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14 April 2020

ECONOMIC UPDATE

U.S. MARKETS: UP AND DOWN

Yesterday, the Dow Jones Industrial Average fell 329 points to close at 23,390. The NASDAQ rose 39 points to 8,192.

The Dow's loss can be attributed to investors taking profits from last week's gains and waiting out first-quarter earnings reports due from big banks, which are expected to be negative.

Last week, the S&P index logged its best week since 1974, adding 12 percent to its value.

In making it 100 percent clear that capitalism is dead and socialism for the Wall Street Gang and Big Corp Mobsters is alive and well, the gain is due to the U.S. Federal Reserve's unprecedented pumping of untold trillions in monetary methadone to purchase treasuries, corporate bonds, and junk bonds.

Juiced by the money junkies injection, on word from the high and mighty from Washington and New York State that the worst of the virus has peaked (which has killed some 23,000 people in a nation of 33,000,000 or 0.00716 percent)… the Dow spiked 560 points, while the Nasdaq Composite shot up 3.95 percent.

European stock markets were closed Monday as part of the Easter observance but traded higher today as gamblers were buoyed by expectations of an exit strategy to the region's coronavirus lockdowns.

Stocks in Asia rose on the news that Chinese exports for March fell less-than-expected.

TREND FORECAST: *In last week's stock rally, travel and leisure stocks made strong gains, but those were sighs of relief, not signs of strength.*

Airlines, cruise lines, hotels, and restaurants have a long, slow, and painful future ahead of them even as the Fed suckles them on more cheap money. Any rally in those sectors now will be short-lived, as these industries and their investors confront the long-term realities, and ultimate uncertainty, of recovery.

Golden Glow

In response to the central banks cheap money injections and government's fiscal spending spree, gold prices rose to their highest in more than seven years.

TREND FORECAST: *Gerald Celente was the first to forecast the Gold Bull Run on 6 June 2019, when gold was selling at $1,332 per ounce. Celente maintains his forecast that once gold breaks solidly over $1,740 per ounce, it will spike to above $2,000 per ounce. Today gold closed $1,729. Should it trade above that range for the remainder of this month, the next breakout point will be $2,500 per ounce.*

Oil Blues

On the oil front, despite an agreement over the weekend by OPEC+ that includes Russia and other producing countries to cut output by 9.7 million barrels per day in May and June, or some 10 percent of global supply, oil prices continue to slide.

Down some 50 percent this year, today Brent Crude fell 5.45 percent to $30.01 per barrel and West Texas Intermediate crude was down $1.80, or 8.08 percent to trade at $20.61 per barrel.

OPEC will meet again on 10 June to see if other actions are needed.

President Trump had encouraged the two nations to agree but has refused to attempt to force U.S. producers to cut back.

There are signs that the Saudi-Russian price war has had the desired effect of correcting the market, at least in the U.S.

During the week ending 3 April, U.S. oil production dropped to 12.4 million barrels a day, compared to 2020's average of 13 million. The number of oil and gas drilling rigs working in the U.S. during the same week pulled back from 790 to 602 and in Canada from 240 to 35.

Those numbers are likely to fall further.

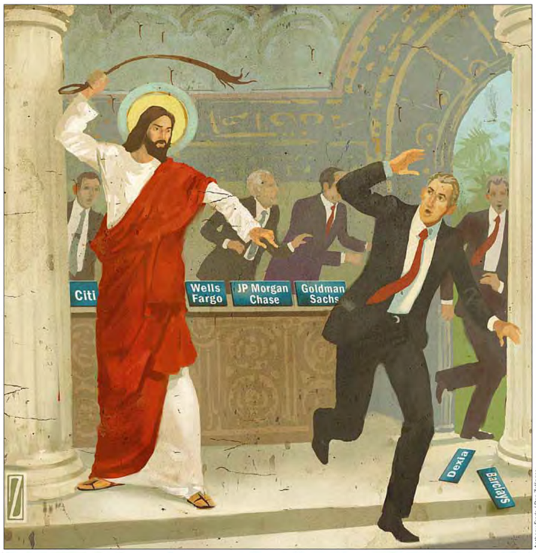
The U.S. Energy Information Administration estimates that U.S. oil production will cut back more than a million barrels a day, thanks to the effects of the virus pandemic. Americans will burn 9 percent less gasoline and 10 percent less jet fuel this year than last, the agency predicts.

TREND FORECAST: *Considering the depth of the global economic lockdown, we forecast that any oil-cutback deal won't raise prices significantly, in part because global oil demand is forecast to fall by 30 to 35 million barrels a day this month.*

Also, millions of barrels of unsold oil are still weighing down spot markets and demand will remain dormant indefinitely as the "Greatest Depression" worsens.

Unmentioned in the mainstream media are the deleterious effects crashing oil prices have on oil rich nations, states and cities, their labor force, and all those indirectly impacted.

MONEY JUNKIES HOLIDAY



The U.S. Federal Reserve has released details of its “Main Street” lending plan to buy commercial loans from American businesses.

For corporations with between 500 and 10,000 employees, the Fed will soon begin buying up to $600 billion in corporate loans from banks. Corporations are eligible if they held an “investment grade” rating or better on 22 March.

Businesses of this size are too big to qualify for aid from the Small Business Administration but too small to enter the corporate debt market.

Securities rated BBB or better by Standard and Poor’s or that Moody’s rates as Baa3 and above are classified as investment grade.

The loans can range from $1 million to $150 million, will have four-year terms, and carry interest rates equal to the Fed’s Secure Overnight Financing Rate plus 200 to 400 basis points. The Fed rate remained at 0.01 percent on 10 April.

All payments on interest and principal will be suspended for one year.

Businesses can apply for the loans through major U.S. banks. The Fed will hold 95 percent of each loan and the lending bank will hold 5 percent.

For small businesses, those with fewer than 500 employees, the Fed will guarantee repayment of the Small Business Administration’s Paycheck Protection Program loans. The businesses can borrow up to $1 million. The Fed has stressed that these are loan programs, not gifts or grants, and that the Fed does expect the loans to be repaid.

With cities and states running out of cash now that workers and businesses aren't working and paying taxes, the Fed has agreed to buy up to $500 billion in short-term bonds from all 50 states, cities with more than a million residents, counties with more than two million residents, and the District of Columbia.

The size requirements mean that only a relative handful of cities and counties can apply for the aid, leaving out most of the country.

The CARES Act passed by Congress establishes a $150 billion pool from which cites with more than a million residents, and counties with more than two million, can borrow.

Officials from the rest of the country have complained that Congress and the Fed are ignoring the urgent needs of most of the country. Congressional aides have said that smaller areas' needs are likely to be addressed in the next rescue package.

The Fed has the authority to buy municipal bonds with six-month maturities but has never done so.

One reason is that the Fed traditionally leaves government spending decisions to elected officials and "doesn't want to be in a position to say you have to raise taxes or cut pay to police or firemen" in order to raise cash to pay back a loan, said Scott Alvarez, the Fed's general counsel from 2004 to 2017.

Also, the Fed is mandated to avoid risk. It now is harder to know which municipal bonds might be risky as cities struggle to recover from the economic shutdown.

Fed and treasury officials soon will announce a plan to financially aid states hit hard by the pandemic's economic consequences, according to treasury secretary Steven Mnuchin.

The Fed's debt holdings have grown from $4.2 trillion in February to $6 trillion now and could reach $9 trillion by July, far exceeding previous record levels.

The central bank has indicated a willingness to lend money in any financial market it deems necessary to the proper functioning of the U.S. economy.

"It's really an awesome display of creativity and decisiveness – the breadth and diversity of [Fed] programs," said Antonio Weiss, a former Obama administration treasury official. "They are taking a role well beyond any the Fed has played in its modern history and the economy needs it."

Bail Out Workers, Not the Rich, Capitalist Says

While the nation is focused on the COVID-19 pandemonium pandemic hype by the media, missed by the general public was a rare rebuke to the overt Fed's scam of buying high-risk loans and mortgage-backed securities that guarantees investment returns to speculators and already-wealthy venture capitalists.

Chamath Palihapitiya, chief executive of Social Capital LP, a venture capital firm, said on CNBC that the Fed's "Main Street" rescue loan program bails out rich corporations and executives but ignores workers.

When businesses fail, they typically don't get government loans and bailouts while their employees are put on the street, Palihapitiya points out. Instead, businesses go through bankruptcy, workers stay on the job with their pensions and health insurance often intact, and investors and speculators take the pain.

"Today, rich CEOs are not getting wiped out," he said in a 9 April interview on CNBC. "Boards that have horrible governance are not getting wiped out. Hedge funds are not getting wiped out. People are getting wiped out. What we're doing is to disproportionately prop up and protect poor-performing CEOs, companies, and boards."

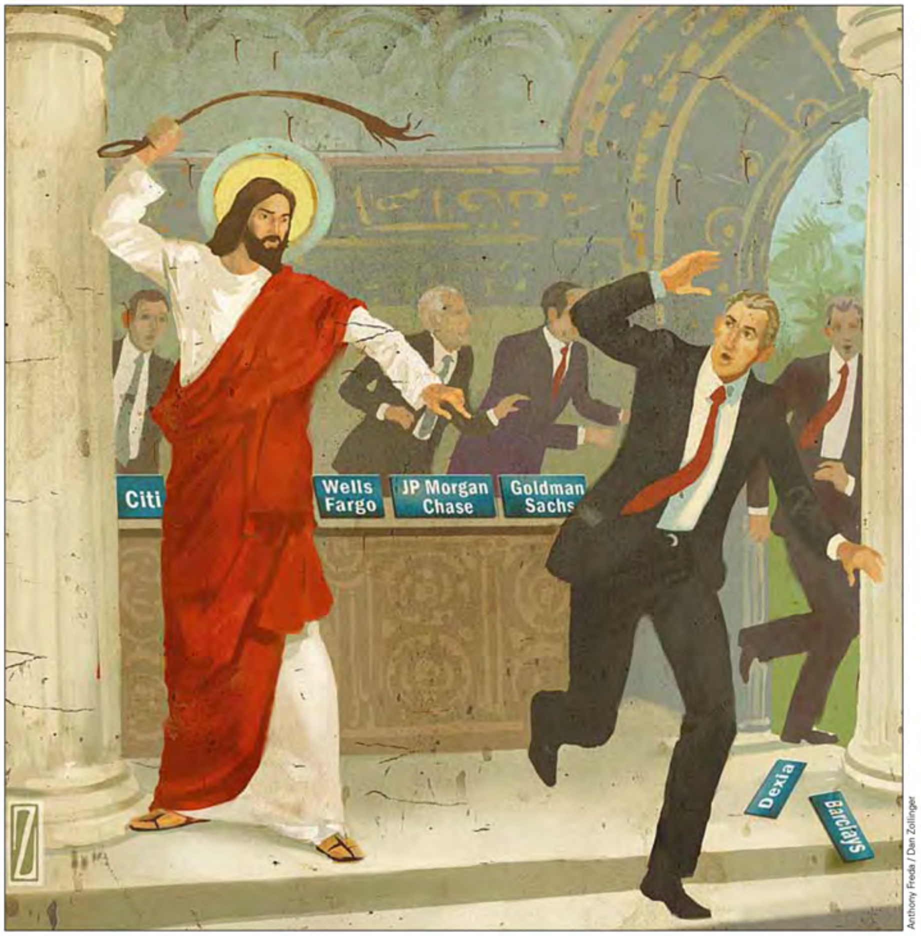
TRENDPOST: *Following the Panic of '08, as we have long noted, when the U.S. government sold the hype that the criminal banks who had been found guilty of committing fraud – and those such as U.S. Treasury Secretary Steven "The Foreclosure King" Mnuchin, who reigned over IndyMac bank – needed $29 trillion because they were too-big-to-fail… the Fed is focused on bailing out Wall Street, not Main Street.*

Beyond the banking bandits, wanting more cheap money, billion-dollar cruise ship companies are lining up for a slice of the Fed's money pie. Many are incorporated outside of the U.S., meaning they pay no U.S. income tax.

The Fed's plan is socialism for the rich, go-it-alone capitalism for "We the little People"… the workers of Slavelandia.

The banksters are in charge, but it's Easter season… so let's remember that even Jesus became violent when it came time to drive the moneychangers out of the temple.

And, not coincidentally, the Prince of Peace was murdered four days later.



Fed Will Buy Junk Bonds and Other Risky Debt

On 9 April, the Fed expanded its economic rescue program to include the purchase of some high-yield or "junk" bonds, mortgage-backed securities, and leveraged loans.

Junk bonds carry a higher risk of default because the companies that have issued them are more exposed to deteriorating general or industry-specific economic conditions.

The central bank announced it will begin buying exchange-traded funds of corporate bonds that were investment-grade as of 22 March but later downgraded to a S&P rating of no less than BB-, the cream of the junk bond market.

Bonds from Ford Motor Co. and retailers Macy's and J.C. Penney fall into that category.

