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TRENDS JOURNAL

HISTORY BEFORE IT HAPPENS®

2018 Top Trends

Mid-year review

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HISTORY BEFORE IT HAPPENS®
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2018 TOP TRENDS MID-YEAR REVIEW

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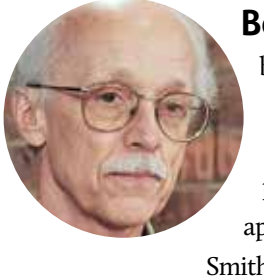

Bennett Daviss has been reporting on science, technology, energy and the environment for more than 30 years. His articles have appeared in Discover, Money, Smithsonian and more than 40 other publications on four continents. He makes his home in a part of rural New England where chickens still outnumber electronic devices.

KEYNOTE

A wild ride into the future

By Gerald Celente
PUBLISHER

What a year this has been, and there is more to come. We're only half way there.

And among the gloom, doom, survivalist crowd, they fear that with an international cast of lunatics in charge, they won't be ringing in the New Year.

Is this the beginning of the end?

Or, is it the end of an era past and the birth of a New World Order?

Yes, it is, according to our forecasts. For both better and for worse, we had predicted this time would come and many of our Top Trends for 2018 support our vision of the future.

It's more than a new political, socioeconomic, cultural system that is taking shape. It's a combination of them all… it's the beginning of a new way of life that expands beyond the bounds of the wildest imagination of prognostications that were made by futurists.

From simple everyday life, it's in front of our eyes and ears everywhere we turn.

In my generation, as a youth, a wild tech future was Dick Tracy's watch which doubled as a phone!

Back then, and right now, nothing in the sci-fi world imagined that a maniacal force would capture an entire species — from infants to adults, from the poorest to the richest — with a device that would addict them to never stop staring at their hand.

And what's to show for their ever-present, can't put it down "Smart Phone?"

More stupidity or greater awareness?

What has it done to enrich and advance society?

Has it helped us think for ourselves?

Or, does Alexa do the thinking for us?

Is giving up one hand to hold a device helping us lead better lives, see where we're going and the best way to get there?

As we forecast the future, yes and no.

Whether food or high tech, whether eating or texting, it's how much you consume that determines balance or excess.

While many of our Top Trends are Tech-centric, others are being shaped by both an evolution and devolution of the human spirit.

In this Mid-Year Special Report, we analyze how these transformative megatrends are developing.

It is a New World Order… 2018 is a defining moment in history. TJ

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2018 Top Trends

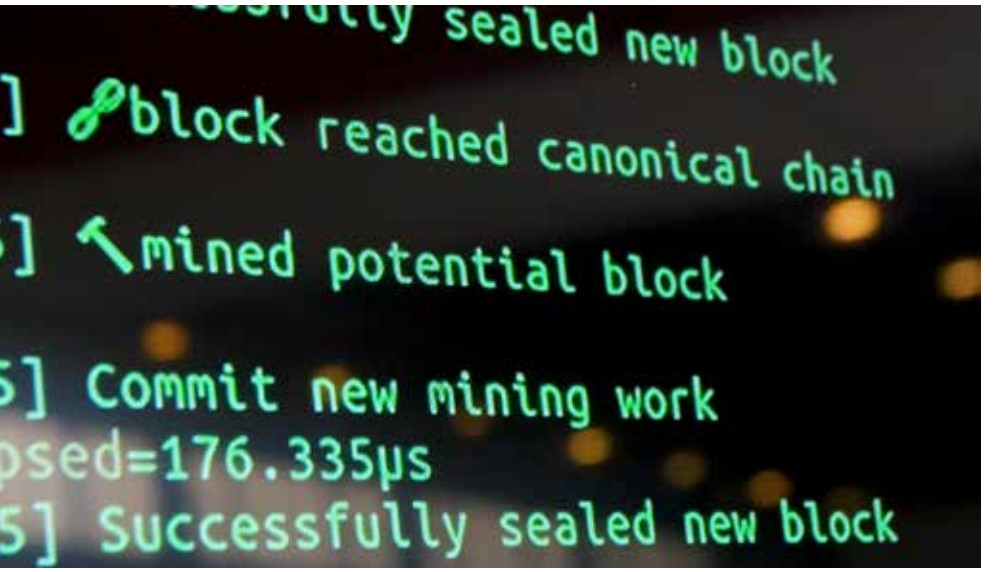
Cryptomania Cash-in

THIS WAS OUR 2018 TREND FORECAST: *Crypto growth in 2018 will ignite from three arenas: customized innovations by nations creating their own crypto currencies; the evolution of new technologies, making it easier to trade digital currencies; and launches of crypto futures trading exchanges such as Cboe Global Market's Futures Exchange, the Chicago Mercantile Exchange, Nasdaq, etc. But as trading intensifies, so too will market swings.*

MID-YEAR UPDATE: In making our 2018 forecast, while we anticipated substantial volatility as governments increasingly imposed bans, regulations and controls on trading crypto assets, and set new limits on initial coin offerings (ICOs), we underestimated the extent of government intervention.

And considering the sharp spikes in prices across the crypto landscape in 2017, coupled with regulatory pressures and hacks into exchanges, the foundation for a bear market sector correction was well established for cryptos.

As we have emphasized in our Trends In The News broadcasts and Trends Monthly, regulatory action or even the threat of it, are primary factors for the decline of over 53 percent in combined market cap valuation of the top 50 largest cryptocurrencies since



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the end of 2017.

For example, in January when South Korea, the world's third largest cryptos market announced it planned to ban cryptocurrency trading, Bitcoin and other major cryptos experienced record-setting single-day, double-digit declines in value.

In the weeks that followed, however, South Korea clarified its position. Rather than banning crypto exchanges, it opted to regulate them, now maintaining four exchanges, which temporarily stabilized markets.

HACKSTERS

Another factor that we had not anticipated last year was the vulnerability of crypto exchanges to hackers.

The hackability of major exchanges is what has also driven crypto values down.

In early June 2018, Bitcoin, Ripple, Ethereum and other major digital currencies fell as much as 10 percent on the news that South Korea's Coinrail Exchange had been hacked. Coinrail said that its system was hit by "cyber intrusion," causing losses for about 30 percent of the coins traded on that exchange.

Less than two weeks later, the major cryptos lost 3 percent of their total value on the news that another South Korean cryptocurrency exchange, Bithumb, temporarily suspended services after $30 million worth of cryptocurrency was stolen by cyber hackers.

Following these hacking incidents, major crypto exchanges in South Korea vowed to voluntarily comply with the country's Anti-Money Laundering Laws that apply to banking and other more traditional financial institutions.

In June, Bitcoin fell 9 percent to $6,081, its lowest level since February, on the news that Japan's financial regulator ordered several cryptocurrency exchanges to improve their practices against money laundering.

The South Korean and Japan examples are among many that reflect the sensitivity cryptocurrency markets have to news, hacks, rumors or speculations that affect the security and value of digital currencies.

In fact, uncertainty over what is legitimate or illegitimate cryptocurrency trading prompted the world's dominant social media and digital networks to levy an across-the-board ban on cryptocurrency advertising.

In March, Google, Twitter and Facebook, all under pressure to become more accountable to their users and to better regulate content, imposed a blanket ban on cryptos, making no attempt to distinguish between accepted, legitimate cryptos and those that haven't yet established credibility.

The move was widely criticized by the digital currency community and beyond, but nonetheless contributed to market downturns in the sector.

However, in late June, Facebook announced a partial reversal of its earlier decision saying it would allow some crypto advertising pending a review process but would continue to ban advertising for ICOs.

GROWING NUMBER OF REGULATORY TARGETS

In another 2018 development challenging cryptocurrencies, the Bank for International Settlements (BIS) issued a warning, stating that the worldwide mining of cryptocurrencies, especially Bitcoin, could crash the Internet.

It said that cryptocurrency scaling could "bring the internet to a halt, as millions of users exchanged files on the order of magnitude of a terabyte."

In the U.S., concentrated crypto-mining in rural, small town areas, from upstate New York to Oregon, have resulted in power surges, damaged public utility equipment and even sporadic blackouts.

Concentrated crypto-mining in rural, small town areas, from upstate New York to Oregon, have resulted in power surges, damaged public utility equipment and even sporadic blackouts.

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Some municipalities have been forced to impose moratoriums on cryptocurrency mining until their impacts can be more thoroughly evaluated.

The BIS report concluded: "Individual facilities operated by miners can host computing power equivalent to that of millions of personal computers."

And the concern is reaching across desktop computers to mobile devices. Apple has imposed new restrictions for how cryptocurrencies are mined on iPhones and iPads, over concerns that cryptocurrency mining could drain batteries on mobile devices. Apple's new guidelines state: "Apps may not mine for cryptocurrencies unless the processing is performed off device... Apps, including any third party advertisements displayed within them, may not run unrelated background processes, such as cryptocurrency mining."

As this issue becomes more prevalent, reflecting yet another area of crypto vulnerability, another avenue for cryptocurrency oversight opens up.

