019, 42 U.S. producers with a collective $26 billion in debt filed bankruptcy. At the time, WTI oil prices were still above $50.

In recent days, prices have fallen into mid-$20 a barrel range.

Chesapeake Energy, a leader in the fracking frenzy less than a decade ago, has hired law firm Kirkland and Ellis and financial firm Rothschild & Co. to help it manage its $2 billion in debt.

The company's troubles are so deep that a bond maturing in 2025 that was worth 80 cents on the dollar on 20 February cratered to 18 cents last Friday.

Whiting Petroleum, a major player in the North Dakota oilfields that were a focus for fracking, is struggling under $2.9 billion in debt. Its $770-million bond maturing next year has fallen in value from almost 100 cents on the dollar two months ago to 24 cents now.

California Resources, the largest producer in its namesake state, was renegotiating $895 million in debt with note holders but talks ended recently. A company bond maturing in 2022 recently was trading at four cents on the dollar.

TREND FORECAST: *We forecast that as many as half of U.S. small and medium-size oil and gas producers will disappear as a result of the current crisis.*

This rate of failure is not only possible but growing more likely by the day.

With the "Greatest Depression" having now begun, the world's economy will take years to fully recover from the double blows of the government coronavirus panic actions that closed down entire economies and the global slowdown that was underway before the virus arrived.

TREND FORECAST: *From Saudi Arabia to Iran, from Venezuela to Nigeria, as oil prices continue to sink and the "Greatest Depression" worsens, oil-rich nations rich and poor will be battered by social unrest and government coups.*

It should be noted that although the equity markets around the world spiked on news of a U.S. government bailout, and the Dow was up 11 percent on the day, oil prices closed up just 1 percent despite energy stocks sharply rising.

This indicates low expectations for strong economic growth. Thus, there will continue to be much more supply than demand.

Houston Real Estate Signals Cheap Oil

With an unusually high number of petroleum industry companies in its buildings, Houston's commercial real estate sector is expected to be hit especially hard by three blows: oil prices at lows unseen in years, the virus pandemic, and the global economic slowdown that began months before the virus arrived.

With oil prices dropping into the $20s and not enough demand returning any time soon to sop up the global oversupply, Houston's petroleum industry could lose as many as 12,000 jobs, analysts say.

Low prices and looming loan repayment due dates that small producers are facing are likely to bankrupt hundreds of companies, leaving their offices empty.

Oilfield service companies – geologists, chemical and pipe suppliers, drill rig owners, and others – are closing down as quickly as producers are.

Invesco, MetLife, Nuveen Real Estate, and others among the continent's largest commercial real estate companies have holdings in Houston's 213 million square feet of office space, where loan defaults already are on the rise.

This month, a $67.9-million loan secured by the 471,000-square foot Pinnacle Westchase office campus in Houston was transferred to a special handler because the loan was reclassified as facing "imminent default."

Vacancy rates in Houston's office blocks had risen to 23 percent in 2018 after an oil glut and resulting price trough put many companies out of business. The rate was still at 22.4 percent in December.

Houston's economy has diversified in recent years, expanding from oil and gas into health care and international trade. The diversity can help soften the blow dealt to commercial real estate.

Commercial real estate investments in cities that have failed to diversify will fare worse. Calgary, Canada's "oil city," entered the virus panic with 11.5 million square feet of office space empty. Odessa, Texas, and Lafayette, Louisiana, among others, also are heavily oil-dependent.

Oil Storage Space Running Out

Hoping to make all they can and knowing how costly it is to cut production and then restart it, even though oil prices have plunged below $30 and global demand is crashing, the global oil industry is still pumping crude.

As a result, there's now no place to put it.

Owners of "tank farms," the arrays of cylindrical steel tanks where crude is stored, are besieged by calls from oil producers, as well as those who grabbed stockpiles of oil as prices crashed, looking for a place to put their stock.

As tank farms fill up, oil is being stored at sea aboard tankers.

The price of leasing a tanker for six months has skyrocketed to $85,000 a day. Three-month charters run as high as $150,000 a day and spot-market charters are going for as much as $300,000 a day, Robert Matthews of Gibson Shipbrokers reports.

“We’re not going to have any space onshore and it will be hard to find any storage on water,” said analyst Giovanni Serio at Vitol, the world’s largest oil trading firm. “Therefore, the price will have to fall to motivate someone to cut production.”

This spring, world oil use could drop from an average of about 100 million barrels a day to 75 million, according to The Eurasia Group, an analytics firm.

EUROPEAN MONEY JUNKIES

The European Union has suspended its ban on government subsidies to businesses as member nations pledge hundreds of billions of euros to save industries, sustain companies, and pay laid-off workers as the implications of their response to the virus plays out.

France already has promised €45 billion to re-inflate its economy. The Netherlands has announced bold tax exemptions and guarantees to replace up to 90 percent of some laid-off workers’ wages, measures that could top €20 billion by July.

Germany has concocted a €650 billion combination of loans and loan guarantees for businesses but has set no limit on the amount of aid it’s prepared to offer.

Aid pledged so far amounts to 1 percent of Europe’s economic output this year. Additional tax breaks, subsidies, and government guarantees being considered could push the amount well beyond 10 percent of the bloc’s GDP for all of 2020.

Only a modest portion of aid promised thus far will be made as direct payments to businesses or individuals. The figures advertised are, in large part, symbols meant to bolster confidence that the future will bring things right again.

Italy and Spain are less well-off and are pledging more limited aid. Italy is putting together €25 billion in health care spending and mortgage relief and also is delaying tax deadlines. Spain's government is offering €17 billion that it hopes will leverage at least another €183 billion from other sources.

TREND FORECAST: *Generously subsidized recoveries will be somewhat robust in richer countries such as Germany and the Netherlands but will lag in countries farther south. As disparities grow, resentments will put new pressures on the region's fragile currency union and threaten the future of the European Union itself.*

THE LATIN AMERICA SLIDE

With the COVID-19 panic grabbing the headline news and with nations in lockdown, long forgotten are the massive protests sweeping the world against corrupt governments, violence, crime, and the lack of basic living standards.

Indeed, the world was sinking into the "Greatest Depression," as we have clearly delineated in the **Trends Journal** over the past year.

Now, with the global meltdown from government actions closing down economies, making bad economic situations much worse, nations south of the equator that were already in decline are falling fast.

As global economies retracted prior to the coronavirus outbreak, demand for the area's bounty of oil, metals, and other raw materials kept sinking lower.

Copper prices are down 11.6 percent this year and oil more than 30 percent. Latin nations had hoped to pick up soybean sales to China as a result of its U.S. trade war but exports have dwindled and soybean prices in the region have fallen more than 10 percent.

With a few exceptions, "The region is wholly unprepared for this," said Monica de Bolle, a senior fellow at the Peterson Institute for International Economics. "It is really vulnerable because of the dependence on commodities exports, China, and foreign investment."

TREND FORECAST: *Those three pillars of Latin America's economy, commodity exports, China, and foreign investments, have all collapsed. With many of the region's governments already deep in debt, they won't be able to borrow more or print more cash to keep their economies from crashing.*

With the region's governments fostering tighter crackdowns on protests, once again, Latin America is following the recipe for dictatorships and increased political turmoil that will drive away investment it will need to rebuild its economies