Through a separate program, the Fed also will buy select mortgage-backed securities – highly-rated bundles of commercial mortgages – and packages of leveraged loans, which are loans made to companies that already carry a lot of debt.

The iShares iBoxx High Yield Corporate Bond Fund – a collection of junk bonds – has just finished its worst quarter since 2008. The spread between interest rates of treasury securities and junk-rated bonds was near its highest in 12 years; the wider that spread, the more leery investors are of taking on junk bonds.

After the Fed's announcement, the spread fell from near 12 points to under 10, and the share price of the largest junk-bond fund gained 7 percent, one of its best showings in 12 years.

Leveraged loans, similar to speculative corporate bonds, also have watched investors flee in recent weeks as the likelihood of corporate defaults has spiked.

Without government guarantees, mortgage lenders that aren't banks are having a harder time reselling their mortgages. Some of these lenders have been laying off staff or shutting down operations.

The New Residential Investment Corp., a real estate trust heavily invested in these non-backed mortgages, last week sold $6.1 billion worth of the mortgage bonds. In March, Two Harbors Investment Corp., also a real estate trust, sold its entire portfolio of these mortgages. Many of the trusts have struggled or failed to meet their banks' demands to post more collateral against their loans.

Fed Plan Rallies Bond Market

Bond markets, including junk bonds, jumped in value after the U.S. Federal Reserve laid out details of its expanded lending program to soothe the economy.

The iShares investment-grade bond exchange-traded fund rose 4.7 percent on the news, with iShares' junk-bond fund gaining 6.6 percent.

Valuation of some of Ford Motor's bonds rose almost 20 percent after the Fed's announcement; certain Continental Resources' bond values moved from 61 cents on the dollar to above 73 cents.

The premium above treasury securities' interest rates that investors charge to hold corporate bonds fell from a high of 3.73 points on 23 March to 2.53 on 9 April.

The promise of Fed guarantees launched a new wave of corporate borrowing, with companies issuing more than $105 billion in new debt over the last five weeks.

ECONOMIC DAMAGE TO WORSEN

As federal relief funds work their way through bureaucratic pipelines to banks and other agencies that will distribute them, the damage the funds are targeting continue to mount.

More than 16 million Americans are out of work, with more destined to be laid off before federal money can reach the companies that were to use the money to keep them employed.

Restaurant review site Yelp has shelved more than 2,000 workers after its web visits declined by 40 percent. Cameron Mitchell Restaurants, with outlets across the U.S., has laid off all but six of its 4,000 employees.

Mitchell said the economic freeze could cost the U.S. a quarter of its restaurants.

Many employers had the option of keeping workers on at sharply reduced hours or cutting their pay. But a large number reportedly decided that their employees would fare better by being laid off and collecting the federal unemployment benefit of $600 a week in addition to state jobless benefits.

Almost $350 million targeted to small business is stumbling on bureaucratic and technological glitches as many of the companies that need it are poised for bankruptcy.

Commercial banks will make the loans but are waiting for the overwhelmed Small Business Administration to give them details about how to fund and close the loans.

Banks offering loans guaranteed by the Fed are running out of money and must wait for the Fed to buy the loans they have made before they have the cash to make new loans. But the Fed has yet to provide procedural details.

The rescue payments of $1,200 for most adults will start being delivered about now, weeks after millions of workers have lost their jobs and begun missing payments on bills.

The federal government is not equipped to structure funding programs and disburse money quickly.

“They’re trying to do it quickly,” said Tony Fratto, deputy press secretary in the second Bush administration, “but they weren’t early enough and there’s going to be a lot of damage because of that.”

Pandemic’s Legacy: Massive Debt for All

The political response to the COVID-19 pandemic will leave governments, businesses, and households in debt for years and probably, in many cases, decades to come – what has been called “transferring economic activity from the future into the present.”

The U.S. government’s deficit this year had edged over $1 trillion early this year and is now slated to reach $3.4 trillion, according to Goldman Sachs, and $2.4 trillion next year.

By then, the federal debt already had reached $17.9 trillion, or 89 percent of U.S. GDP, driven by steady spending increases in military and social programs and 2017's unfunded tax cut.

The next federal stimulus package is likely cost at least $1 trillion and perhaps twice that.

Many economists believe the debt is manageable because much of it is being bought by the U.S. Federal Reserve – in effect, the government buying its own debt. But that creates money out of thin air, which led to inflation after the two world wars when the U.S. government did the same thing.

The Fed has bought trillions of dollars' worth of treasury securities since the Great Recession and inflation, however, has remained modest. Japan's national debt is twice its GDP and inflation has been subdued there while the central bank has been buying government bonds for years.

Government isn't alone in borrowing. Businesses are issuing bonds and drawing down lines of credit, and many households already are turning to loans and credit cards to meet expenses.

The growing piles of debt are likely to slow any recovery from the economic shutdown as governments, businesses, and households will devote more of their income to repaying loans than to spending, saving, or investing.

Moody's Analytics sees $90 to $125 billion in state budget cuts looming, with Louisiana, Michigan, Missouri, New York, North Dakota, West Virginia, and Wyoming especially vulnerable.

Some analysts worry the Fed's consolidation of the U.S. national debt will increase its, and Washington's, power over the U.S. economy.

Economic Shutdown Impacts All Income Levels

The monthly FT-Peterson Economic Monitor survey finds that Americans at all income levels are being pinched by the nation's economic shutdown.

About 73 percent of respondents reported their household incomes had been changed by the shutdown.

Households reporting being damaged “somewhat” or “very significantly” by the crisis include 74 percent of those with annual incomes of $50,000 or less and 71 percent of those with incomes above $100,000 a year.

Almost half of those polled said they would have no income at all if forced out of work by illness or layoffs.

The poll found 71 percent of respondents had altered their personal or business activities, 48 percent had canceled travel plans, and 35 percent had postponed a major purchase.

The poll was taken between 24 and 29 March; the unemployment rate and economic conditions have worsened since then.

More than 30 percent of respondents said the global economic paralysis was the biggest threat to the U.S. economy; only 12 percent had said so in February.

The survey found that two-thirds of Americans are more worried about the virus pandemic than about the economic shutdown, although only 10 percent reporting having had the virus or knowing someone who did.

About 45 percent of Republicans ranked the economic crisis above public health concerns; 22 percent of Democrats and 33 percent of independents did so.

Almost 75 percent of New York State residents fear the economic freeze will cause them serious financial problems, according to a March survey by the Siena College Research Institute. About 51 percent are worried they won’t be able to pay their monthly bills, and 37 percent are concerned they will be laid off.

Millennials Hit Hardest by Economic Shutdown

Many Americans in their mid-30s and younger are facing the first major economic crisis of their working lives and have scarce savings and too much debt to cope with it effectively.

Most younger workers haven’t had time to rise in their careers to senior, well-paid positions. They also tend to be saddled with student and credit card debt.

Those factors have left them with little money saved and few other assets, such as stock portfolios or home equity, on which they can draw to meet monthly expenses during the current crisis.

When the Great Recession began in 2008, Generation X was about the same age that Millennials are now. But Gen X'ers had about twice the assets then that Millennials have now.

Today, Gen X'ers have about four times the assets and twice as much money saved as workers in their 20s and ten times the stock market assets as Millennials now do.

Millennials who did invest in stocks have seen those investments lose a third or more of their value in recent weeks, leading many to question the wisdom of buying stocks again.

Millennials also have a greater presence in part-time jobs and gig work, which pay no benefits.

"Over time, it's become more difficult for young families to accumulate wealth," said William Emmons, an economist at the St. Louis Federal Reserve Bank. "We thought maybe they'd catch up later but the current situation doesn't give me much reason to believe that's going to happen."

One young woman reports that after losing her job and spending her savings, she made some money selling photos of her feet online to people with fetishes. "It feels like I'm never going to have a stable job that has benefits and health insurance," she said.

U.S. Economy Loses Its Busiest Season

The second quarter of the year is usually the busiest for several key economic sectors. This year, it could be the least busy.

In the second quarter of 2019, real estate sales were 32 percent greater than in the quarter before; construction gained 20 percent more projects during the same period. The leisure and hospitality industry added 1.3 million jobs during that quarter.

Analysts now forecast that all three industries will contract this quarter.

Some see the housing market losing 10 percent this quarter, compared to 8.4 percent during the Great Recession in 2008. The Congressional Budget Office reports that leisure and hospitality spending typically drops 80 percent during a pandemic.

Alaska and Maine have suspended all construction not related to critical infrastructure; Facebook has halted progress on its $750-million Alabama data center. Michigan has banned construction not related to public health and public infrastructure. In Las Vegas, work on a $1.5-billion expansion of the Venetian Hotel is on hold.

Figures are not available, but lost projects could total well into the tens of billions.

Can Brick-and-Mortar Stores Hang On?

The retail industry has been going through a bone-shuddering shakeout for years as more shoppers migrate to online stores and consumer tastes become more specialized.

Iconic chains such as Sears & Roebuck and Montgomery Ward had already disappeared before national leaders closed the world's economy to defend against the coronavirus.

Now things are getting even harder.

Thousands more stores are now shut, hundreds of thousands of retail workers unemployed, and executive salaries and perks slashed to conserve cash.

The Neiman Marcus Group has $120 million in debt coming due this week; J. Crew Group needs to repay $4 million by May; and J.C. Penney Co. owes $147 million in June.

All are asking creditors to delay those payment deadlines.

But Moody's and Fitch Ratings recently downgraded Penney's bonds, along with those of Macy's and Gap Inc., among others, to junk status, which may make it harder for the 859-store chain to find flexibility in its creditors.

Retailers drew about $27 billion from their credit lines last month, more than any other industry except vehicle manufacturing.

RapidRatings, an analysis firm, recently ran "stress tests" on 40,000 companies to see how they would fare if revenues fell 15 percent. Retailers' ratings were among the worst.

Ratings below 40 signal a higher risk of default.

In the test, Nordstrom's fell from 78 before the economic shutdown to 34 now. Macy's dropped from 65 to 34; Gap Inc. slid from 72 to 45.

"Companies we weren't worried about a month ago, we are now worried about," said Mickey Chadha, an analyst with Moody's Investors Service.

TREND FORECAST: *The "Greatest Depression" has begun. Any economic recovery will be short lived. Closed stores are stocked with high levels of seasonal inventory that has not been sold. In addition, with a nation of which two thirds of its Gross Domestic Product is consumer based, on lockdown and with consumers down and out with no real income, retail sales will continue to fall and prices of clothing, autos, appliances, etc., will rapidly decline.*

Lacking Buyers, U.S. Farmers Throw Out Food

U.S. farmers are throwing out fertilized chicken eggs, turning pork bellies into lard instead of bacon, and dumping hundreds of thousands of gallons of milk a day, all because the schools, restaurants, and other outlets that bought their products are no longer open.

Mississippi chicken-grower Sanderson Farms says that its sales to restaurants have shrunk to a third of its pre-pandemic level. The company is now breaking fertilized eggs instead of letting them hatch into chickens that would flood the market this summer and drive down prices.

The price of chicken breasts rose more than 30 percent early in the pandemic, but soon fell 25 percent as restaurants closed down.

The company also is considering euthanizing some chicks to save the cost of feeding them because there is unlikely to be a market for the birds when they mature.

Prices for pork bellies, from which bacon is made, have hit record lows as McDonald's and other restaurants are selling a fraction as many breakfasts as they did before the pandemic.

Other growers are plowing under fields of grains and vegetables.

About 10 percent more milk is being produced every day than can be sold, according to dairy industry estimates.

In early April, dairy industry groups proposed a “dairy crisis plan” to the U.S. agriculture department, outlining steps the government could take to help dairy farmers survive. The measures include paying farmers to cut milk production and buying more milk for government-funded food programs.

Dairy Farmers of America, one of the largest organizations that buys milk from farmers, has asked about 10 percent of its members to dispose of their milk.

“DFA is continuing to work with our customers to explore additional options to retain as much value from our farm families’ milk, increase demand for dairy and exhaust all possible avenues to find a home for their milk,” said Kristen Coady, a vice president at Dairy Farmers of America.

TRENDPOST*: In the last four weeks, more than a third of U.S. parents have reduced meal portions for their children and a quarter of adults are eating less or skipping meals because they can’t afford to buy adequate food, according to a study by the nonprofit Hunger Free America released on 13 April.*

The American Farm Bureau Federation, the U.S.’s largest farm trade group, and a nationwide network of 200 food banks have called on the U.S. agriculture department to create a voucher system that would pay farmers to deliver their unmarketable food directly to food banks without working through middlemen.

“We need a massive, coordinated federal, state, and local government response that dramatically expands government food safety net programs,” said Joel Berg, Hunger Free America’s CEO, “and uses National Guard units and national service participants to ramp up home meal deliveries.”