Warren Buffet told his shareholders that the leading cryptocurrency is "probably rat poison, squared."

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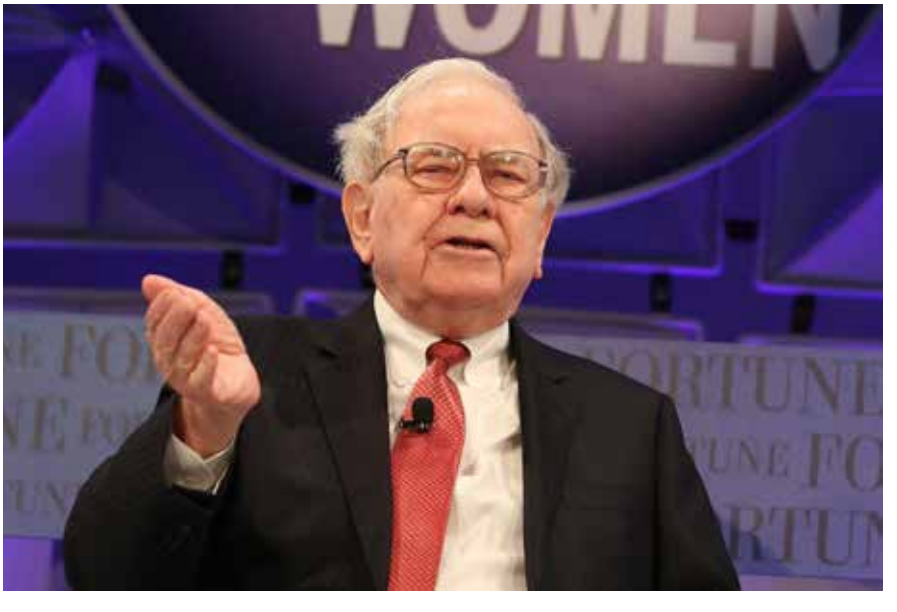

UNCERTAINTY, FEAR TRIGGER LOSSES

The *Trends Journal* forecast that the crypto market began the year poised for a correction. But then, the steady drumbeat of regulatory news and rumors amplified the volatility, triggering sustained downward pressure on currency values.

In May 2018, for example, there were 24 digital currencies with market caps greater than $1 billion, compared to 27 at the end of April. Of the 24, all but one closed the month lower than where it had started.

The sharp declines this year have reinforced and emboldened the position of longstanding critics of crypto assets, such as JPMorgan Chase Chairman Jamie Dimon, who called Bitcoin "a fraud", and Berkshire Hathaway Chairman Warren Buffet, who told his shareholders that the leading cryptocurrency is "probably rat poison, squared."

Another major element that has recently pushed cryptos lower, but which was essentially ignored by the media, is a trend we were among the first to identify.

We warned that cryptos would react with high volatility as digital currencies were permitted to be traded across traditional futures exchanges, including the Cboe Global Market's Futures Exchange and the Chicago Mercantile Exchange (CME).

On Dec. 17, 2017, the CME introduced Bitcoin futures trading. That day, the digital currency was at its peak, $19,783 per unit. Since trading on that platform began, Bitcoin immediately and consistently lost value, falling to the $6,000 range per unit this June.

Even the U.S. Federal Reserve Bank's San Francisco Division, confirming our earlier trend forecast, said

TREND FORECAST

We maintain our forecast of long-term cryptocurrency growth, and a majority of the wealthiest people in the world agree. According to the Capgemini World Wealth Report 2018, 55 percent of millionaires surveyed said they had moderate to high interest in buying or holding digital currency assets.

in a report issued in May that the launch of Bitcoin futures last December played a major role in triggering its subsequent slump in value.

THE MONEY GAME

What Dimon, Buffet and other high-profile critics of cryptocurrencies continually sidestep is the Globalnomic® perspective.

And as we have forecast, cryptocurrency's growth, despite a turbulent path to legitimacy, is inevitable. It is a key dynamic of the 21st century's financial revolution, and the evolution of the high-tech world that was unimaginable in the 20th century.

Trends are born, they grow, mature, reach old age and die. Cryptos are still in their infancy. Thus, how fast they grow and what they will look like when they grow up cannot yet be fully determined.

And, anyone claiming to be an "expert" in the field is no more than a participant in its evolution, since tracking trends is an understanding of where we are and how we got here, determining where we are going. And the "how we got here" phase has no true history yet, since it is being shaped right now.

What is being shaped, and what will sustain and help escalate crypto growth is that in this techno era, more nations will go cashless. And, cash is not part of the new world order for millennials and the generations to follow. Cryptos are a high finance reflection of the acceptance of cashlessness.

Also, a key dynamic behind the birth of Bitcoin for example, is the millennial core distrust of fiat currencies. For them, digital currencies are what gold was for baby boomers: Their version of a safe haven asset.

ACCENTUATE THE POSITIVES

The new reality of crypto acceptance is slowly, but steadily being embraced in a positive way by government regulators, who are taking measures to stabilize, protect and legitimize digital currencies across the globe.

Among these measures are crackdowns on crypto investment scams, especially against ICOs. It is important to note that these latest rounds of regulations are not adverse to the major cryptocurrencies themselves, or to the legitimate exchanges that trade them.

Indeed, the "crackdown" on trading has already resulted in several positive initiatives to help investors identify fraudulent ICO practices and invest wisely.

The U.S. Securities and Exchange Commission's Howey Coins website, for example, demonstrates what illegal investment schemes look like, and the North American Securities Administrators Association's Operation Crypto Sweep profiles dozens of possible scam models.

These initiatives are helping to transition cryptocurrencies to be governed by standard regulations, which will enable them to be traded in secure and legitimate exchanges.

FOLLOW THE MONEY

Indeed, developments so far this year are clearly showing that most governments are not trying to eliminate cryptocurrency, only regulate them.

Investment in the digital currency world is actually broadening and increasing, and making inroads into top investment firms. In fact, one the members in the establishment currency club, Lloyd Blankfein, CEO of Goldman Sachs recently declared, "Bitcoin is not for me, but it's too arrogant to say it won't have a future."

Putting its money where Blankfein's mouth is, Goldman Sachs has created a division a division to carve out its space the global cryptocurrency market.

Other money-mega U.S. firms, such as Fidelity Investment are following the Goldman path, while U.S. based Susquehanna International Group has formed an active Bitcoin trading desk to augment its traditional stocks, options and ETFs trading divisions.

And Jump Trading, a Chicago-based firm, has built an OTC platform for electronic bitcoin trading.

Moreover, a recent Reuters survey of major financial institutions worldwide found that one in five are planning to trade cryptocurrencies as part of normal business practices within the next 12 months.

Following this legitimacy trend, Indonesia's Future Exchange Supervisory Board (Bappebti) announced it will allow digital currency trading on futures exchanges as a commodity.

And on the investment front, venture capitalists who poured $964 million into blockchain or cryptocurrency-related startups in 2017, have already invested $1.4 billion into crypto development through May of 2018. TJ

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2018 Top Trends

Driverless Car Cliff

THIS WAS OUR 2018 TREND FORECAST: *The Trends Research Institute forecast that truly autonomous vehicles and driverless taxis flooding the freeways, highways and side streets of a country near you is a geek-fed fantasy for another lifetime.*

However, we do forecast that autonomous vehicles specifically engineered for mining, trucking, city busing — moving people or cargo from point A to point B on specific routes — is the near/midterm future for driverless vehicles.

MID-YEAR UPDATE: Since 2015, we have warned *Trends Journal* subscribers: don't buy the constant mainstream business media hype and auto industry PR blitz that a driverless world is imminent.

Despite automakers investing billions to make their driverless dreams come true, we forecast that the literal smoke and mirrors of driverless vehicles will not measure up to the hard scientific realities.

Our research shows that the driverless technology is not advancing at the pace the public is being led to believe.

In identifying "Driverless Car Cliff" as a top 2018 trend, we forecast this would be the year "investors and auto-industry watchers will learn just how many twists, turns, bumps and detours are along the road to vehicles that drive themselves."

In the United States, that forecast has become reality. With increasing frequency, politicians and

tech companies themselves are beginning to put the brakes on their enthusiasm for this as yet unreliable technology.

Our tracking of this trend found that since 2015, when the hype revved up, reports from the R & D side of the driverless world identified one major under-reported tech failure after another. It was only a matter of time before these tech failures, would become human fatalities.

Two fatalities in the U.S. at the hands of autopilots earlier this year, combined with a series of high-profile tech failures prompted some automakers and tech firms to scale back research and testing, demonstrating just how unreliable this technology remains.

This past March, in Tempe, Arizona, the world's first pedestrian to be killed by a self-driving car was hit while crossing the street at night. And just five days later, an Apple engineer was killed inside a Tesla autonomous vehicle, after the vehicle slammed into a concrete highway barrier in Mountain View, CA.

These fatalities and numerous other mishaps amplify the limitations and dangers of autonomous vehicles when the technology is tested outside the lab and on the street, even when technicians are in the vehicle to troubleshoot.