Other nonprofits are beginning to mobilize to collect unsold food from farmers and channel it to food banks and other outlets where jobless people can pick it up.

TREND FORECAST: *As witnessed by miles-long car backups of people going to food banks, the worst is yet to come as the impact of the “Greatest Depression” hits Wall Street and Main Street.*

As Gerald Celente has frequently noted, “When people lose everything, and have nothing left to lose, they lose it.” Thus, as economic conditions deteriorate and *people sink into poverty and desperation, robberies of all types – from robbing banks to stealing food and stealing from employers – will rapidly increase.*

Don't Fly With Me

Passenger airlines, destitute because of the world's economic shutdown, are slashing itineraries and negotiating changes to federal rules governing their routes and schedules.

For example, a carrier that had been serving a city less than five times a week now will be permitted to reduce the schedule to one flight a week through 30 September. A company that had been flying to a city 25 or more times weekly can cut back to five.

An airline visiting a city at least once a day for five days each week, however, is still required to maintain at least one daily flight.

Airlines have been flying virtually empty planes to comply with federal regulations at a time when the number of passengers has fallen by 90 percent or more.

On 7 April, the number of U.S. air passengers fell below 100,000, a plunge of 95 percent from the date a year previous.

Summer is typically airlines' busiest and most profitable season. But domestic air carriers, collectively losing an estimated $20 billion a month during the economic shutdown, already are collapsing their schedules.

Southwest Airlines has cut its number of daily flights in half, at least until 27 June. JetBlue has cut its daily departures from New York City and Los Angeles from 492 to 70 through 10 June.

The shrunken schedules could mean a complete loss of passenger air service to smaller cities.

If a city loses service, it can appeal to the U.S. transportation department before an airline will be allowed to cut it off.

REAL ESTATE DEAD? TIME TO BUY?

With the economy at a standstill, U.S. office space under long-term leases is no longer a safe investment.

Long-term leases no longer offer a guaranteed return if the tenant can't pay rent or goes out of business.

As a result, investors are bailing out of real estate investment trusts as tenants successfully pressure their landlords for lower rents.

In Manhattan, the pace of office leasing fell 46.9 percent in this year's first quarter.

SL Green Realty, which touts itself as New York City's largest commercial landlord, has one of the heftiest debt loads among large, publicly-traded real estate companies. Its' share value has been halved this year; the stock price of Vornado Realty Trust, also with holdings concentrated in New York City, has dropped 44 percent since December.

Knotel, a New York company that leases office space and then re-rents it to gig workers and start-up companies, recently laid off 30 percent of its staff, temporarily suspended work for another 20 percent, and is surrendering one million of its five-million square feet of leased space back to its landlords.

WeWork, which also leases co-working space, has skipped April rent payment in several of its U.S. locations and is trying to renegotiate leases or convert them to management agreements.

WeWork has been in financial straits since last fall when its plan for an initial public offering fell apart, due in part to its high real estate expenses.

The company's bond values have fallen from 90 cents on the dollar in February to below 40 cents now.

The Next Bonanza: Distressed Real Estate

Cash-rich property investors are getting ready to scoop up real estate they believe is coming to the market at bargain prices.

The virus-inspired economic crash has shuttered hotels, restaurants, and storefronts, leaving tenants unable to pay their rent and landlords unable to meet their mortgages.

To avoid the costly, time-consuming foreclosure process, many lenders often choose to sell these "distressed" loans at discounts to investors willing to take on the risk.

Properties that are foreclosed and put up for sale would be on the market at a time when prices are lower, and buyers more scarce, than they have been in years. Sellers would be more likely to accept low bids to escape their lingering liabilities.

Commercial real estate prices have more than doubled since the Great Recession, Real Capital Analytics reports. Many investors thought prices had peaked and so have been waiting for prices to fall before buying.

This might be that time. Commercial property prices fell 35 percent from 2008 into 2010 during the Great Recession, according to Real Capital Analytics. Investors who bought in that trough profited handsomely as prices recovered.

Private "vulture" funds that specialize in snapping distressed real estate are sitting on $142 billion in cash, compared to $94 billion in 2008, noted analytics firm Peqin.

The Blackstone Group closed a $20.5-billion real estate investment fund last September; Brookfield Asset Management raised a $15-billion fund last fall. New York real estate firm Greystone & Co. is assembling a $400-million fund to buy troubled loans, and the Fortress Investment Group was buying troubled mortgages before the pandemic arrived.

Mortgage-backed securities, the bundles of mortgage loans that were villains in the Great Recession, also are troubled assets once again.

Many are already on the market, put up for sale by real estate investment trusts, or REITs, that couldn't produce the cash their banks demanded as extra security when the real estate market softened. Last month, the Royal Bank of Canada sought bids on $600 million in mortgage-backed securities it had seized from clients.

"Nobody wants to capitalize on anybody's misfortune," said David Schechtman at Meridian Capital Group. "But, when you take the emotion out of it, real estate investors… have been waiting for this for a decade."

TREND FORECAST: *We do not forecast a real estate rebound. Instead, we forecast a long and steady downhill slide, since prices in many parts of the world rose to new highs following the Panic of '08 are overvalued.*

Furthermore, it is long forgotten in the media that an economic contraction persisted before the virus hit, which was bringing real estate prices lower. And now, with millennials being economically battered and all generations out of work, deep in debt, and short on cash, what has transpired with the politicians shutting down the world economy is unprecedented in world history.

To believe that those who created the economic murder will resurrect it, as we see it, is incomprehensible.

Airbnb Pays Above 10 Percent Interest for $1 Billion in New Financing

To land $1 billion in new funding, Airbnb agreed to pay investors 10 percent interest plus the London Interbank Offered Rate, or LIBOR.

The company also made verbal commitments to reduce its fixed costs "significantly" and strengthen management by adding at least one new executive to aid CEO Brian Chesky.

The investors also received warrants that can be converted into Airbnb stock. The warrants are based on a company valuation of $18 billion, less than half of what it was calculated to be in February and $8 billion below the company's own estimate of its value late last month.

Analysts expect Airbnb to lose as much as $1 billion this year as a result of the global travel halt.

TRENDPOST: *That investors were able to extract such draconian terms for their support emphasizes the trouble that not only Airbnb is in because of the economic crisis, but also the trouble the entire hospitality industry faces. This deal does not bode well for the short- to mid-term financial future of innkeeping.*

Moreover, it will dramatically hurt the tens of millions who rely on Airbnb rentals to boost their income.

GREATEST DEPRESSION OR ECONOMIC REVIVAL?

Leading economists still seem unwilling to confront the blunt reality of the current economic crisis.

James Bullard, president of the St. Louis Federal Reserve Bank, told CBS's "Face the Nation" audience on 12 April that he didn't believe the U.S. jobs market was in "free fall," despite 10 percent of the American workforce suddenly becoming idle.

"The uptake on the unemployment insurance program is a good thing because it means you're getting the transfers to the people that are being disrupted by this health-ordered shutdown," Bullard said.

On 22 March, Bullard refused to call the shutdown of the U.S. economy a path to recession but instead spun it as “a massive investment in public health.”

This crisis “isn’t the same story as the Great Depression,” claimed Nobel Prize-winning economist Robert Schiller in a 9 April CNBC interview. “People are scared by the talk of really high unemployment numbers that might be coming fairly soon – like 20 percent. It puts a whole psychological framework onto this that may be a self-fulfilling prophecy.”

Schiller, a Yale professor, was award a Nobel Prize for his research into the ways in which emotions drive economic decisions.

Schiller tried to coax his audience away from thoughts of a depression.

“The Great Depression lasted ten years,” he noted. “They didn’t have an unemployment rate under 12 percent until the decade was over.

Talk of a depression “is a popular narrative. But this is a pandemic. It shouldn’t last ten years” as the Great Depression did. “It should be over in one or two years.”

Then Schiller made comments that seemed to contradict his reassurances.

“We may not be up to our previous peak for a long time,” he said, adding it’s possible “people won’t go to restaurants or sporting events in good numbers for years… the disease might not well be eradicated for several years from now.”

“The unemployment rate tends to shoot up and then only gradually come back down,” he said. “It may take years for employment to come fully back.”

Neel Kashkari, president of the Minneapolis Federal Reserve Bank, was more frank in his appraisal.

Kashkari sees “a long, hard road” to recovery, seeming to dismiss the cheery claims of others that the U.S. and global economy will soar in the second half of this year.

“It would be wonderful if some new therapy were developed in the next couple months,” he said. “Then potentially we would have a V-shaped recovery” in which the current plunge would be followed by an equally quick and dramatic rally.

"Barring some health-care miracle, it seems we're going to have various phases of rolling flare ups," he added, with "different parts of the economy turning back on, maybe turning back off again."

Kashkari also said that Congress's allotment of $350 billion in aid for small businesses is inadequate, but he expressed optimism Congress will allot more as the lockdown and its after-effects continue to decimate those enterprises.

"If we need to have different phases of shutdowns for the next several months or until we have a therapy or vaccine, we're going to need more help than that," he said.

TREND FORECAST: *Calling an economic shutdown an investment in public health doesn't change the economic destruction it leaves.*

Painting rosy pictures and refusing to acknowledge harsh realities makes it harder, not easier, to convince the public, and reluctant politicians, to take hard decisions and do the work needed to turn this crisis around.

We don't see an economic recovery taking a V shape or U shape but a country-road shape: full of ruts and potholes, some crests, and you don't know when you're going to get to pavement until you're almost there… and the ride has just begun.

In addition, as we have noted since the COVID-19 media hysteria began and politicians across the globe exerted their dictatorial powers to lock down businesses, the ***Trends Journal*** *was the first news source to identify, analyze, and forecast the economic implications of the actions.*

Furthermore, what all the above analysts and others are focused on is America's economic future, while ignoring the global ripple effect that will escalate and prolong the "Greatest Depression."

EUROPE DOWN

EU Nations Agree on Bailout Deal

On 9 April, the finance ministers of the European Union's 27 member countries agreed to a €500-billion rescue plan for the continent.

The plan rejected calls from Italy and Spain for collective borrowing, leaving each country to do that on its own. The Netherlands gave up its insistence that Italy and other member countries with poorly managed finances commit to structural reforms as a condition for help.

The plan is a step, not a solution, the ministers warned.

For example, France expects its economy to shrink six percent this year, even though the country is implementing its own €100-million relief plan in addition to the EU's bailout package, according to Bruno Le Maire, French finance minister.

Italy Stares into Economic Abyss

March, the month in which Italy's nationwide lockdown was instituted, was the worst month on record for the country's manufacturers. They warn if their factories don't reopen soon, their customers will be lured away by foreign competitors and may never return.

Many German factories that compete with Italy's in areas such as machine tools are still at least partially operating.

"There should have been a decision across Europe to stop production for a certain period," argues Massimo Carboniero, a machine tool company executive. "It's not fair for us to be closed while others are working."

Italy’s businesses are especially at risk in Europe’s shutdown: 95 percent have fewer than 10 workers, many are family-owned, and have few resources to survive a prolonged loss of trade.

Winemakers have seen sales to bars and restaurants vanish and exports plummet. Some have begun using their alcohol to make hand sanitizer.

Italian agriculture depends on 200,000 seasonal workers coming from eastern Europe who aren’t crossing the border this year.

Italy faces an overall 6-percent economic contraction this year, with the worst of it in the second quarter if the pandemic eases by May, forecasts Condustria, an employers’ association. If so, the country’s economy could see a modest rebound in the second half of this year, the association said.

TREND FORECAST: *The French, German, and Swiss economies could shrink by as much as 10 percent this year, some economists forecast. For Italy, Greece, Spain, and Portugal, it will be much worse.*

Global trade in merchandise will fall by a third from last year’s level, according to the World Trade Organization, compared to just 12 percent during the Great Recession.

As we have continually noted, Europe’s GDP rose only 0.1 percent in the last quarter 2019, despite years of negative interest rates and over €3 trillion in quantitative easing pumped into the economy.

Therefore, not only do we forecast a “Greatest Depression” Europe that will be worse than the United States, social unrest, which was already building prior to the pandemic panic, will greatly intensify… as will military crackdowns to quell them.

MIDDLE EAST FALLING

Non-Oil Business Sectors in Trouble

The United Arab Emirates' central bank doubled its economic stimulus program to $70 billion to counter deteriorating business conditions in this key Middle East commercial and financial hub.

Oil prices have collapsed and recent surveys show non-oil sectors of the region's two largest economies shrinking at dramatic rates.

Saudi Arabia's purchasing managers' index fell from 52.5 in February to 42.4 in March. A reading above 50 signals business expansion while numbers below 50 point to contraction.

This is the first time Saudi's index has fallen below 50 since the survey began in 2009.

The UAE's index dropped for the third consecutive month, sliding from 49.1 in February to 45.2 in March.

The two economies rely heavily on tourism, which has disappeared with the closure of airports and hotels and cancellation of airline flights, and state spending. With the loss of oil revenues and tourist cash, governments are cutting nonessential expenses.

"The closure of airports…and work-from-home policies" the countries have mandated "are likely to extend the downturn," said David Owen, an economist at IHS Markit.

TREND FORECAST: *Throughout the Middle East, particularly oil rich nation's that are going bust as oil prices plunge and their main revenue stream dries up, there will be growing civil unrest.*

Knowing that when "all else fails, they take you to war," to divert the people's attention away from the economic crises, we forecast rising tensions among nations in the region.

Should conflicts explode into warfare, oil prices will spike and the sharp increase in prices – on an already depressed global economy – will inflict severe economic pain on both consumers and nations, such as India, which imports some 80 percent of its energy needs.

U.S. Blocks IMF Virus Aid Loan to Iran

The Trump administration has vetoed the International Monetary Fund's planned $54-billion loan to Iran, which the country says it needs to deal with the virus epidemic.

Administration officials claim Iran's government has billions of dollars already at its command and that Iran's leadership has a "long history of diverting funds allocated for humanitarian goods into their own pockets and to their terrorist proxies," one senior Trump administration official asserted.

Despite calls from humanitarian groups to let the loan go through, the Trump administration says it won't budge on the issue.

TRENDPOST: *With the American people brainwashed to hate Iran since its dictatorial ally, the Shah, Mohammad Reza Pahlavi, was overthrown in 1979, the economic terrorism waged against its people by the American government is supported by the majority of politicians and the general public.*

EMERGING MARKETS SUBMERGING

Developing Nations Call for IMF Rescue

Fourteen Latin American and Caribbean nations face their worst economic setback in 50 years and have requested urgent help from the International Monetary Fund.

The region's economies already were slumping because of the global economy's slowdown, which reduced sales of commodities on which many of those economies depend.

The global economic shutdown has cratered those sales and made scarce the dollars these countries need to pay their already considerable foreign debts.

Making matters worse, the COVID-19 pandemic is just now beginning to expand across the southern continent with many nations lacking the health care infrastructure to cope.

The 14 unnamed countries collectively have asked the IMF for $4.4 billion through a special funding channel that allows more money at once with fewer restrictions on its use.

The IMF has $1 trillion on hand to respond to requests from countries around the world for help with damage from the pandemic's economic collapse, said Alejandro Werner, chief of the IMF's western hemisphere operations. The funds should be enough to respond to such requests without requiring borrowers to meet special conditions, he said.

Ecuador, with an economy dependent on petroleum exports, has been especially hard-hit, with a $4.2-billion IMF loan already in place before oil prices sank to 20-year lows.

TREND FORECAST: *Numerous emerging markets had submerged into recession prior to the global economic lockdown. Among many of them, there were widespread protests, riots, and demonstrations against government corruption, crime, violence, and corruption.*

While they have been temporarily quelled by governments who have used the virus to keep people off the streets, they will again intensify as restrictions are lifted and poverty, violence, crime, and corruption increase.

Also, the more violent the protests grow, the harder the governments will crack down and the lower economies sink, more people will flee their nations looking for refuge in foreign nations.

The political divide in nations that supported open borders and welcomed refugees will be closed. With the developed world's economies sinking into depression, strict new laws will be passed to keep unwelcome foreigners out.

India's Food Supply Chain Breaks Down

Only two weeks into a nationwide lockdown, India already is experiencing food shortages.

Staples such as eggs, yogurt, and cooking oil are in short supply.

The lockdown permits farming and food production, but large numbers of the people who move food from farm to store have stopped coming to work.

The problem is complicated by India's unstructured food supply chain: millions of small farmers sell to millions of middlemen, who then distribute foods to millions of small shops and food carts.

Eggs reach food stores by bicycle, sacks of potatoes are loaded onto trucks by lines of men, wheat is scythed by hand instead of by combine.

The wheat harvest is now due, but farmers can't find enough helpers to bring it in. Truckers hauling the wheat to market can't find food to eat along the way and can be harassed by police for not obeying the lockdown.

Some drivers have been seen to abandon their trucks by the roadside and walk home.

Wholesale markets have no workers to unload trucks and distributors have stopped delivering to stores. Storekeepers complain they can no longer find rickshaws to take them home after they have visited markets to restock their own inventories.

More than half of India's population is involved in the food supply chain, but many are afraid that if they go to work they will be stopped on the way and questioned by police.

“There are so many human interventions in the Indian supply chain,” said Subho Roy, a specialist at the University of Chicago who studies Indian agriculture. “There is not a large number of people involved in non-essential, close-downable industries.”

African Economies Collapsing as Virus Invades

Africa is experiencing the virus pandemic in reverse.

Developed nations stopped importing the continent's raw materials and sending finished goods as those countries shuttered their economies to defend against the virus.

That shut down Africa's chief source of revenue as well as the finished goods that stocked its stores, crippling national economies.

Now the coronavirus has arrived.

The World Bank foresees Africa's economy shrinking between 2 and 5 percent this year, with food production dropping by 7 percent, food imports by 25 percent. An African Union study concludes that 20 million jobs are in danger because of the pandemic.

Nigeria, a major oil producer, was already grappling with weak economic growth and could see its economy contract by 3.4 percent this year, the finance ministry has warned.

Nigeria and Angola, also an oil producer, together will lose an estimated $65 billion in revenue this year because of the collapse of oil demand and prices, and their budget deficits will double, the African Union study predicts.

The study also predicts that the pandemic will cost $50 billion in lost tourist revenue, which will erase two million related jobs. Major tourist destinations such as Cape Verde, Gambia, Mauritius, and the Seychelle Islands could lose 7 percent of their economic activity this year.

Prices for South Africa's metal exports have dropped 8 percent since December, leading Moody's Analytics to downgrade the bond rating of Africa's second-largest economy to junk status after the country's debt had been rated investment-grade for the last 25 years.

Ethiopian Airlines, a carrier linking Europe, Asia, and Africa, is operating at 10-percent capacity and lost $550 million during this year's first quarter. Ethiopia's flower exports to Europe are down 80 percent, leaving 150,000 with uncertain futures.

To keep their national economies from seizing up, central banks in Mauritius, Uganda, and Namibia chopped their interest rates to record lows: 2.85 percent, 8 percent, and 5.25 percent respectively. Egypt's bank slashed 3 percent from its key rate at a March emergency meeting.

Meanwhile, ten central banks have lowered liquidity and reserve requirements for commercial lenders.

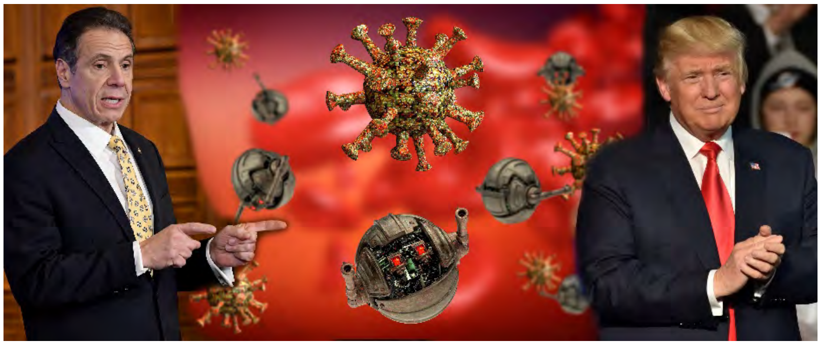
Goldman Sachs recently estimated that an infusion of $75 billion is needed to buoy Africa's failing economies. Africans themselves, however, see a far greater need.

Abiy Ahmed, Ethiopia's prime minister, has asked G20 nations for $150 billion in aid to African corporations and to convert or abolish debt owed by low-income countries.

Tidjane Thiam, a Cote d'Ivoire native and former CEO of Credit Suisse, reportedly has joined other prominent African business leaders in calling for a two-year moratorium on $115 billion in nations' debts owned by private interests.

Analysts estimate that even Africa's less poor nations are spending 20 percent or more of their national revenues to pay principal and interest on debt, leaving little for basic services, including health care during the pandemic.

WORLD GOVERNMENTS HATCH PLANS TO RESTART THEIR ECONOMIES



After crashing their economies in a virus-inspired panic, nations are beginning to feel their way back to something resembling normal.

These plans extend beyond purely financial measures, such as central bank bailout loans and suspension of mortgage payments.

Austria has become the first European country to say it will permit small retailers to gradually re-open after Easter. Denmark and Norway are bringing young children back to school. People in the Czech Republic can go swimming again.

The German government will decide on whether to begin reopening the country when the results of a medical analysis are released in the next few days, chancellor Angela Merkel said.

Italy, devastated by the virus, plans to keep people at home at least through April and then lift restrictions slowly.

"We have to rethink how we organize our social life, our manufacturing, our public health care system," said Roberto Speranza, Italy's minister of health. "It will be very gradual."

While pressure remains on governments to keep people locked down to avoid virus contagion, counterpressures also are mounting to jump-start supply chains as people run low on food and other necessities and encounter the emotional turmoil caused by the absence of social contacts.

The Trump administration is working on plans to restart the economy no later than 1 June and business leaders are pushing for significant action by the end of April.

Public health officials are expected to oppose the plan, contending it risks lives before enough time has passed after the virus pandemic peaks. Administration officials argue, however, that supply chains need to begin to operate again, and a paralyzed economy poses different but equal health threats.

Trump is forming a council of his senior economic advisors, medical, and business people to lay out a plan to reopen the country.

Dr. Anthony Fauci, director of the National Institute of Allergy and Infectious Diseases and the administration's voice of caution in lifting the lockdown, said he could envision loosening restrictions on public gatherings this summer "if we do the things that we need to do to prevent a resurgence" of the virus.

Areas less affected by the virus, such as rural communities, could be opened back up first, while virus hotspots and dense urban areas could remain shut down longer.

Reviving the economy will depend on a sharp drop in new infections that would be followed widespread testing, such as the 15-minute virus test being developed by Abbott Laboratories. People who test as being virus-free or no longer contagious could be allowed to return to work.

Surveillance systems also should blanket the country to give early warning of any resurgence of the virus, public health officials say, and that governments should stand ready to reinstate social distancing and other preventive measures if the virus reappears.

Some analysts believe it will take several months to create the capacity to produce, conduct, and process tests quickly and in adequate quantity, and to stand up a workable surveillance system.

Governors are mulling the idea of asking Congress to legislate a national virus-monitoring system.

Indeed, state leaders are increasingly active in the absence of a detailed federal strategy.

New York governor Andrew Cuomo has assembled a team of former aides, who now are highly-placed corporate executives, to create a detailed, phased "NYS Forward" plan to restart the state's economy.

Several of the state's business owners have expressed anxiety about finding the capital to invest to re-hire workers, buy supplies, and pay delinquent bills.

Restarting businesses will depend on balancing raising capital with securing enough customers to make those investments profitable. Many business owners expect trade to pick up slowly, especially for businesses requiring close personal contact, such as restaurants and hotels.

The governors of Connecticut, New Jersey, and New York are coordinating a plan based on scaling up virtually instant testing to show who has the virus as well as who has had the virus and is not contagious. Once the tests are widely in use, industries and economic sectors would be allowed to back into operation.

Delaware, Massachusetts, Pennsylvania, and Rhode Island have now joined the partnership.

Public health officials are skeptical, arguing it would be too difficult to separate the vulnerable from potential carriers if activities return to normal too soon.

Also, Dr. Fauci has said it's not necessarily the federal government's job to organize and conduct tests. That role, he said, belongs to the private sector.

The governors of Utah and North Dakota, and officials in Colorado's San Miguel County, have begun widespread testing for residents who wish it. The initiatives are part of a "proof of concept" that testing is a foundation for beginning to return to normal activities.

Texas and Maryland are putting together task forces to structure a plan to get their economies going again.

Germany's ifo Institute for Economic Research urges that industries which add the greatest value to the economy, such as health care and vehicle manufacture, be prioritized to restart. It also pushes German authorities to re-open schools and nurseries, arguing that children rarely get sick from the virus, and parents need a place to put children so they can work.

Hotels and restaurants would be allowed to re-open "cautiously," as social distancing is not strictly possible in them. Bars, nightclubs, and large events such as sports matches would remain shut indefinitely.

Areas that have seen less infection, such as rural locales, might see restrictions lifted earlier than more densely populated or hard-hit regions.

The scheme is predicated on massive testing and wide availability of masks and other protective equipment.

Countries now easing lockdowns were quick to mandate and enforce strict social distancing and to scale up widespread virus testing, said Dr. Peter Drobac, a global health expert at Britain's Oxford Saïd Business School.

Countries planning to reopen their economies should have three things in place, Drobac added: a consistent reduction in new cases, the ability to handle new cases within the normal structure of their health care systems (not setting up emergency hospitals in sports stadiums, for example), and mass testing and contact tracing.