What is emerging from post-accident reports on these high-profile incidents confirms a key factor detailed in our forecasts: The emerging technology, no matter how sophisticated, cannot yet respond safely and effectively to even normal driving conditions.

The technology, the post-accident analyses showed, didn't fail; the robot cars simply were unable to respond effectively to everyday road circumstances.

As one report concluded: "There were no software glitches or sensor breakdowns that led to a fatal crash; merely poor object recognition, emergency planning and system design."

Within days of the fatal incidents, state legislatures began crafting bills to either ban or significantly restrict testing autonomous vehicles on their roadways. In fact, by mid-year, 35 states had introduced nearly 200 bills to restrict or regulate driverless vehicles.

U.S. SLOWS BUT THE WORLD SPEEDS UP TESTING

However, while U.S. regulatory policies are slowing down the rush to driverless vehicles, tech firms and automakers are finding far fewer legislative obstacles in the UK, Germany, South Korea, China, Singapore and other countries, where governments have enacted legislation allowing public road testing and facilitating robotic driving.

BMW Group, for example, has become the first international carmaker to obtain a Shanghai Intelligent Connected Autonomous Driving Test License, allowing the testing of driverless vehicles on roads in China.

In Japan, autonomous vehicle testing is being expanded, as the country "digitizes" select roadways, a process that will ultimately designate driverless vehicle zones. And SoftBank, a mega-Japanese tech investment firm, announced in May it would invest $2.25 billion for a 20 percent stake in GM's autonomous vehicle business.

Meanwhile, the UK is creating and expanding public trial test zones in four cities, while France and Israel are allowing public roadway tests of autonomous vehicles in designated areas. And in Germany, driverless testing is pervasive, but the automaker remains liable in any accident.

Perhaps most aggressive in pushing autonomous vehicles onto public roads is South Korea, which allows testing across 200 miles of roadway, while planning to construct a test circuit in Hwaseong, south of Seoul, later this year.

MY DOOR KEY WON'T WORK

Again, our research concludes that the high-tech expectations belie basic realities. As current data clearly demonstrates, higher tech means a greater rate of failure for an auto industry that struggles with even simple low-tech solutions: exploding air bags, electronic door keys that don't work, brakes that fail, ignition switches that won't turn off, false dash board warning lights, etc.

Indeed, the number of vehicle recalls due to mechanical or technical problems nearly tripled from 19.4 million in 1996 to 53.1 million in 2016. TJ

TREND FORECAST

While the Trends Research Institute does not provide financial advice, we forecast trends that identify favorable or unfavorable investment and profit opportunities. The mantra that driverless cars will become the norm by 2030 is simply and overwhelmingly not supported by our trend-line data.

We continue to forecast that, for the foreseeable future, self-driving vehicles will be specialty items limited to use in narrow tasks such as in mining operations, shuttling cargo, and along short, pre-defined routes.

We also forecast that despite investments being made by online sellers, grocery chains and fast food companies to bring products to customers' doorsteps via driverless vehicles, this, too, will be more of a fantasy than a fact-based reality.

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2018 Top Trends

Mass Murder, Market Shock

THIS WAS OUR 2018 TREND FORECAST: *The battle lines have been drawn. In Washington, there is absolute support for Israel and absolute hatred for Iran. Should these trend lines continue on their current path, we forecast war will ignite throughout the Middle East... and possibly worldwide.*

When war breaks out, equity markets across the globe will crash... along with the dollar, euro, yen, yuan and other fiat currencies. Citizens of the world, gripped in fear, hysteria — and reality — will run for their lives, grabbing what they can carry and putting whatever cash they have into gold and crypto safe-haven assets.

MID-YEAR UPDATE: The U.S./Israel/Saudi alliance we forecast would form in 2018 has become so entrenched and deep-rooted, the stage is now set for confrontation against Iran, Syria and its allies.

Whether through military action that will ignite at the slightest provocation — false flag or real — or covert actions taken by outside forces to destabilize or overthrow regimes … one, or all of these wild card events will crash the already volatile equity markets worldwide.

In our Trend Alerts, Trends Monthly publication and nightly Trends In The News broadcasts, we identified how seemingly unrelated government policies were in fact directed toward major initiatives that united the US/Israel/Saudi alliance while setting the stage for future Middle East unrest.

For example, President Donald Trump announced in May he would exit the 2015 Joint Comprehensive Plan of Action in which Iran agreed to limit its nuclear activities and permit nuclear international inspectors in return for the lifting of crippling economic sanctions.

Calling Iran, "the world's leading sponsor of state terror," Mr. Trump further vowed to impose the strongest "sanctions in history" against Iran.

Israel and Saudi Arabia were among the very few countries encouraging Trump to abandon the JCPOA; China, France, Germany, Russia, Canada and the U.K. strongly opposed Washington's decision.

Then, just days after withdrawing from the Agreement, U.S. and Israeli officials celebrated the relocation of the U.S. Embassy to Jerusalem, which was in violation of International law and opposed by 128 countries.

Concurrently, Israeli Defense forces killed 60 Palestinians who were marching against the opening of the Embassy during Nakba, the annual commemoration of Palestinians being driven from their homeland by Israelis, and holding daily anti-Israel protests since late March.

During that protest period over 5,000 Palestinians were injured and an estimated 110 killed by Israeli forces, while no Israeli suffered injury or death.

Also during this period, Israel launched bombing raids on alleged Iranian facilities in Syria, which ratcheted up the prospects for war and helped spike oil prices, a sign of the economic fallout should war ensue.

Subsequently, with oil prices rising over the threats of conflict and fears of less supply of Iranian oil on the market, President Trump called on OPEC to supply more oil to keep prices from moving higher.

Then, in late June when oil prices rose to 2014 levels following Mr. Trump's orders for companies to cut all oil imports from Iran to zero by November, he tweeted: "Just spoke to King Salman of Saudi Arabia and explained to him that, because of the turmoil & disfunction in Iran and Venezuela, I am asking that Saudi Arabia increase oil production, maybe up to 2,000,000 barrels, to make up the difference...Prices to high! He has agreed!"

Publisher's note: The US/Israel/Saudi attack on Iran will be both overt and covert — outright war or orchestrated coup.

Already Trump's new sanctions are weakening Iran economy and strengthening Saudi's.

As the Wall Street Journal noted in late June, confirming our Top Trend 2018 forecast: "The benefits for the kingdom highlights the central place Saudi Arabia holds in President Donald

Street signs on a road toward a new U.S. embassy in Jerusalem, adorned with American and Israeli flags.

John Theodor / Shutterstock.com

Trump's confrontation of Iran."

The socioeconomic and financial effects of the sanctions have also caused domestic destabilization in Iran, with protests escalating in the face of a declining economy, record levels of unemployment that have left a third of under 30s out of work, rising inflation, and its currency, the rial, diving 40 percent since May 8, when Trump pulled out of the Iranian nuclear deal.

Fueling the latest round of internal uprisings in late June, U.S. Secretary of State, Mike Pompeo, fired a warning shot, claiming, "The people of Iran are tired of the corruption, injustice, and incompetence from their leaders. We condemn the government's same futile tactics of suppression, imprisonment of protestors, and the denial of Iranians' frustrations."

Solidifying the U.S./Israel/Saudi alliance against Iran, and further pushing the coup message, Israeli Prime Minister Benjamin Netanyahu, after Iran's soccer team achieved an unexpected tie with Portugal at the World Cup, said, "To the Iranian people I say, you showed courage on the playing field and today you showed the same courage in the streets of Iran. If you can stop Ronaldo from scoring a goal, you can stop your leaders."

With no other media outlet capable of analyzing these events and making connections between disparate fields from a Globalnomic® perspective, we are the only news organization that has identified the alliance's strategy that is now emerging and the implications that will ensue.

Thus, we forecast an attack against Iran, both covertly and overtly, will be launched.

Saudi Arabian refinery at dusk.

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OIL, THE DOLLAR AND WAR

The prospects for war and its economic fallouts, especially oil price spikes, come at a time of weakening economies and volatile equity markets worldwide. Of immediate concern are Emerging Market countries, whose currencies have been significantly devalued against the dollar index, which hit a 12-month high in June.

As U.S. interest rates rise and the dollar strengthens, the cost burden to EMs, whose debt, much of it dollar based, soared from $21 trillion in 2007 to $63.4 trillion last year, according to the Institute of International Finance, will be difficult to service. Thus, not only have EM currencies dropped 8.8 percent against the dollar in the second quarter, the MSCI's 24-country EM index, down 17 percent from it year's high, is approaching bear territory.

Now, with oil prices, which are dollar based, rising 60 percent already this year, EMs, as well as major oil-dependent nations, including those such as China and India, whose currencies are also declining against the dollar, will suffer downward economic pressure.

And as a result of sharply rising oil prices, even the U.S. will suffer economic fallout. As we have detailed, with gas prices hitting $3 a gallon, some $30 billion that would have been spent in retail and restaurant sectors, will instead be pumped into consumers' gas tanks.

And even before gas prices began to rise, U.S. first-quarter growth slowed more than estimated, weighed down by the weakest consumer spending in nearly five years.