A study in *The Lancet* medical journal analyzed China's epidemic urges that no lockdown should be lifted completely until a COVID-19 vaccine is developed and deployed – an event that is likely to take at least 12 months under the best of conditions, according to medical experts.

PUBLISHER'S NOTE: *Politicians call it a war on the coronavirus and they took us into this war the way they've taken us into so many others – without an exit strategy.*

Politicians will still claim victory over the virus when the pandemic abates, even though they had to destroy national economies and millions of people's livelihoods and futures to do it.

The U.S. plan to restart the economy is being put together, in part, by foreclosure king Steven Mnuchin, Lawrence Kudlow ("I'm not an economist, but I played one on TV"), and fashion expert Ivanka Trump, with final decisions being made by game-show host Donald Trump. Hang onto those canned goods.

TREND FORECAST: *Politicians will face public anger and irresistible pressure to reopen the economy if lockdowns remain in place past May. Mayors and governors will begin to relent, especially as supplies of grocery and household staples run short.*

IMF: "WORST SINCE GREAT DEPRESSION"

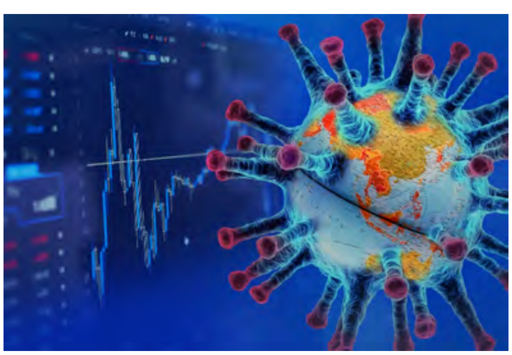
The International Monetary Fund says the economic damage done by shutting down the world's economy and placing half the world's population under some form of lockdown will be the worst since the Great Depression 90 years ago.

The IMF calculates that $100 billion has been withdrawn from global investment to date during the current crisis, three times more than during the Great Recession of 2008. This loss of investment will turn projected growth into net economic contraction and reduce household incomes in the aggregate for 170 countries this year, the fund projects.

The IMF is slower than many government officials in its prediction about restarting the global economy.

It sees lockdowns lifted during the second half of this year and a partial economy recovery in 2021. Kristalina Georgieva, the IMF's managing director, warned against lifting lockdown orders too soon, saying defeating the virus and protecting public health are necessary for economic recovery.

IMF, WORLD BANK BESIEGED BY AID REQUESTS



About half of the world's countries – 90 nations – have asked the World Bank and International Monetary Fund for help in the wake of the global economic shutdown, and 60 already have applied for pieces of the $1.2 billion the agencies have together set aside for such requests.

The IMF's board of directors, made up of representatives of member countries, has agreed to double the funding in two of the agency's emergency lending programs from $50 billion to $100 billion. The programs make money available with few strings attached.

One fund makes interest-free loans to low-income countries; the other program's loans carry interest at 1.5 percent.

Already, countries including Chad, Kyrgyzstan, Madagascar, and Rwanda have claimed about $20 billion of the funds.

The World Bank has expedited 27 virus-related loans, including $1 billion to India for virus-related health care, and it is processing 40 other requests.

At the beginning of this year, the IMF was forecasting incomes to grow in 2020 in 160 of its 189 member countries. Now it expects incomes to contract in 170, said Kristalina Georgieva, the IMF's managing director.

PANDEMIC THREATENS POVERTY FOR MILLIONS MORE

The coronavirus pandemic is likely to drop 420 to 580 million more people, or 8 percent of the world's population, into poverty if the global plague leads to a 20-percent decline in world economic activity, according to a United Nations study.

If the economic damage is greater or protracted, as many as half the world's people could fall below the poverty line.

Most of the losses would be seen in sub-Sarahan Africa and South Asia, particularly India, the study said.

Depending on the region, the economic pandemic could reverse 10 to 30 years of progress in eradicating destitution.

The U.N.'s International Labour Organisation estimates the pandemic also could add 35 million people around the world to the ranks of the working poor.

The study's authors said they were startled by "the scale of the poverty tsunami" that could follow the virus in the developing world.

WESTERN CAR MAKERS OUT $100 BILLION BUT FIND HOPE IN CHINA

Vehicle makers in Europe and the U.S. will lose $100 billion in revenues if their factories remain shut through the end of this month, according to the AutoAnalysis research firm.

Europe will lose 2.6 million units sold, worth €66 billion; the U.S. will miss 2 million, valued at $52 billion.

For each week beyond April that factories remain idle, the industry will lose another €8 billion in Europe and $7.5 billion in the U.S., the firm said.

Volkswagen is paying €2 billion a week in fixed costs, according to CEO Herbert Diess.

Virtually all auto plants on the two continents were shut down in March to protect workers' health and because sales plummeted.

Car sales in Europe fell 66 percent in March. U.S. car sales last month fell to 2010 levels.

General Motors has drawn $16 billion in credit to keep operating; Ford has pulled $15.4 from its credit lines. Daimler recently almost doubled its lines of credit to €23 billion.

But, as car showrooms remain dark in Europe and the U.S., China is gradually reopening for business.

On 9 April, the China Passenger Car Association reported sales of just over one million vehicles in March. The number is 40 percent lower than a year previous but more than triple the 300,000 sold in February this year. The February number represented a 79-percent drop year to year.

Mercedes-Benz reported the number of luxury cars it sold in China last month was close to what it was in March 2019, allowing the company to post a profit in this year's first quarter.

March also encouraged Volkswagen.

"I'm cautiously optimistic that we will be back at the production levels of the previous year by June," said Stephan Wollenstein, who heads Volkswagen's China operations.

The company plans to bring back 1,700 laid-off workers in the second half of this month.

General Motors has restarted its 15 Chinese assembly plants but did not report sales there.

"Whoever has a strong foothold in China will be among the winners" in the automotive industry's post-pandemic survival derby, said Ferdinand Dudenhoffer, director of the Center for Automotive Research at Germany's Duisburg University.

That's a lesson for other industries as well.

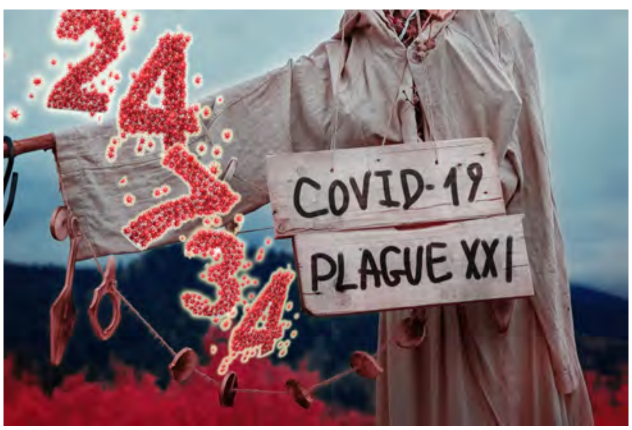
"China is now carrying the load for many industries," said Jorg Wuttke, president of the European Union Chamber of Commerce in China.

TREND FORECAST: *The auto industry was slowing around the world before politicians slammed the world's economy shut. The industry will rebound at what seems like a quick pace at first, but that will be relative. The industry's long-term outlook remains modest at best as people recovering from joblessness and buried in debt put off buying new vehicles.*

We also forecast high debt defaults on existing car loans and the price of used and vintage automobiles in long decline.

COVID-19: SPECIAL REPORT

THE NUMBERS DON'T ADD UP



"DEATH TOLL PASSES 20,000 IN USA"

That was last Sunday's DRUDGE headline. Happy Easter!

Twenty thousand have died out of a population of 330,000,000… or 0.00606 percent of the nation.

As we noted on the cover of our 28 January **Trends Journal**: "CORONAVIRUS: 106 Dead in China – 1.4 Billion Still Alive. New Black Plague?"… since the virus's outbreak, the mainstream media has been responsible for spreading non-stop fear and anxiety worse than the disease itself.

And never ones to let a “good crisis go to waste,” political leaders around the world, amplified by media hysteria, seized upon the virus to grant themselves supreme powers of control over citizens, dismissing Constitutions, Bills of Rights, and basic freedoms throughout the world.

Another Day, Another Made-Up Story

Some hard facts: the highly exalted, knows-more-than-anyone-in-the-world, “America’s Most Trusted Disease Expert,” Dr. Anthony Fauci, head of the National Institute of Allergy and Infectious Diseases, member of the White House Coronavirus Task Force… can’t keep his numbers straight.

On 26 March, Dr. Fauci stated at a press conference that “100,000 to 240,000” were the estimated number of people in America who would die of the virus.

Twelve days later, Fauci lowered his prediction saying, “I believe we are going to see a downturn. It looks more like 60,000.”

On Sunday, he expressed “cautious optimism” that the metrics he uses to track the virus indicate it is “starting to level off,” and the U.S. economy, which virtually has been locked down, could start reopening sometime in May.

Prior to Dr. Fauci’s forecast, the Centers for Disease Control and Prevention (CDC) estimated that up to 1.7 million Americans could die of the virus.

Fake Numbers Pump Virus Deaths

While it is reported that 20,000 have died from the virus as of Sunday, the numbers of actual victims from COVID-19 is now being called into question. Some doctors and physician assistants have claimed they are under pressure to categorize COVID-19 as the cause of death, even when it’s likely not to be the case.

In the United States, Dr. Scott Jenson, a Minnesota state senator who is also a medical doctor, accused the CDC of directing doctors to list COVID-19 as a cause of death even for someone who was never tested for it, which he said is “ridiculous” and misleading.

“I know that I've talked with nursing staff… and led to believe that there may have been a COVID-19 diagnosis included on the death certificate document without having had a COVID-19 confirmed laboratory test,” said Dr. Jenson.

He added, “The idea that we are going to allow people to massage and sort of game the numbers is a real issue because we are going to undermine the [public] trust.”

Confirming what we had noted since the outbreak, Dr. Jenson concluded, “And right now as we see politicians doing things that aren’t necessarily motivated on fact and science, their trust in politicians is already wearing thin.”

Clearly, as evidenced by the general public’s reaction to the virus, which to date has killed less than the flu has in America, Dr. Jenson noted that voicing concern about the false death numbers attributed had him worried that “sometimes we’re so darn interested in jazzing up the fear factor that sometimes people’s ability to think for themselves is paralyzed if they’re frightened enough.”

Who Knows What?

As the hard data comes in from China, Italy, and other countries that have “flattened the curve,” it is now known most people who contract the virus have either no symptoms or those so mild they don’t report to a doctor.

The death rates, however, amplified by mainstream media and seized on by politicians, are based only on those who actually have tested positive or got so sick they required hospitalization.

Since so few have been tested, the total number of people who have contracted the virus is far higher. Therefore, the percentage of those dying who had the virus is much smaller than being reported.

Dr. Jeffrey Shaman and colleagues at Columbia University showed that in China, where the curve has been “flattened,” some 85 percent of Chinese residents who had the coronavirus went undetected. (Again, this dramatically lowers the percentage of people dying from COVID-19.)

Yet this and other important distinctions remain absent from political leaders, who have dictated extreme lockdown measures, and the mainstream media, which continues to headline numbers lacking medical analysis.

States of Confusion

"How many people have died from COVID-19 in the UK?" asked the Centre for Evidence-Based Medicine. "You'd think this was an easy question to answer, but you would be wrong. There are numerous places in which you can find this data, and they don't always give the same answer."

For example, each day, the UK's Department of Health and Social Care releases data on how many died who had tested positive for COVID-19. But included in the data are those who may have entered a hospital with COVID-19 symptoms, yet died from a pre-existing illness.

Also included in the death total are all patients with COVID-19 mentioned on the death certificate even if they weren't tested or were just "suspected" of having it.

Indeed, Dr. Jenson had also noted that if a patient died after being hit by a bus and tested positive for the virus, he/she would be listed as having died from coronavirus.

"That doesn't make any sense," he said. Dr. Jenson also disputed Dr. Fauci's response that accusations of padding numbers and the CDC document, which advocates making COVID-19 the cause of death without medical proof, are part of "conspiracy theories" during "challenging" times in public health.

Bringing the falsification of the COVID-19 deaths to the bottom line, Dr. Jenson noted, "Right now Medicare has determined that if you have a COVID-19 admission to the hospital you'll get paid $13,000. If that COVID-19 patient goes on a ventilator, you get $39,000; three times as much. Nobody can tell me, after 35 years in the world of medicine, that sometimes those kinds of things [have] impact on what we do."

Facts to Forget

While the statistics overstating the severity of coronavirus continue to be pumped out by the mainstream media, already, there were clues the data was inflated.

For example, last February, John Allen Paulos, an American professor of mathematics, published his analysis of coronavirus data coming in from China:

> “The authorities of Hubei, the province in China at the center of the epidemic, revised their definition of what it means to be infected by the new coronavirus: On Thursday [13 February], they started including people who displayed symptoms associated with COVID-19 – coughing, a fever, difficulty breathing – even if those people hadn’t been tested or had tested negative for the virus. As a result, the number of new daily cases increased by a factor of nine overnight.”

This over-inflating of coronavirus’ danger is widespread, as confirmed by Carl Heneghan, an epidemiologist and Director of the Centre for Evidence-Based Medicine at the University of Oxford.

On 1 April, he stated, “We know, during an epidemic, people will call every death as though it’s related to Covid-19. But that is not the case… Always, when people look back at the case notes and assign causation, they realize they will have overestimated the case fatality in relation to the disease.”

Media Fear Machine in High Gear

As reported in detail in the **Trends Journal**, data from around the world confirms the vast majority of those who have died from COVID-19 had serious pre-existing illnesses such as high blood pressure, diabetes, chronic heart conditions, and lung diseases (99 percent in Italy, over 86 percent in New York City).

In Italy, the Italian Health Institute reported the average age of those dying was about 80 years old.

According to the CDC, in the U.S. “a mortality rate of 10% to 27% for those ages 85 and over, 3% to 11% for those ages 65 to 84, 1% to 3% for those ages 55 to 64, and less than 1% for those ages 20 to 54.”

Also underreported is the significant amount of those dying from COVID-19 being smokers. This virus attacks the lungs, and a recent study in the New England Journal of Medicine found Chinese coronavirus patients who smoked to be twice as vulnerable to serious infection and death from COVID-19 than those who didn’t smoke.

Yet the mainstream media, ignoring these hard facts, continues to pump out their tabloid headlines. For example, despite the fact stated above by the CDC that less than one percent of those between 20-54 years of age are dying from

COVID-19, we get this 9 April headline from the *Washington Post*: “Hundreds of young Americans have now been killed by the coronavirus, data shows.”

The article states, “At least 759 people under age 50 across the United States who have perished amid the deepening pandemic, according to a Washington Post analysis of state data. These deaths underscore the tragic fact that while the novel coronavirus might be most threatening to the old and compromised, no one is immune.”

What’s left out of this junk journalism, which hyper-inflates the “deepening pandemic,” is that in the U.S. there are over 200 million people under the age of 50. Therefore, the 759 “under age 50” who have “perished” from the coronavirus represent around 0.0000038 percent.

Included in the Pandemonium Panic Awards for “Most Fear-Mongering Headline” was this one from *Newsweek* on 9 April: “CORONAVIRUS BECOMES NUMBER ONE CAUSE OF DEATH PER DAY IN U.S., SURPASSING HEART DISEASE AND CANCER.”

This headline was picked up by media across the nation… despite the fact that it’s “dead” wrong.

Even if the current highest estimate of 60,000 U.S. deaths from coronavirus were reached, it pales in comparison with the number of deaths each year from heart disease (over 650,000, according to the CDC) and cancer (over 600,000, according to the American Cancer Society).

Also left out, as we’ve been making the case in the **Trends Journal**, is that the numbers of COVID-19 deaths in America can’t even begin to compare with the number of U.S. deaths each year from other health issues, such as obesity and smoking.

According to the National Institute of Health, it is estimated that obesity causes the premature death of around 300,000 Americans every year.

And, according to the CDC, in the U.S., there are 480,000 deaths annually from smoking… yet smoking has not been banned.

Remember the ad “More Doctors Smoke Camels Than Any Other Cigarette”?

TRENDPOST: *In the largest study conducted to date of U.S. hospital admissions for COVID-19, doctors at NYU Langone Health report that obesity, along with age, was the biggest deciding factor in hospital admissions. Yet, again, this is downplayed by the media and ignored by a socially-distanced, panicked public covered in masks and gloves.*

TRENDPOST: *OK, Little Boys and Girls, a question for you: How many socially-distanced feet must we be apart according to the rulers of our universe?*

Answer: It depends where you live and which of the high-and-mighty politicians and elite "Club of Flunkies" members you believe know what's best for you.

Who knows better than the World Health Organization? They declared we must stay "at least a meter"… or a little more than three feet apart from other human beings.

Here in the United "We're Number One" States, the Centers for Disease Control and Prevention proclaim it must six feet.

The German and Australian COVID-19 pros split the difference.

Conclusion: it's total bullshit being made up by "authorities," that gleefully is being enforced by military-police to the letters of law with punishment for all who disobey.

TRENDPOST: Can social distancing save lives? Yes!

Since it has been documented that a high percentage of those succumbing to COVID-19 are already suffering from obesity, diabetes, and heart disease – why aren't the "experts" recommending social distancing from McDonald's, sheltering-in-place away from Burger King, and banning travel to KFC?

Why aren't the highly-trusted, constantly-quoted "medical experts" featured on mainstream media calling for self-quarantine from pesticide-laden, chemically processed, high fructose, artificially flavored and dyed foods that wreak havoc on the immune system?

How about shelter-in-place away from Pepsi, Coke, Dr. Pepper, and all the other sugar-saturated sodas washing down the junk food being devoured?

According to researchers at the Harvard T.H. Chan School of Public Health, the average can of soda contains 75 percent of a person's suggested daily sugar intake, and, for each additional sugary drink a person consumes in a day their risk of dying from heart disease is increased by ten percent.

Again, whether from politicians who dictate what We the People must do, the Presstitutes who keep pumping pandemonium panic, and all the medical/science professionals they feature on the mainstream media… virtually absent is the simple solution of how to best beat the virus: Build a Strong Immune System.

TRENDPOST: *Social Distancing? Tell that to the half-million plus homeless in the United States… and the millions around the world!*

If the coronavirus is so virulent, why aren't the homeless crowding the streets, who are living from hand to mouth in unsanitary conditions with compromised immune systems, filling up hospitals and emergency rooms?

Indeed, according to Dr. Fauci and his worldwide crew of "experts," the homeless would be the #1 class of victims to succumb to COVID-19… yet they are not, and this goes unreported in the media.

TRENDPOST: *As Gerald Celente has been predicting, with estimates of coronavirus deaths now dropping from week to week, politicians and health officials will start taking credit for diminishing the crisis, which was hyper-inflated through the media in the first place.*

Case in point is this headline in last Saturday's New York Times: "Virus Deaths Mount, but N.Y. Avoids Predicted Surge at Hospitals."

Or this from the 9 April Wall Street Journal headline: "California's Steps Help It Limit Cases."

Yesterday, Governor Andrew Cuomo, now being cheered by the Democratic faithful to run for president, who, after anointing himself supreme leader of New York State on 3 March after pushing through legislation granting him emergency management powers… patted himself on the back: "We're controlling the spread." "The worst is over." "The curve continues to flatten."

Comparing the total number of fatalities thus far from the virus to the 2,753 deaths recorded to the 9/11 terror attacks in New York City, Cuomo said, "I believe the worst is over if we continue to be smart about coronavirus."

"I believe"?

"I"?

It's not about "We the People" – it's about "I the Governor."
How about "We the People" who believe the virus is not as deadly as the numerous diseases, chemicals, pesticides, air pollution, poisoned water, and junk food culture that is killing tens of millions each year… that do not require the closing down of the entire economy by political "I's"?

In New York State, to date, some 10,100 people out of a population of 20 million have reportedly died… or the grand total of 0.0005 percent.

***TRENDPOST:** Unmentioned by Governor "I believe" Cuomo are the millions of lives that are being destroyed by shutting down businesses and robbing people of their livelihoods.*

To exemplify both the arrogance and hypocrisy of this Daddy's Boy, who renamed the Tappan Zee Bridge after his father, is the fact that among the businesses he declared as "essential" are liquor stores.

As long evidenced, the more depressed and desperate people become, the more they drink. Already the facts are in. Bottoms up!

"U.S. online alcohol sales jump 243% during coronavirus pandemic."
– MarketWatch, 2 April 2020

***TRENDPOST:** Today, Andrew Cuomo, who, as we noted, installed himself as Supreme Leader of New York State by slipping in legislation that he signed, attacked his "born on third base and thought he hit a home run" cohort, Donald Trump.*

The war of words as to who's in charge of We the People heated up after Trump declared that as President, he had "ultimate authority" to decide when to open the economy.

Stating he was in full control and would refuse to obey Trump, Cuomo said, "The Constitution says we don't have a king. To say, 'I have total authority over the country because I'm the president, it's absolute,' that is a king." He added, "We didn't have King George Washington, we had President George Washington.

Further proving that the decisions being made by politicians are without scientific backing and based on their personal beliefs and power-hungry decisions, when New York Mayor Bill de Blasio decided last week to shut down NYC schools for the rest of the year, without asking permission from Cuomo, the Governor discounted the mayor's decision as a mere "opinion," declaring that only his judgments (opinions) counted and he was the supreme ruler of the state.

TREND TRACKING LESSON: *Going back to our 28 January* ***Trends Journal*** *cover story headline: "CORONAVIRUS: 106 Dead in China. 1.4 Billion Still Alive," the media sensationalize the death tolls with hyperbole when they add up to virtually nothing.*

Then, in our 10 March ***Trends Journal****, the cover read: "COVID-10: PRESSTITUTE AND PUPPET MASTERS PEDDLING HYSTERIA."*

It continues on a daily basis.

- ***"Coronavirus live updates: China reports 42 new cases, 1 death"*** *– CNBC, 9 April. Two deaths out of a population of 1.4 billion? Why are they telling us this?*

- *"**Sailor from USS Theodore Roosevelt dies of coronavirus**" – Politico, 13 April. One person dead out of a crew of over 6,000 (0.00016 percent) is news, when one in five American sailors are obese?*

- *"**A boy from a remote Amazon tribe has died, raising concerns about COVID-19's impact on indigenous people**" – CNN, 10 April. One boy dies among a tribe of 38,000 in a country of 212,000 million people and that's news? Yes, when you sell fear and hysteria.*

- *"**Coronavirus Update: Worldwide Death Total Surpasses 100,000**" – New York Times, 11 April. That 650,000 died from the flu, 1.5 million from tuberculosis, seven million plus from smoking, nine million from air pollution, etc. 100,000 dead from the virus out of a global population of 7.7 billion (0.13 percent)?*

*To keep the fear spreading, the NYT begins their "Tracking and Outbreak" story with: "**Sadly**, the predictions that it would be a **devastating** week turned out to be true, validated by **terrifying** six-digit numbers: 100,747, the worldwide death toll in the coronavirus pandemic."*

Look at the words they use (which we bolded) setting the tone for how to think and feel: "sadly," "devastating," "terrifying"… rather than "here are the facts; Think for Yourself."

The article continues stating, "The United States – which leads the world in coronavirus cases, with three times as many as Spain and four times as many as Germany."

What the self-proclaimed "Paper of Record" failed to record is the U.S. has seven times as many people as Spain, so their comparison is bias, and with four times Germany's population, America's COVID-19 death rate breaks even.

***TRENDPOST:** An essential skill to identifying, tracking, and forecasting trends is to read and hear the language carefully.*

Indeed, in a society that lives on soundbites and headlines, the propaganda-laced language is absorbed, as are the broadcast soundbites, leading those tuned in to a pre-determined direction.

SHUT DOWNS & SHUT INS

Taking advantage of successful fear campaigns, political leaders continue to shut down economies and shut in their citizens based on their individual temperament rather than hard data. As of last week, over 100 countries were in full or partial lockdown affecting billions of people.

Looking for consistency?

In Italy, where it is now known that 99 percent of those who have died from COVID-19 had significant health issues before contracting it, and the average age of those who died is 79.5, with over three-quarters having high blood pressure and a third diabetes… last Friday, Prime Minister Giuseppe Conte extended one of the most severe lockdowns in the world until at least 3 May. Announcing his decision, Mr. Conte stated the extended lockdown was a decision "for which I take all political responsibility."

TRENDPOST: *By their language you shall know them. Conti's "for which I take" excludes the 60 million citizens and leaves it up to 'I" alone.*

Across the globe, from Prime Ministers, Presidents, Chancellors, Governors, and Mayors to Village leaders, the "I's" have it, and the people must follow.

Last Thursday, Hungarian Prime Minister Victor Orban, who recently convinced his parliament to grant him full decree powers, including the right to throw anyone into jail he deems is putting out health information he doesn't agree with, prolonged the nationwide lockdown indefinitely.

He proclaimed, "The curfew restrictions have been reasonable and successful as they have slowed the spread of the epidemic."

"Slowed down?"

"Slowed down" from what? As he was making this statement, the coronavirus "epidemic" had caused 66 deaths in a population of 9,660,351.

In Japan, Prime Minister Shinzo Abe declared a state of emergency, however, the Japanese Constitution does not give him the power to enforce a lockdown.

The country's director of the Institute for Population Heath stated that confirmed cases are just "the tip of the iceberg."

As examples of the "emergency," it was cited that as of last Thursday, Tokyo cases of coronavirus doubled over the past five days to more than 1,000. Left out of the report is that Tokyo is the world's largest city, with a population of close to 14 million people. Nationwide, 128 have died of coronavirus out of a population of 126,558,000.