Yes, President Trump's $1.5 trillion income tax cut package will spur more growth in the second quarter, but should oil prices spike, growth prospects, which by the nature of the tax cuts, will not only be temporary, they will be further minimized. TJ

TREND FORECAST

An oil-price shock, whether or not triggered by rising prospects for war or geo-political unrest in the Middle East, will rattle markets weak and strong across the globe.

We affirm our forecast that the Trump stock market rally is over and that global economies, particularly in China, India, Europe and Emerging Markets will continue to shift downward. Thus, should oil prices spike above $100 per barrel, which will occur should Middle East conflicts escalate, not only will markets crash, so too will currencies, including the euro, rupee, yen, yuan and other fiat currencies of deeply indebted nations.

And gold, the ultimate safe-haven asset, which has been on a down trend, has the potential to spike above $2,000 an ounce or more.

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2018 Top Trends

Blockchain Democracy

THIS WAS OUR 2018 TREND FORECAST: *As dissatisfaction of political institutions worldwide continues to accelerate, Direct Democracy will increase and gain momentum in 2018, as Blockchain Democracy becomes recognized as a global standard.*

One criticism of Direct Democracy is that "We The People" are too stupid to think for ourselves. Want a bigger military budget? Want to go to war? Like the current U.S. tax bill? Who do you trust to make those decisions? Yourself or politicians and special interest groups?

The only obstacle to online voting is the people's current lack of will to make it happen.

Even though we can bank online, the longstanding mindset has been that electronic voting systems are unsafe and can be easily hacked.

MID-YEAR UPDATE: Trends are born, they grow, mature, reach old age and die. The Blockchain trend has just been born, and throughout society, from young to old, many are still unfamiliar with this trend, what it means and where it is going.

However, whether society likes it, understands it or trusts it, Blockchain technology over the next few years will replace and dominate a number of current transactional systems.

Thus, in identifying Blockchain Democracy as a Top Trend for 2018, we forecast that this technology, exploding across a range of different fields, will prove a secure, accurate system for online voting.

Indeed, Blockchain, the technology behind cryptocurrency, is being embraced by the biggest banks and financial institutions, insurance giants, new technology companies, major industries and an increasing number of governments worldwide.

Trust in the technology is growing across myriad fields because Blockchain encrypts data, thus preventing the record of transactions from being hacked or altered.

And that makes Blockchain the engine to drive Democracy directly to "We The People".

GROWING ACCEPTANCE

Online voting has yet to build major traction worldwide, because it is believed to be unsecure and unreliable. Even though we can bank online, the longstanding mindset has been that electronic voting systems are unsafe and can be easily hacked, ignoring the fact that current voting systems are antiquated, unreliable, inconvenient and "hanging chad" hackable.

Despite global demands to make it happen, what is fundamentally slowing the growth of online voting is that politicians and vested interests control an election process that is inefficient and entrenched.

Ripe for destruction, what Blockchain Democracy will do is make politicians and the current election process obsolete by cutting out the middlemen... politicians... and putting the power in the hands of the people.

Confirming our forecast that Direct Democracy is on the way, Tech Radar, a global digital technology information publication, identified online voting as one of the top 10 emerging sectors that "Blockchain will disrupt forever."

Given the ability to vote online, not only for candidates but on major issues affecting citizens, ranging from municipal budgets to referendums, countries worldwide can follow the Switzerland model. There the most advanced model of Direct Democracy is practiced, giving citizens a direct say in how their public servants carry out the will of the voters.

Also as forecast, a number of Blockchain products and services to support online voting are rolling out this year.

Global IT service provider Luxoft Holding, Inc., for example, has partnered with the City of Zug and Lucerne University of Applied Sciences in Switzerland, to test the world's first Blockchain-based e-voting system to be used in a major city.

In May, West Virginia became the first U.S. state to test online voting using Blockchain technology. Designed as a pilot initiative, the voting option was made available only to a small group of military personnel based overseas who were able to e-vote on mobile devices.

And Follow My Vote has emerged as global promoter of Blockchain-based online voting programs that are being tested in small markets worldwide. TJ

TREND FORECAST

In 2018, trust in Blockchain technology to support online voting will continue to grow. The technology will increasingly demonstrate efficiency, security, accuracy and low cost.

Moreover, as dissatisfaction with political institutions accelerates globally, Direct Democracy will gain momentum.

As evidenced by populist movements spreading across the globe, citizens of the world are disgusted with ingrained political systems, in which elected officials carry out the will of special interests, enriching themselves with bribes and payoffs (deceptively labeled as campaign contributions), rather than serving the public's interest.

Again, in reaffirming our forecast, the only obstacle to online voting is the people's will to make it happen.

MID-YEAR REVIEW

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2018 Top Trends

Interactive U: The India Model

THIS WAS OUR 2018 TREND FORECAST: *The process of integrating VR-ED and Interactive-U learning into aspects of traditional education is a megatrend of 2018 that a growing number of community, political and business leaders will advocate.*

Trends are born, they grow, mature, reach old age and die. The Industrial Age education model is dying; an Interactive-U has been born.

While still in its infancy, online courses have been emerging in higher education for several years. The India Model provides a vision of future education on all levels — from kindergarten through doctoral studies — that is virtual.

MID-YEAR UPDATE: India is indeed leading the way in integrating online learning at primary education levels, with a wave of start-up tech firms that are, as we forecast, increasing investment, growing a track record of successes and attracting the interest of e-learning tech innovators worldwide.

While online learning is a growing global trend, especially prevalent in higher education and specific

India has more than 260 million children attending K-12 schools.

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skills training environments, India is accelerating efforts to bring interactive learning to early school years, especially to poor communities where traditional education is not accessible and where students often lag far behind.

Because India's current educational infrastructure cannot meet the needs of its population, of whom half are under the age of 25, its government has turned to start-up tech companies from within India and across the globe, to develop and aggressively test new online learning models.

In making our forecast for 2018, we identified India as the epicenter of where government and small but highly innovative tech companies could together prove that e-learning has its place in primary education.

If medical students can learn complex surgical procedures from Virtual Reality instructors, third graders can learn what a verb is from an online instructor.

CELENTE CALLED IT DECADES AGO

In his book Trends 2000, published over 20 years ago, Trends Research Institute founder Gerald Celente laid the foundation for this powerful trend line — Interactive-U, he called it — that would fortify over a period of decades.

"Interactive, online learning will revolutionize education… distance learning will provide rich opportunities for small entrepreneurs, scholars, artists, educators and inventors, as well as for established communications giants."

But in making that bold forecast, Celente also recognized that lifting the "academic Iron Curtain" that restricted innovation in public education in much of the world would be a daunting process, moving at glacial speed.

The technology, however, is not moving slowly.

In fact, its use and effectiveness are exploding across a wide range of educational and skills training settings, from medical schools to law enforcement academies.

But online, interactive learning, making full use of current basic technologies and advancements in VR and Artificial Intelligence technology is a slow grind at the primary and secondary levels.

Public school systems are massive, outdated institutionalized industries, where significant changes and innovations across generations are scarce at best, despite deplorable results in educating the young.

For example, in the U.S., which hosts the most entrenched and grossly expensive taxpayer-burdened Industrial Age school systems, test results prove its failure. In fact, high school test scores for math and science consistently lag behind many other top industrialized nations in the world.

WHY INDIA?

India has more than 260 million children attending K-12 schools, making it among the largest primary education population in the world. By comparison, the U.S. has 200 million fewer, with just 51 million students attending public elementary and

Tech-educational products are fueled by India's fast-growing e-learning sector.

Ebix/smartlearning.com

secondary schools.

But unlike other countries, where government support of cheaper, innovative online learning programs that are developed and implemented by the private sector have been resisted to preserve the status quo, India's government has emerged as a strong supporter of e-learning.

In fact, India formed its Ministry of Department of Electronics and Information Technology to support private sector start-up companies, developing programs to help meet the challenges in educating India's huge low-income populations.

And the call for help is being answered by an explosion of small but innovative tech companies, customizing online learning models for different levels of education and learning ability.

The relatively low cost of these programs, combined with the simple technology needed to support them — a tablet, PC or mobile device — is generating the move to teaching lower income children via e-learning, and is among the many reasons why the "India Model" is drawing the attention of investors worldwide.

TREND FORECAST

We forecast the accelerating Interactive-U successes in India, which show how public and private investment in evolving e-learning programs to educate primary school-age students through advanced degree programs, provides a feasible, cost-effective, high-reward, low-risk approach to education.

And, in the United States, the sharp rise in school shootings and other forms of violence further bolsters the move to distance learning, as parents turn to home schooling as a child-safe alternative.

MONEY MAKERS

Already, these smaller start-up tech companies that are developing and launching distance learning apps are exceeding revenue expectations in 2018.

In fact, India's government projects that this sector, already estimated at $2 billion, will grow by 20 percent, more than doubling the global rate of prior e-learning investment growth.

We forecast that investment in these start-ups will expand even further, as the effectiveness of e-learning programs targeting under-educated, lower-income population sectors worldwide increases.

For example, Ebix, an international software developer in Atlanta, GA, servicing the insurance, financial and healthcare industries is acquiring a majority stake in India-based Smartclass Educational Services Private Limited, one of the dozens of start-ups creating tech-educational products for K-12 schools.

Ebix Chairman, President and CEO Robin Raina said, "We have been eyeing India's fast-growing e-learning sector for many years now, fueled by education, which is traditionally one of the highest spending areas for an Indian median household."

The fast-evolving VR-ED trend we identified two years ago was bolstered by a growing record of success in health care, security, science, technical skills and other training achieved by that sector. That technology, applied in learning environments such as medical and engineering schools, is increasingly proving effective, cost-efficient, accessible and customizable.

On-line learning has proven adaptable to different learning needs and environments, and is far more accommodating of new teaching techniques and curricula changes. And it can connect students with the most effective teachers, teaching methods and innovative content from across the globe.

What is needed to break through the barriers of traditional educational systems gripping K-12 levels, as well as colleges, are a series of model tech advancements that prove on-line/VR/AI is a far more effective system than the old, failed industrial-age models still being pushed by entrenched institutions. TJ

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2018 Top Trends

Follow the Yellow Silk Road

THIS WAS OUR 2018 TREND FORECAST: *"Follow The Yellow Silk Road." The trend lines make it clear: China, already the world's number two economy and the world's largest trading nation, will continue to expand its presence on the global economic stage in 2018.*

MID-YEAR UPDATE: The 20th century was America's century. As trends are developing, the 21st century will be China's.

The forecast is in the numbers. The priority of "Democratic America" is to spend trillions building its worldwide Military Industrial Complex, while the "Communist Chinese" government spends trillions on building and expanding its global economic strength.

For example, the U.S. just increased its military defense budget by $82 billion, bringing Defense Department spending to $716 billion. Taken into account the $165 billion in increases in the U.S. military spending between 2017 and 2019, just those

U.S. Marine Corps pilots sitting on top of their CH-53E Super Stallion helicopter at a U.S. base in Japan.

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increases alone are larger than the entire defense budget of China.

Moreover, when funding for U.S. intelligence agencies, Homeland Security and militarizing local police departments are included, America's total defense spending exceeds $1 trillion.

Thus, while U.S. ramps up its war machine, China keeps revving up its money machine.

On the fast track to becoming the master of economic globalization, "Communist" China, now the world leader in manufacturing supercomputers, continues to invest its yuan to bolster its high-tech sector, dominating A-I, accelerating Internet development, advancing manufacturing and innovation enterprises and expanding its acquisitions of foreign ports, industries and airports

Again, the facts are in the numbers: The business of America is war, the business of China is business.

NUMBERS WEAK!

On China's economic indicators front, its growth pace has slowed, as evidenced by a series of downtrending second quarter economic indicators, prompting China's Central Bank not to raise its key rates, even though the US Federal Reserve raised its rates.

Historically, the People's Bank of China has attempted to adjust its rates in sync with the US, to keep pressure off the yuan and deter capital outflows.

However, with its economy slowing, and following the Central Bank's reduction of the amount of cash it requires banks to hold in reserve, Beijing freed up more than $100 billion for Chinese banks to boost lending, dropping the yuan to its weakest level against the dollar this year.

As data shows, China's fixed asset investment rate dropped to 6.1 percent in May, down from 7 percent in April, and below market forecasts. That's the slowest rate of expansion since the National Bureau of Statistics started the series in 1996.

In addition, industrial production slowed to a 22-year low, growing by 6.8 percent over the year to May, while retail sales fell from 10 percent in April to May's 8.5 percent, the slowest pace in 15 years.

And, the Shanghai Composite sunk into bear market territory in June, down over 20 percent from its 52-week high. And the smaller Shenzen composite market moved into bear territory in February.

When we made our "Follow The Yellow Silk Road" trend forecast for 2018, we noted that while China's growth was slowing from its 6.9 percent high in 2017, the International Monetary Fund (IMF) was

When funding for U.S. intelligence agencies, Homeland Security and militarizing local police departments are included, America's total defense spending exceeds $1 trillion.

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still forecasting 2018 GDP growth at 6.6 percent, softening only modestly to 5.5 percent in 2023.

We concluded that should China's annual Gross Domestic Product continue growing at a rate of 6.5 percent to 6.9 percent, while the US slogs along at around 2.5 percent to 3 percent, China's GDP will overtake the US level by about 2026.

TREND FORECAST

China's standard of living will continue to improve, despite slowdowns along the way, increasing, as its economy moves from low-end manufacturing to high-end production, especially in technology fields.

In fact, China's middle class is projected to expand from 430 million today to 780 million by mid-2025. And higher-priced, higher-quality product lines, from food to fashion will expand with it.

Again, absent events or circumstances that would defy sound reasoning and solid market principles, we do not anticipate that trade wars with the U.S. will threaten China's economy.

Moreover, unless the U.S. abandons its military industrial complex mindset and instead redirects it monetary and human resources to nation building, China's growth with outpace America's.

And while investment in fixed-assets and household consumption is slowing and corporate defaults are rising, we see this as a readjustment to unsustainable fast growth, rather than a Chinese depression.

Thus, over the long term, our forecast at mid-year remains: Follow The Yellow Silk Road. And OnTrendpreneurs should seize upon the opportunities this trend presents.

In fact, China's efforts to slow the country's fast-rising debt, and its efforts to impede the flow of easy money were reflected in the May data.

The country's crackdown on credit in recent months hit small and mid-size businesses hard, representing about 60 percent of the country's business sector. But now, with The People's Bank of China shifting its policy to make access to funds easier for small businesses, it is clear that China is pursuing monetary easing.

However, that path may be difficult to take, should the dollar continue to gain strength against the yuan. Falling to a 10-month low in June, the yuan suffered its largest ever monthly decline against the dollar since China established a foreign exchange market in 1994.

Should the latest Central Bank easy money measures ease the downward pressure on the economy, growth this year is expected to be 6.5 percent.

TRADE WARS?

China's much ballyhooed tariff fight with the United States, as with softening economic data, are, we forecast, only twists along China's Yellow Silk Road path to economic dominance.

On the trade wars front, despite the attention these tit-for-tat threats between China and the U.S. get in the mainstream business media, and the momentary impacts on stock market performance, our position is firm: We do not forecast damaging trade wars.

China has a $375 billion merchandise trade surplus with the United States. It will negotiate rather than kill off its lucrative export money stream. Moreover, the economic impact of those tariffs on China is modest.

Should, for example, the U.S. impose $34 billion in tariffs on Chinese goods as President Trump has threatened, that would shave a measly 0.1 percent off China's growth in the first year. Again, not a loss of income great enough to declare a trade war.

While their economy is slowing, their currency weakening, and with China's debt as a share of Gross Domestic Product around 250 percent, there will be detours and road blocks along the Yellow Silk Road. But we maintain our forecast: the 21st century will be the Chinese century. TJ

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2018 Top Trends

The Come Together Brand

THIS WAS OUR 2018 TREND FORECAST: The entire world has its eyes on the USA as it becomes the DSA — the Divided States of America ... Divisiveness is not only a US commodity; it's become the way of the world.

Seize the "Come Together Brand" opportunity! The masses are ready for messages and sentiments integrated into their daily routines that speak to unity.

Any creative, trend-savvy company, institution, organization and individual that sells products or services framed by a unity brand will rise above the pack. From the music we listen to, to the entertainment we watch, and the services we require, to the products we buy, smart OnTrendpreneurs® will maximize creative marketing talents to promote one of the Top Trends for 2018: The "Come Together Brand."

MID-YEAR UPDATE: Since making that forecast, the political divide has worsened. For example, in America, there is increasing media speculation that a sociopolitical powder keg is ready to explode into a full blown Civil War 2.0. And, a number of marketers are beginning to exploit this trend by providing products and strategies to survive the troubling times ahead.

As *Trends Journal* subscribers know, we saw this coming. In December 2015, we identified "Ready to Explode" as one of our Top Trends for 2016. It was one of many related forecasts over the past decade that chronicled how the downward spiral of the collective moral character of leaders worldwide has worn down the spirit of We The People.

Today, the spate of uncivil, crude acts and exchanges that unfold in a day, and that are immediately amplified in a digitally connected world, would have taken months to amass in years past.

Crossing all sectors of society — from late-night comics, sitcom stars and polarized media elites, to neighbors, family members and community — anger, the inability to listen, and divisiveness prevail.

As we had noted, divisiveness is not only an American commodity, it is becoming the way of the world. And thanks to the political parties of countries worldwide, and the media presstitutes who promote and sell a steady diet of their stupidity, hate, propaganda and lies, we live and breathe in an "us vs. them" world.

THE END IS NEAR, OR NEW BEGINNING?

While the media and political focus continues to accelerate toward the destructive forces of divisiveness and civil unrest, Trends Research has identified untapped mega-opportunities to accentuate positive human emotional and social desires of peace, tranquility and community to bring people together.