In Columbia, a citizen can leave his/her house the same number of days as the number on that person's national identity card.

In Serbia, the government has banned dog walking after 5:00 p.m., leading one veterinarian to caution this will "aggravate basic hygienic conditions in people's homes."

In Turkey, mass confusion spread as a curfew was announced just a few hours before being implemented, sending millions of Turkish citizens hurrying out to stores and markets. The mayor of Istanbul said he was never given advanced notice: "Any decision made without cooperation only creates confusion and panic."

In New Zealand, Prime Minister Jacinda Arden has told all citizens to behave as if they have coronavirus, eliminating all physical contact with anyone outside the house or living space. As of last Saturday, four people had died from the virus in a country of 4,800,000.

In Brazil, the most populated country in South America and the sixth most populated in the entire world, with about 212,000,000 people, just over 1,000 have died from coronavirus.

Yet despite having such a relatively few number of deaths with no national lockdown called for by Brazilian president Jair Bolsonaro, on 25 March, a number of the country's governors and mayors chose to impose lockdowns on their regions and cities.

President Bolsonaro blasted the new lockdowns: "Other viruses have killed many more than this one and there wasn't all this commotion… What a few mayors and governors are doing is a crime. They're destroying Brazil."

The president is getting harsh criticism from political opponents and his own health minister. Senate President Davi Alcolumbre called for "leadership that is serious, responsible and committed to the life and health of its people."

Brazil's Health Minister, Luiz Henrique Mandetta, who is a physician, has called for strict social distancing and other preventive measures in contradiction to the president.

In the United States, Dr. Anthony Fauci, the health official the mainstream media anointed America's "most trusted voice," stated last Wednesday, "I don't think we should shake hands ever again." He also recommended "compulsive hand washing."

Last Thursday, in Michigan, Her Royal Highness, Governor Gretchen Whitmer, ordered that citizens (a.k.a. slaves of the state) are not permitted to walk across the street to visit friends or drive within the state to see relatives or to visit one's cottage up north. She has allowed attending a funeral with no more than ten people.

As of Monday, there were 1,602 people dead of the virus in Michigan, a state of ten million (0.016 percent).

TRENDPOST: *Unlike anywhere else in the nation, protests against Governor Whitmer's draconian measure are now surfacing.*

The Michigan Conservative Coalition and Michigan Freedom Fund called on those opposed to Governor Whitmer's lockdown measures to surround the Capitol in their vehicles at noon Wednesday, display flags and signs, make noise, and be disruptive about her "erratic, unilateral orders that threaten Michiganders' economic existence."

TRENDPOST: *While the Governor decided to shut down the entire state, missing in the reporting is that Detroit, a city of some 4.3 million that has seen a huge rise in poverty over the past few decades, is the scene of nearly 90 percent of all COVID-19 deaths in the state. Millions of destitute residents, already in poor health and with poor eating habits, live in rundown, unsanitary housing and lack access to decent health care.*

In Connecticut, last Friday, Governor Ned Lamont signed an executive order to extend the shutting down of schools, restaurants, bars, retail stores, gyms, and other non-essential businesses for another six weeks.

Playing the War card, "General" Governor stated, "This is a war that is never won. It's a war that we have to figure out how we wind it down in the safest way possible for people." As of yesterday, 554 residents of a population of 3.6 million people had died from coronavirus (0.015 percent).

In New Jersey, Governor Phil Murphy has established the following law: "Conviction for violating the coronavirus lockdown can result in up to 6 months in jail and a fine of up to $1,000. The conviction will also result in a criminal record that can impact employment, as well as limit housing and educational opportunities for years."

As of yesterday, some 2,400 residents had died from coronavirus in a state with almost nine million people (0.027 percent).

In Pennsylvania, Governor Tom Wolf added stay-at-home orders on nine counties above the ten already covered by the order, for a total of 19 counties and three-fourths of the state's 12.8 million residents. Movement is restricted to certain health travel or travel to a job at an employer the governor designates as "life-sustaining." As of last Friday, 407 residents had died from coronavirus (0.004 percent).

TRENDPOST: *As proven in nations ruled by dictatorial governments, from Hitler's Germany to the Soviet Union, the Supreme Powers stayed in power with the loyal assistance of their loyal followers below with a lust for power.*

Today, similar to back then, the "little people" rat out those disobeying the rules of law they were obediently taught to obey.

For example, not far from our Trends Research Institute headquarters in Colonial Kingston, NY, there have been reports in the local newspapers of the police breaking up and fining people for disobeying social distancing laws:

> ***"COVID-19: Eight Nabbed In Rockland For Violating Social Distancing Orders****: Eight people have been arrested for violating the county and state's social distancing order amid the novel coronavirus (COVID-19) pandemic … when Ramapo Police were advised of a gathering by a neighbor." — Clarkstown Daily Voice, 10 April*

The loyal newspaper went on to encourage others to rat out anyone breaking the social distancing laws: "Residents can report suspected violations to their local police or by filing a complaint online at 1-833-789-0470."

This spy-and-tell trend has gone worldwide. The general media promotes the words and deeds of politicians in charge, encouraging the general public to believe and support what they are told and report all those who disobey.

This is clearly evidenced as well by the social media giants who blacklist at will anyone posting information they find offensive to their way of thinking.

A TOUCH OF SANITY IN A WORLD GONE MAD?

At least two national leaders are successfully dealing with the coronavirus **without** closing down the country's economy and forcing people to stay at home.

In Sweden, families can be seen eating on benches beneath the giant statue of the Viking God Thor in Stockholm's Mariatorget Square.

Nightclubs are open, with gatherings allowed up to 50 people. While citizens are adopting practical ways to mitigate the spread of COVID-19, all actions are voluntary.

It is reported that citizens are avoiding non-essential travel and are maintaining more distance than normal from others, but they are out and about, and businesses have not been forced to shut down.

Roads are much quieter and the country's public transport is at 50 percent of normal capacity. Previously having been ahead of the curve in establishing remote working opportunities for the 21st century, polls reveal that almost half of the country is working remotely from home.

The result: in a country of some 10 million people, less than 1,000 have died from COVID-19 (0.008 percent).

In Belarus, there are no lockdown orders. The country's two most popular sports, soccer and hockey, are being played on fields and ice rinks.

The country's businesses and schools are operating. On 27 March, President Aleksander Lukashenko stated that in other countries, the cost of the lockdowns to deal with coronavirus outweigh their benefits. Also, he emphasized the importance of putting in extra protection for the elderly who are most at risk.

Appearing at a hockey game in full athletic attire, the president stated the best medicine to ward off the coronavirus was playing sports, drinking vodka (except at work), and taking a couple of saunas each week. He referred to the extreme lockdowns in almost 100 countries as “frenzy and psychosis.”

While many mainstream media have referred to the Belarus strategy as “risky,” in a country of some 9,500,000 people, as of last Saturday, 23 people had died from coronavirus (0.0002 percent).

TRENDPOST: *Everywhere around the world, people are giving into fear-induced, stay-at-home lockdown orders from their mayors, governors, and national leaders. People are scared to even go shopping, despite mounting evidence that it’s safe.*

Dr. Hendrick Streeck, professor of virology at the University of Bonn, stated research shows “no transmission of the virus in supermarkets, restaurants or hairdressers has been proven.” He also noted that there was no evidence of living viruses on surfaces such as door handles or phones.

Yet, the people salute their leaders and accept what they are told. While Mervyn King, the former governor of the Bank of England, has warned that continued lockdown could result in a “rebellion in the UK if enforced too long,” there are few signs.

One of the only successful protests thus far was in Baltimore where residents challenged the city’s surveillance program, which included police recording people’s movements from drones.

A judge temporarily blocked the drones from recording based on the constitutional right not to be searched without cause. While this case was in motion before coronavirus, a number of municipalities and countries are starting to use drones to monitor contact between anyone known to have tested positive for coronavirus.

TRENDPOST: *As we have continually noted, absent of the media, politicians and the general public is the abject violation of nations’ Constitutions, Bill of Rights and “life, liberty, and the pursuit of happiness” that has become the way of the COVID-19 world.*

HOSPITAL BLUES

For months, we've been hearing hyper-ventilated calls from political leaders and mainstream media about the emergency crisis caused by lack of ventilators to handle coronavirus patients with the most severe symptoms.

Now that hard data and firm science is starting to emerge, it turns out the safety and health advantages of ventilators for COVID-19 have themselves been hyper-ventilated.

In New York City, which has been the epicenter of the virus in the United States, now health officials are saying about 80 percent of patients who were put on ventilators have died. This coincides with similar data on ventilators from around the world, including China and the UK.

According to Dr. Tiffany Osborn, critical care specialist at Washington University School of Medicine, "The ventilator itself can do damage to the lung tissue based on how much pressure is required to help oxygen get processed by the lungs."

Dr. Negin Hajizadeh, a critical care physician in NYC, explained that while ventilators often work effectively for certain ailments such as severe pneumonia, they aren't nearly as successful when used with coronavirus patients. She followed up by noting the majority of coronavirus patients, to her knowledge, had not recovered after using a ventilator.

There is some data from the Wuhan province in China where the COVID-19 virus originated. One report revealed that out of 37 seriously ill patients who used ventilators, 30 had died within 30 days. A study out of Seattle showed only one patient over 70 who had been on a ventilator recovered.

The ventilator issue gets more complex when looking at the long-term harm it can cause. When on a ventilator, patients need to be sedated with relatively strong sedatives. The sedation has caused permanent damage, primarily respiratory and cognitive, in a number of patients.

Dr. Muriel Gillick of Harvard Medical School, after reviewing ventilator data, said, “We need to ask, are we using ventilators in a way that makes sense for other diseases but not for this one?” Gillick continued, “Instead of asking how do we ration a scarce resource, we should be asking how do we best treat this disease?”

Dr. Eddy Fan, who specializes in respiratory illnesses at Toronto General Hospital adds, “One of the most important findings in the last few decades is that medical ventilation can worsen lung injury – so we have to be careful how we use it.”

Among the concerns now being revealed is how the forced level of oxygen creates a pathway for other dangerous germs… as a number of those on ventilators have gotten completely different infections.

Since some coronavirus patients must get more oxygen into their lungs, Dr. Greg Martin at Emory University School of Medicine is recommending a simpler, less invasive protocol: nasal cannulas, which are tubes held beneath the nostrils.

According to Dr. Martin, “Most hospitals, including ours, are using simpler, noninvasive strategies first.”

Other less intrusive strategies include having patients lie in different positions to help parts of the lungs take in air more effectively. And some doctors are giving patients nitrous oxide, known as laughing gas, which has proven to be effective for adding oxygen to blood flow.

Despite the ineffectiveness and dangers of mechanical ventilators for coronavirus patients, politicians are still making headlines to show they are fighting to get more ventilators into hospitals in their jurisdictions.

USA Today ran this April 4 headline: “Governors warn of dire ventilator shortages as virus pandemic rages.”

Three weeks ago, as he began making the national headlines, New York Governor Andrew Cuomo loudly complained the state was short on ventilators and the federal government wasn’t doing its job:

"FEMA says, 'We're sending 400 ventilators.' Really? What am I going to do with 400 ventilators, when I need 30,000?"

"You pick the 26,000 people who are going to die because you only sent 400 ventilators," Cuomo added.

"You want a pat on the back for sending 400 ventilators? You're missing the magnitude of the problem, and the problem is defined by the magnitude," declared Cuomo.

TRENDPOST: *When stating "What am 'I' going to do with 400 ventilators, when I need 30,000," Cuomo makes it perfectly clear it is what he wants, rather than what is needed and/or asked for by hospital administrators… and emphasizing what "I" need insinuates that he will also be treating COVID-19 patients when he is not playing Governor.*

Moreover, the "magnitude" of the problem is well exaggerated, since Cuomo has also noted that 26,000 New Yorkers were going to die of the virus because there were not enough ventilators. To date, some 10,000 people in New York State died, and there have been no reports the deaths were caused by lack of ventilators.

THE "CURE" IS WORSE THAN THE DISEASE

A United Nations report released on 8 April states that coronavirus and the shutting down of the global economy to deal with it could push half a billion more people into poverty. This represents about an additional 8 percent of the entire population becoming impoverished.

Even if the lower end of the estimated range is reached, the global level of poverty will increase for the first time since 1990, according to analysis published by the United Nations University World Institute for Development Economics Research.

Some 80 percent of those falling under the poverty line due to the reaction to COVID-19 will most likely be in South Asia and Sub-Saharan Africa.

Confirming what Gerald Celente and the **Trends Journal** have been stating for well over a month, Christopher Hoy, co-author of the U.N. report, said the economic crisis caused by policies of political leaders around the world is "potentially going to be even more severe than the health crisis."

Andy Sumner, professor at King's College in London, and another co-author stated that researchers were not expecting "the sheer scale of the potential poverty tsunami that could follow COVID-19 in developing countries."