Thus, our forecast to accentuate the positive elements of this negative trend by creating and branding products, services and businesses around the concept of bringing people together, will prove both morally and financially profitable.

Need proof?

Go back to 1971, a time of civil/social unrest and Vietnam War protests. Coca-Cola cashed-in both financially and morally with an ad campaign that portrayed a positive message of hope and love.

Selling Coke as "the real thing," the commercial featured a multicultural collection of singing teenagers on top of a hill. Nearly a half century later, their message to "Teach the World to Sing In Perfect Harmony" still rings in the hearts and minds of those old enough to remember.

Offering to "buy the world a Coke," the commercial ended with this text:

On a hilltop in Italy,
We assembled young people
From all over the world...
To bring you this message
From Coca-Cola Bottlers
All over the world.

Currently, there is nothing being produced among major advertisers or in the media/entertainment world that seizes upon our "Come Together Brand" trend. And while nothing today matches the power of Coke's 1971 harmony campaign, there are a small number of examples of marketers who are identifying "unity" and "inclusiveness" as under served market gaps.

Social Media Week, for example, has made building brands and campaigns around unifying concepts a major focus of its content, including presentations that explore how to create and optimize our "Come Together Brand" messages.

And our tracking of this trend shows that dozens of other foundations, organizations and companies are beginning to develop and debut branding campaigns that sell civility.

Most prominent is Pass It On, a fast-growing nationwide marketing initiative that creates highway billboards, TV commercials, movie theater public service videos, radio ads and digital campaigns centered around the "Come Together Brand" and unity themes.

Operated by the Foundation for a Better Life, these public service ads feature well known celebrities and historical figures promoting civility. TJ

TREND FORECAST

While anti-Trump forces have painted him as the poster child of the decline of civility and the current rise in divisiveness, as per our 2015 forecast, the seeds of this trend long predate him.

Moreover, as evidenced by elections and new party movements sweeping across the globe and escalating socioeconomic unrest that is fueling a migrant crisis of people wanting to find safer havens ... divisiveness is hardly an American phenomenon.

And, the "Ready to Explode" trend is gaining momentum, exploding onto the streets, into the home and workplace, and across communities around the world.

Most importantly, with no powerful, pervasive unifying "Come Together Brand" cracking through on primetime TV, Google/Facebook platforms, etc., the billion-dollar, high moral opportunity to fill this market gap has never been greater.

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2018 Top Trends

The New Millennial Party

THIS WAS OUR 2018 TREND FORECAST: *The new American political party will not simply mirror the European populist brand. While it will reflect some of those principles, we forecast a "progressive-libertarian" movement that supports lost principles of no foreign entanglements, no government interference into private lives, and a nation whose resources are directed to the public good rather than special corporate interests.*

MID-YEAR UPDATE: Some key elements of this trend that we have forecast are ahead of its time and progressing more slowly and in different directions than we anticipated in the United States.

Millennials and the generations to follow may appear to be politically more passive and reserved than the boomer generation, but in fact, politically active aging boomers are a dying breed.

Among the up-and-coming generations, while not anti-establishment as are their European counterparts, they are nonetheless mad about the current political system, but rather than forming new parties, they are supporting established elements within existing ones.

Young people register to vote in Austin, TX.

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In making our "New Millennial Party" forecast, we identified 2018 as the year millennials begin to plant the seeds for a new, third party movement that could emerge by the 2020 election.

And while those seeds have not yet sprouted, considering the "civil war," "Divided States of America," hostile socio-political environment, with the onset of the next Presidential campaign, the conditions for a new third party movement are ripe.

TREND FORECAST

The recent headline-grabbing primary election in New York City of Alexandria Ocasio-Cortez, the 28-year-old Latina millennial who ousted 10-term Rep. Joe Crowley, showed that while she championed many "democratic socialist" ideals that are not in sync with what we have forecast would be the New Millennial Party, the candidate clearly represents the anti-establishment Millennial sentiment.

Thus, a novice contender soundly defeating an established party heavyweight who was slated to become the Democratic House Speaker, profoundly illustrates the growing disgust and disillusionment of the political establishment.

While the mainstream parties discount this election as an anomaly, and the New York borough that elected Ms. Ocasio-Cortez is not representative of the American population, this election and the data as we detailed above, are important trend indicators pointing toward a new political direction.

Considering many of the platform issues she stands on are out of sync with the mainstream of the Democratic Party, while this may be only a blip on the election radar, it is a significant flash point that may ignite in states with similar demographics/psychographics as the New York City borough that elected Ms. Ocasio-Cortez.

About four-in-ten millennials and GenXers registered voters describe themselves as Independents, compared to 32 percent of Boomers and 27 percent of "Silents," who claim themselves as Independents.

And while registered millennial Democrats outnumber their Republican counterparts by almost 10 percentage points, polls at mid-year are showing the millennial generation has turned against Democrats — and doing so just before the mid-term elections.

A Reuters poll of 16,000 millennials, for example, found that support for Democrats among this generation dropped to 46 percent — a nine-point plunge from 55 percent just a year ago.

But despite political party preferences, polls and other emerging data that indicate millennials are moving toward independent candidates, at this mid-term election point, they still vote for candidates that are card-carrying members of established political parties.

CHANGE OF HEART

A disheartened generation, a mere 14 percent of millennials, according to a Harvard study, believe the country is headed in the right direction.

And, a recent NBC News poll found a strong majority of millennials — 71 percent — say the Republican and Democratic parties do such a poor job of representing the American people that a third major party is needed.

Finally, a new Pew Center study found that while older voters are growing more conservative, younger voters are falling somewhere between liberal and libertarian values and voting preferences. TJ

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2018 Top Trends

Organic Growth Cities

THIS WAS OUR 2018 TREND FORECAST: *States, cities and towns that develop new economic models to promote themselves as tourist destinations, attractive bedroom communities, or other niches can realize sustained population and economic growth.*

Moreover, in a world saturated in corporate sameness — formulaic music, art, entertainment, shopping and dining — the hometown touch that delivers products and services with home-style appeal and in authentic settings is an "Organic Growth Cities" trend you can bank on.

MID-YEAR UPDATE: Our "Organic Growth Cities" trend is building momentum in 2018 as investment in revitalizing former industrial cities and towns, especially those close to metropolitan areas, increases.

As shopping malls shutter in the suburbs and exurbs, and big boxes close, town centers are once again in vogue. Shops, businesses and services are returning to Main Street.

And the appeal of 100-year old architecture and construction quality, as well as location and surrounding natural resources, is proving a hot sell in commercial and residential markets worldwide.

Old industrial cities are enjoying a renaissance as they exploit their organic assets: Lower property costs, old-school style and architectural elegance compared to steel and glass building sameness, convenience and the need to take back a lost sense of community.

TREND FORECAST

This is a hot and accelerating trend. Many people moving back to these old-time towns want to escape the noise and congestion of large metropolitan areas that have also become too unaffordable to live in and have lost their cultural appeal.

Moreover, with the millennial generation starting new families and young professionals looking for the feel of a big city outside of an actual big city, in this online world of telecommuting, there is a big move to high-end small towns.

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Abandoned mills and warehouses, with high vaulted ceilings, spacious rooms, unique layouts and a scent in the air of more vibrant, authentic times past are making these spaces attractive homes and work places, especially for millennials.

While 20-plus years ago, these structures and their communities were falling victim to "urban renewal" demolition, today regional investment groups across the country, Europe, Canada and elsewhere are investing billions in converting these spaces into livable, workable and durable communities.

Cities worldwide, especially those built in the nineteenth century during the Industrial Revolution, where manufacturing centers blossomed in regions rich in natural resources, ports, waterways and rail lines that were vital for production and distribution, are capitalizing on the "Organic Growth Cities" trend.

In 2018, the trend is strengthening, in large part, because these properties can be bought at reasonable prices, often qualify for historic and municipal tax incentives, are more cost effective than building anew ….and are more appealing than modern cookie-cutter construction.

Moreover, younger generations, who value sustainable living, products made locally, easy access to urban areas and more communal environments, are setting up shop in these communities worldwide.

Because this segment of commercial/residential development crosses over several categories, it is difficult to quantify overall growth rate numbers.

However, Deloitte, the National Realtor Association, CoStar, Forbes Magazine, Financial Times and Globe Street, etc., consistently cite the revitalization of the "Organic City" trend.

Texas-based Worth Commercial Real Estate, for example, has also acknowledged this trend, stating: "Although many of these buildings have been vacant for years in some cities, there is a sudden, renewed interest in old factory and industrial-type buildings and have an unexpected audience."

While the factories have closed and the Main Streets were beaten down, what has been left behind is now being both valued and restored by these new young up-and-comers who value locations within striking distance of airports, urban centers and major cities. They are attracted to these rich-history cities with magnificent buildings and desirable natural surroundings.

What makes these cities organic is that they are growing naturally without relying on industries, resources or transportation hubs to support them. TJ

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2018 Top Trends

Brick and Mortar Bounce Back

THIS WAS OUR 2018 TREND FORECAST: *Brick-and-mortar businesses, emphasizing quality and value delivered with a human touch, will grow stronger in 2018 and own a bigger piece of the retail market-share pie. While struggling retail chains close brick-and-mortar stores at a record pace, mom-and-pop businesses on Main Street, and in particular in "Organic Growth Cities," will thrive.*

MID-YEAR UPDATE: Macy's. Lord & Taylor. Toys R Us. Bon Ton. Sears. JCPenney. Sam's Club. These once prime retailers, and over a dozen others, are dying or dead, or scrambling to redefine themselves in bankruptcy courts, accelerating a trend global forecaster Gerald Celente identified decades ago, "The Pall on the Mall."

A whopping 9,000 big box stores were closed in 2017, shuttering or crippling shopping malls across the U.S., shrinking the overall big chain base by some 28 percent.

For every anchor that closes in a mid-size American shopping mall, at least eight smaller stores nearby either close or must significantly streamline

their operations.

And this trend, while slowing a bit, is not abating. An additional 3,800 closures are expected this year. Sears, for example, is operating 381 fewer stores now, compared to mid-2017. This 125-year-old iconic American brand, once considered a reliable anchor for middle class malls, has vacated them in every state it operates in.

When Sears along with Macy's and J.C. Penny's, also mall anchors that were heavily relied upon for decades to draw foot traffic into the malls boarded up, malls hit an irreversible downward spiral. According to Credit Suisse calculations, this trend will fuel the closure of 25 percent of U.S. malls over the next five years.

CELENTE FORECAST: DEAD ON IN 1997

The dramatic decline of shopping malls is often blamed on the rise of online shopping. However, taking into account the latest U.S. Commerce Bureau statistics, e-commerce sales in the first quarter of 2018 grew to $123.7 billion, but that still accounts for only 9.5 percent of total retail sales.

And overall, while online is bigger business, and growing rapidly in China, India, South-East Asia … to Turkey and developing nations, the Commerce Bureau estimates that in the U.S., by the year 2021, online sales will level off at about 15 percent of all retail shopping.

Indeed, while retail cash has been, and will continue to be diverted to online shopping, a series of other underlying trends secured the ultimate decline of mall shopping.

Among them, as Celente forecast in his bestselling book *Trends 2000*, published in 1997, the retail sector was overbuilt: Too many stores, not enough consumers. And, in his 1990 book, *Trend Tracking,* Celente predicted what no one saw coming: "The mass market of middle class consumers with similar tastes no longer exists as it did 20 years ago. It will be replaced by a 'bimodal market' of high-end and low-end consumers, with niches between them. Thus, a mass market strategy targeting the middle class would become less effective."

As the data proves, that once thriving middle class, which that retail sector was created to serve, continues to shrink. Back then, there were thousands of discounts stores, mostly regional, unlike today with tens of thousands spread across America.

GOLDEN OPPORTUNITIES

In making our "Brick and Mortar Bounce Back" forecast for 2018, we stressed another compelling reason, based on Celente's *Trends 2000* forecast, why big retailers were dying: For more than a decade, big boxes have focused on a one-size-fits-all corporate strategy, rather than producing diverse and creative shopping experiences and products for consumers. That strategy resulted in a deeply homogenous retail landscape. Sterile, data-driven corporate models, based on shopping patterns and habits had replaced originality and creativity in most stores.

As forecast, small brick and mortar businesses are returning to Main Street. While struggling retailers close malls and brick-and-mortar chain stores at a record pace, mom-and-pop businesses on Main Street are beginning to revive. According to Small Business Association data, small business ownership is once again growing.

While trending flat or slightly down since 2015, the fourth quarter of 2017 saw a 3.5 percent spike in the number of new retail businesses, and the first quarter of 2018 is trending about 2 percent up.

OnTrendpreneurs® who understand how to create new consumer environments with a personal touch and unique product lines, will be Ontrend to stand apart from the bottom line merger-and-acquisition culture so pervasive today.

Moreover, there is a significant increase in the number of businesses that have actually vacated malls to return to Main Street. According to SBA data, about one in every four stores that vacated a mall have re-established their business in their community's main business hub.

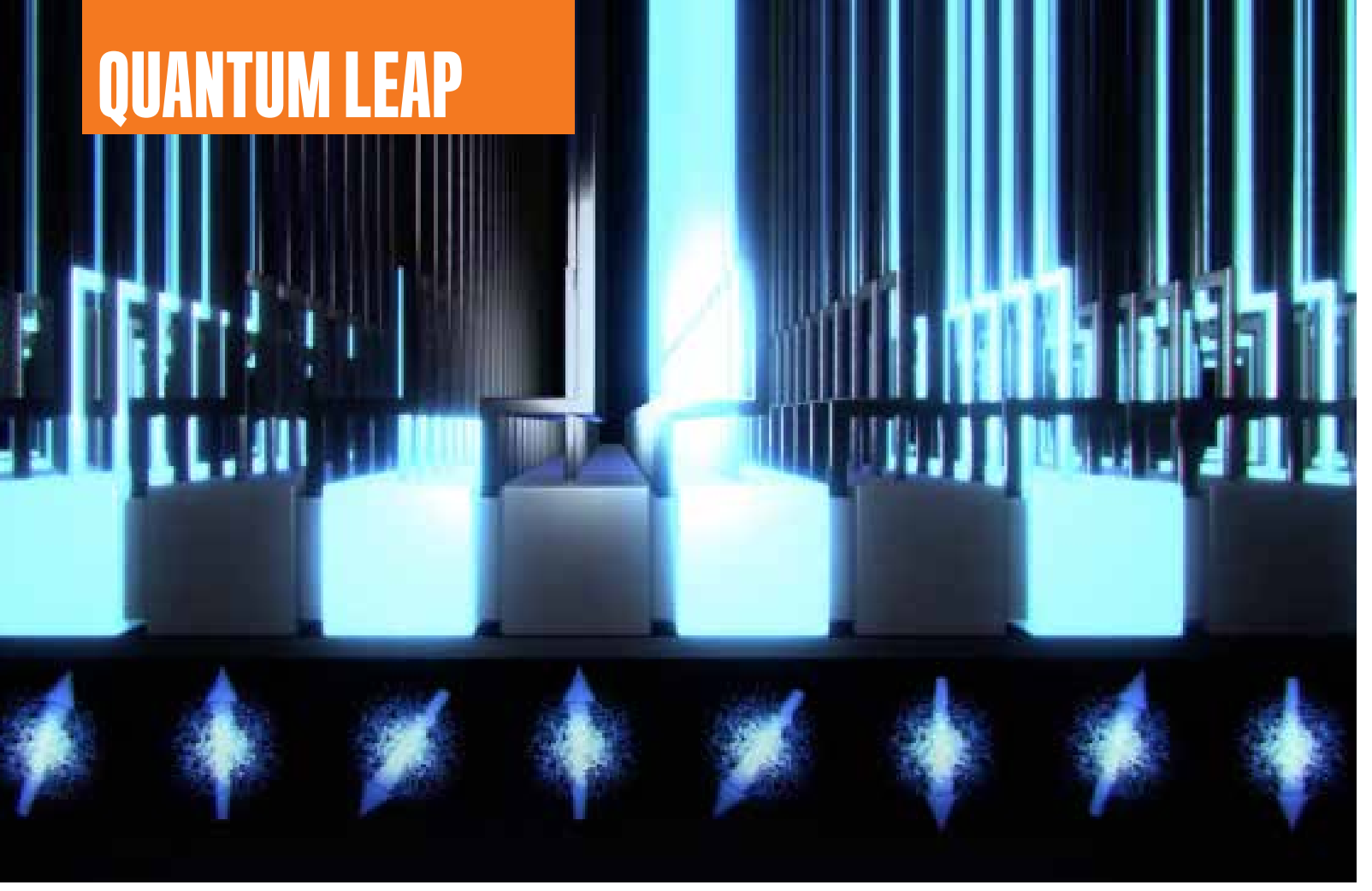
TREND FORECAST

Brick-and-mortar businesses, emphasizing quality, originality and value delivered with a human touch, will continue to grow stronger in 2018 and own a bigger piece of the retail market-share pie.

While it has become common place to reference the "buy local" trend Celente identified a quarter a century ago, customized services and products that reflect "local" needs and interests will excel.

The "Bigs" killed the style in shopping, but from boomers to up-and-coming Generation Zers, for age related and socioeconomic reasons, they'd rather walk than drive to a genuine local shopping experience.

Moreover, in the U.S., the recent Supreme Court decision clearing the way for states to require online businesses to charge state and local sales taxes, may make e-commerce less desirable, as part of that savings incentive is taxed away.



Artist's impression of a silicon CMOS architecture for a spin-based quantum computer.
Illustration by Tony Melov

What if your computer were 100,000 times faster?

By Bennett Daviss
CONTRIBUTING EDITOR

The D-Wave 2000Q is no longer the only quantum computer out there.