The United Nations' International Labor Organization added its estimate of some 35 million more people being out of work than before the coronavirus.

Even in the United States, the richest nation on the planet, the devastating economic fallout from shutting down the economy is becoming clear. With more than 90 percent of all Americans under restricted orders, over 16 million unemployment claims have been initiated as of 9 April.

According to a Financial Times-Peterson poll, about half of American adults say they would be without any income at all if unable to work because of illness.

The poor are feeling the brunt of the economic shutdown.

Half of all Americans do not have enough savings to cover two weeks of living expenses. According to a study by the Institute for Policy Studies working with the Poor People's Campaign, 140 million Americans cannot come up with $400 if needed. And 34 million American workers do not have even one day of paid sick leave (even though most of the developed industrial countries offer it).

Echoes of The Great Depression

Across the nation, aerial videos of miles-long lines of cars waiting for food at food pantries are becoming popular online. More than a million viewers have clicked onto drone footage of a long, winding line of cars leading to the Greater Pittsburgh Community Food Bank.

Last Friday, thousands of cars were videotaped lined up at the San Antonio Food Bank. Its president, Eric Cooper, said, “We have never executed on as large a demand as we are now.”

Last Thursday, a food pantry in southern California had a line of cars over a mile and half waiting for free groceries.

In Van Nuys, a region of Los Angeles, hundreds of people wearing trash bags to protect themselves from the rain were seen waiting for food during a one-day free food giveaway.

In Omaha, Nebraska, a food pantry that usually serves around 100 people a day had about 1,000 show up.

The chief executive of the Greater Baton Rouge Food Bank, confirming he had never seen such long lines said, “Crazy pretty much sums it up.”

Feeding America, the largest network of food banks in the U.S., has projected close to a $1.5 billion shortfall over the next six months.

TREND FORECAST: *The worst is yet to come. Again, the same breed of politicians who take nations to wars with no exit strategies have launched the economically deadly COVID-19 War with no exit strategy.*

The “Greatest Depression” has begun. Poverty, homelessness, and helplessness will rapidly accelerate in the months and years ahead.

Unlike the Great Depression, when people had more hands-on skills and worked the land, in this hi-tech, “ask Siri/ask Alexa” world of little self-reliance, many will be dragged down rather than fight back to reach higher levels.

TRENDS-EYE VIEW

CRACKS IN THE DEBT BUBBLE

by Gregory Mannarino

We have entered a new paradigm, one that for years I have outlined would occur, and, now, it is here: an era in which massive debt expansion, on an unprecedented scale, is taking place.

What we now are witnessing is a global takeover by the new World Central Bank, formally known as the Federal Reserve. Parabolic debt. An environment that has fulfilled the multi-decade plan of the Federal Reserve to become not just the central bank of the world, but to become the lender and buyer of last resort – its goal since its inception.

To understand central banking is simple: The more debt a central bank issues, the stronger they become. A central bank's product is debt, period. The more debt they create, the more power they have.

Never in world history has a single institution become more powerful than the WCB/Federal Reserve is today.

The hyper-inflated global debt bubble must be fed… or else.

The debt bubble is the cornerstone of this perverted, debt-based system we have. Enormous effort, in the form of parabolic debt issuance to keep the debt bubble from bursting, must continue. We are existing in a multi-bubble environment, with mass malinvestment taking place, and all of this is 100 percent dependent on the debt bubble.

The Debt Bubble Will Burst

The fact that we are seeing parabolic debt issuance by the WCB is proof positive that the debt bubble is cracking, and it is just a matter of time before it bursts.

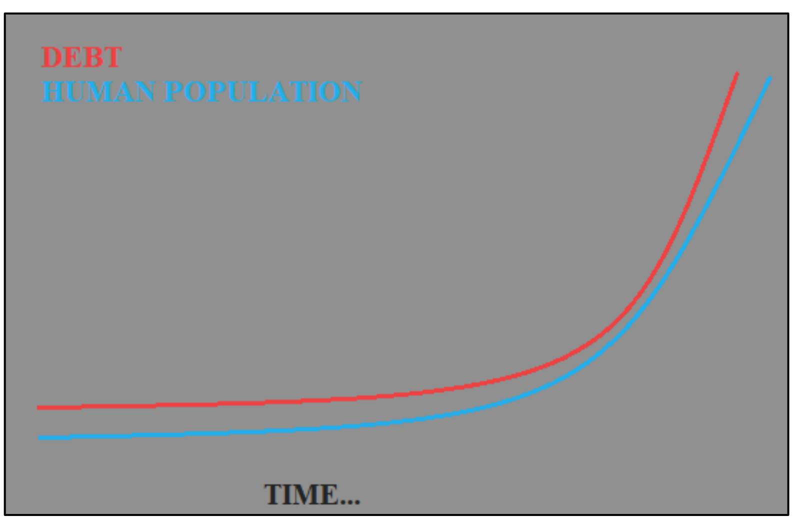
Hyperinflation. Why are we not seeing massive inflation yet? The answer is simple: **money velocity**, which is the rate at which cash moves through an economy. The global economy is dead, no money velocity, so the Fed/WCB can exponentially increase the debt with **zero** chance of hyperinflation at this time.

To put it another way, all this extra currency is not able to chase the same amount of goods because cash is not moving – a consequence of dead economies.

The artificial suppression of rates has inflated the mother of all bubbles, and, if history has taught us anything, it's this: without exception, all bubbles burst, despite every effort to prevent them.

We know for certain that the debt bubble is cracking, hence the parabolic debt issuance today. It is not a question of if, but when. The bigger issue is human population, which has followed in tandem with mass debt expansion.

Below is a graph of global debt and human population. The population of the world has risen nearly in tandem with debt.



Mass issuance of debt, cash borrowed from the future, has caused an explosion in human population. In fact, borrowing cash that we do not have from future generations has created an artificial environment that cannot be sustained.

For example, let's say you wanted to raise livestock and borrowed heavily to create an environment in which to raise them. Initially, the livestock did well, multiplying and growing. Then, for some reason, your funds dried up.

How would you be able to sustain the environment for the growing population of livestock? The answer is simple: You couldn't, and the livestock would be culled. It is the same here. The debt bubble will burst, and, with it a culling of a large portion of the global population will take place.

The debt bubble transcends a financial problem – it is also now a human one… and the debt bubble is already cracking…

DIGITAL DYSTOPIA: THE DASH FROM CASH BEGINS

by Joseph Maxwell

Given the titanic economic damage caused by the political response to COVID-19, intelligent eyes are searching for answers beyond the stagnant eddies in the mainstream. There one can see a bigger story – one that unmasks the media's portrayal of the world floating helplessly in the currents of the viral pandemic.

Even though coronavirus, like the flu, is awful for those seriously afflicted, it is less threatening to life than the swirl of entire economies being flushed down the financial drain… and all while the invisible hand of the dismal science is still on the handle.

This is a time in history where knowledge of monetary policy will most certainly pay… but, for the majority who choose to ride with the masked mainstream media, the sun is setting as fast as they are losing the remnants of their monetary freedom to Central Bank Digital Currencies (CBDCs).

To those who already know that some 97 percent of dollars in existence are being stored digitally on bank computers, a switch to CBDCs might appear insignificant.

What must be understood, however, is that the remaining 3 percent of dollars left in physical form (banknotes and coins) measures how close the banks are to total financial control of our lives… as well as how far we are from the commodity money our founding fathers codified in the Constitution.

The argument for commodity, as opposed to either commodity-backed or fiat money, is that the people themselves had possession of the money. Its physical nature limited the ability to expand the quantity of the money, which also limited the loss of its value over time. Since this utility of money first was injured by fractional-reserve banking, and then murdered by the monetization of debt, the only monetary freedom remaining is the anonymity of transaction… and now, with the transition to CBDCs, that will be gone.

The Bank for International Settlements (BIS) bulletin from 3 April 2020, "Covid-19, cash, and the future of payments," claims that "the probability of [coronavirus] transmission via banknotes is low when compared with other frequently-touched objects, such as credit card terminals or PIN pads." The bulletin continues, "[Covid-19] developments could speed up the shift toward digital payments."

Surely, you would think this serious viral threat on physical currency and credit cards would have been mentioned by Banque de France, one of the world's leading proponents of CBDCs.

Yet, in their 27 March 2020 "call" for applications to participate in a monetary study that aims to "show how… central bank money can be achieved through a CBDC based on different technologies," there is no mention of coronavirus or germs on money.

Slavelandia

In fact, two months earlier (and nearly a month after coronavirus made its world debut), an 8 January 2020 report from Banque de France, entitled, “Central Bank Digital Currency,” was so detailed, it included the important fact that cash payments take “7 seconds less than a payment using a contact smart card… [and] a retail CBDC could help to shorten this time.” It contained not one mention about viruses, germs, or human health.

The bigger story is that governments, armed with CBDCs, now will know within seconds what you bought, where you bought it, when you bought it, and whom you bought it from, thus collecting whatever percentage of what you earned in the name of taxes, so they can take your money and continue to live their high political life styles… regardless of how low the workers of Slavelandia go.

If Americans do not stand up to the progressing criminal acts being enabled through banking and tax law, all we will have is a digital dollar and a dream of days gone by when the people of America actually owned their money supply. A dream? More like a nightmare.

GEOPOLITICAL

YEMEN: THE VIRUS OF WAR CONTINUES TO SPREAD

While COVID-19 continues to dominate headlines and TV news reports 24/7, there is barely any mention on a true crisis far deadlier than coronavirus: in Yemen, at least 14 million people are on the brink of starvation, according to the United Nations.

The cause is not a virus, but the disease of war, which has been reported in the **Trends Journal** since the war was launched in 2015 by Saudi Arabia… and supported by mass murder weapon suppliers such as the United States, Canada, Great Britain, France, Spain, and China.

The constant, Saudi-led air attacks and embargos have killed over 100,000 people. Thousands of schools, hospitals, and homes have been demolished. The U.N. reports at least two-thirds of the Yemeni people are in dire need of humanitarian assistance.

According to reports, only about half of the health facilities throughout the country are operating, desperately trying to keep up with the thousands of cases of cholera, diphtheria, West Nile virus, and seasonal acute respiratory infections, which continue as a result of the five-year war of destruction.

Last Friday, the first confirmed coronavirus case was reported. Given the ill health of millions of Yemeni citizens ravaged by war, the International Rescue Committee called it a "nightmare scenario."

The Saudi-led coalition has agreed to a temporary, two-week ceasefire due to the potential spread of coronavirus. A day after the announcement, both the Saudis and Houthis accused the other of launching attacks.

VENEZUELA: CACHES & WARSHIPS

The **Trends Journal** has been reporting on the United States ongoing actions to overthrow Venezuelan President Nicolas Maduro when he was sworn in to a new term in January 2019 and replace him with self-declared president Juan Guaidó.

As reported, on 26 March, the United States placed a $15 million-dollar bounty on President Maduro, accusing him of narco-terrorism. It offered no proof.

Just five days later, 31 March, the U.S. sang a new tune, offering a deal: Lifting of sanctions in return for President Maduro stepping aside and allowing a transitional government until a new election could be held.

Mystery Plot

This past week, it was revealed that on 23 March, police in neighboring Columbia stopped a vehicle driving toward the Venezuelan border, where they found over two dozen U.S.-made semi-automatic weapons along with military flak jackets and night vision goggles.

On 26 March, former Venezuelan general Cliver Alcala took responsibility for the military cache, claiming he led a group of anti-Maduro Venezuelans trying to oust the president. He added that his efforts were known by U.S. business contractors in the region as well as anti-Maduro leader, Juan Guaidó.

President Maduro reacted to the story by stating, “It’s a campaign started in Miami, in Washington, in Columbia to justify the coup d’etat… the military, terrorist attacks they were preparing against Venezuela… the U.S. government is behind this.”

Mr. Maduro’s accusations were denied by U.S. special representative Elliott Abrams calling them “despicable and quite dangerous.”

Last Wednesday, President Trump announced he was ordering U.S. warships to approach Venezuelan territory with the mission to stop “cartels, criminals, terrorists, and other malign actors,” which he claimed were using the coronavirus pandemic as a smokescreen for bringing drugs into the United States.

Oil-rich Venezuela faces a huge humanitarian crisis from collapsing oil prices and a collapsing economy… caused in large part by ongoing U.S. sanctions.

The United Nations human rights chief has urged the Trump administration to relax sanctions so humanitarian supplies could be brought in. The U.S. response has been to pressure other countries to not aid Venezuela in any way and has continued to inhibit one of the world’s largest suppliers of crude oil from exporting its main resource.

TREND FORECAST: *With America and the world focused on the COVID-19 War, the U.S. ramping up war against Venezuela is not making the news. Should the U.S. overtly attack Venezuela by land or sea, it will mean little to a society tuned out of current events forming future trends and, as they have with all its previous wars, will give majority support.*