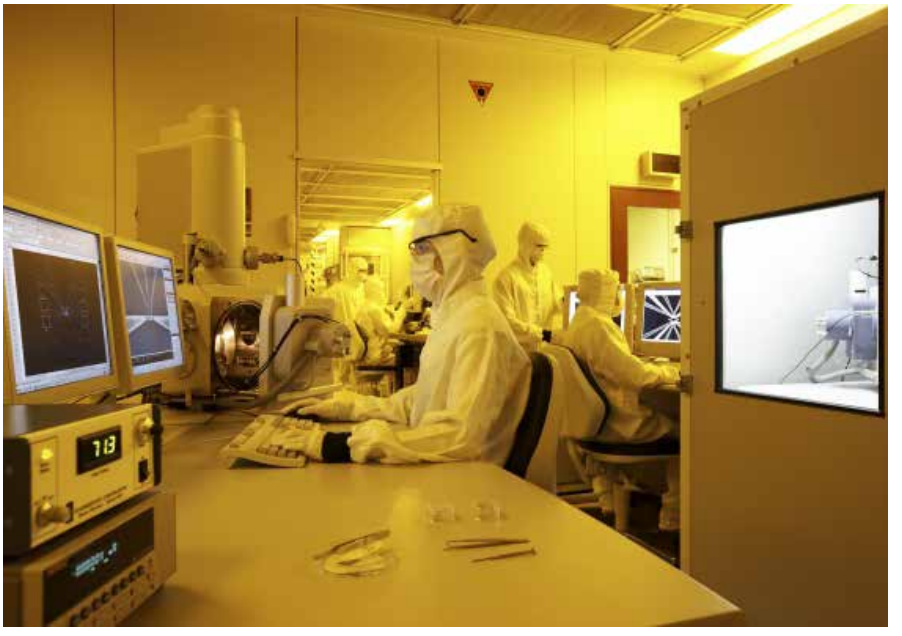
After spending years in the realm of theory and even more in development, quantum computers are about to define and conquer their niche in the data-crunching market.

Alibaba, China's rival to Amazon, recently announced that it's offering quantum computing services to its cloud customers. Its quantum machine is rated as the world's second-fastest, lagging only behind one built by Intel and IBM, which is already serving customers in the cloud.

Microsoft is also getting into the quantum game, investing tens of millions in partnership with the University of Copenhagen. Also joining the fray is Google, which hopes to be on-line with a 72-qubit chip, which Google physicist John Martinis says will give them "quantum supremacy".

QUBIT OR NOT QUBIT

Conventional computers manipulate digital "bits", stored as ones or zeros, commonly known as the binary system. Quantum computers use "qubits", which, thanks to the eccentricities of quantum phys-



The Australian National Fabrication Facility (ANFF) at UNSW, where the qubits are manufactured.

ics, can represent a zero, a one, any value between one and zero, or both one and zero simultaneously. Therefore, quantum's potential applications are nearly limitless.

As a conventional bit represents only one value, a single qubit can hold vastly more information. By ganging together several qubits, a quantum computer exponentially increases the number of ideas or solutions it can generate at the same instant. Wrap your brain around that possibility.

SMART ENERGY, TOO

Despite the big tech names involved, it's a specialized niche: the technology is quite complex and the development cost high. But because quantum computers work faster than silicon-based machines, they also save significant amounts of energy.

dwave21000q onBlue

dwavefederal.com

Quantum computers promise the ability to eventually operate as much as 100,000 times faster than the notebook computer or tower on your desk, in part because its components simultaneously act as memory and processor.

This means that a quantum computer can analyze staggeringly difficult problems, such as figuring out how a complex protein folds inside a human cell, returning a myriad of probable solutions in microseconds. Note: Quantum computers typically "think" in terms of probabilities, not certainties, often leaving humans with the task of then choosing the best solution to a problem.

And the complexity doesn't end there. Qubits are exquisitely sensitive to external disturbances, so D-Wave's machine, for example, operates at a temperature just 0.015°F above absolute zero. It also screens out the Earth's magnetic field and sequesters its qubits in a vacuum, claiming to reduce everyday air pressure by ten billion times.

QUIET EFFICIENCY

These amazing capabilities dramatically cut down on the normal environmental interferences and "noise" that traditional computers, and the humans around them face, allowing for much smoother functioning even under harsh conditions.

So far, qubits have found their most comfortable home inside metal atoms, such as phosphorus, governed by precisely controlled magnetic fields. But now, researchers at Australia's University of New South Wales have designed a quantum computer that puts its qubits in silicon chips, managing them with electricity instead of magnetism. This will make it far easier for quantum computing systems to integrate with today's standard silicon-based computers. And cheaper, too.

It has also allowed the University's team to dream of surpassing Alibaba's current 11-qubit design and IBM's 20-qubit machine, on the way to creating the industry's holy grail of a standard 30-qubit computer. In practical terms, a 30-qubit computer would work 1,000 times faster than today's notebooks. Recently, the University created a tech company, Silicon Quantum Computing, to commercialize their creation. It's to be seen if they can surpass Google's incredible 72-qubit vision of the future. TJ

TRENDPOST

The Aussie's breakthrough will be the first of many, bringing quantum computing into the realm of practical affordability and everyday use. It may be a decade or more before you have one on your desk, but they're on the way. Quantum computers will become essential in drug discovery, cybersecurity, astrophysics, and other work in which complex pattern detection is key. They're also really good for solving Sudoku puzzles and playing five-dimensional chess.

Shutterstock

FOSSIL DEMISE

Carbon dump continues

Royal Bank of Scotland dumps coal and Arctic oil lending

While U.S. President Donald Trump has ordered the Dept. of Energy to "prepare immediate steps" to stop the closing of dirty and unprofitable coal plants, the global trend continues to move away from fossil fuels.

At the end of May, the 300-year-old Royal Bank of Scotland announced new funding policies that cut off loans for new coal mines, coal-fired power plants, oil sands projects, and Arctic oil drilling projects.

At the same time, the bank committed £10 billion to finance sustainable energy projects through 2020, noting that 80 percent of its energy project financing in 2017 flowed to renewables.

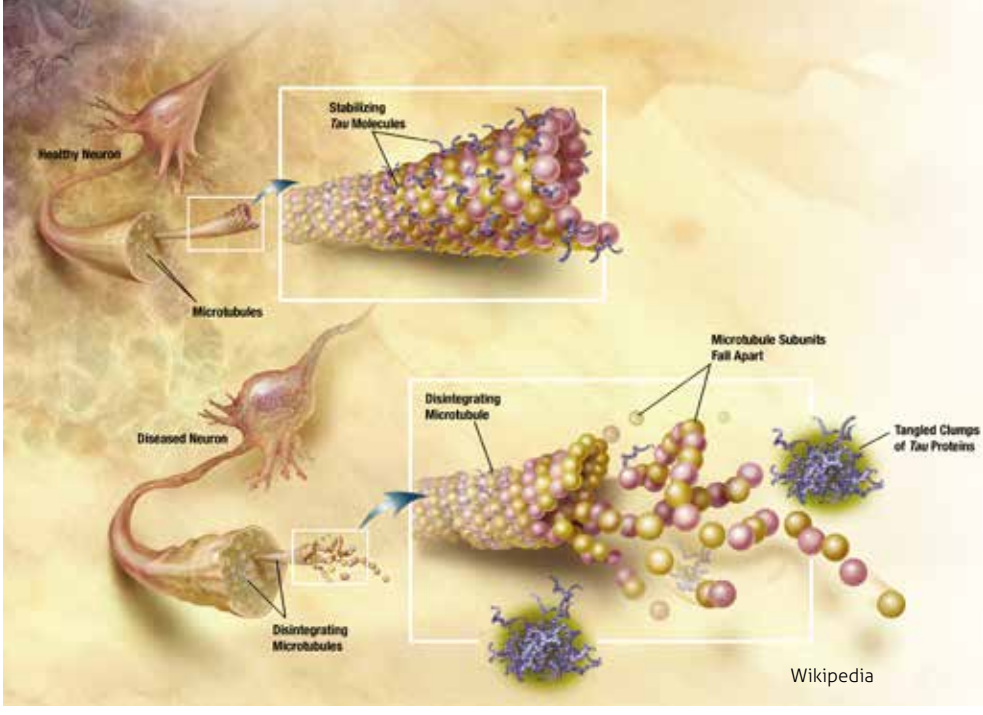
The Bank has also reduced, from 65 percent to 40 percent, the amount of coal that client utility companies can burn, if they can qualify for new funding, based on the amount of revenue that client mining companies draw from current coal operations.

Even in the U.S., despite President Trump's pledge to revive the coal industry, about 25 coal plants have shut down during his brief tenure in office, due to competition from natural gas, wind and solar power sources.

TRENDPOST

Coal is kaput as a major fuel source. Developing countries will still rely on it to a degree, but even their internal populations will be increasingly restive about using a dirty, expensive source for power.

The move to the exits for oil and gas investors is speeding up. The bigger the funder, the more concern they have about being left holding assets that can't repay the long-term loans needed to bring oil fields into production. As banks and other investors see their colleagues turning timid, financing for new giant and mid-size fields will shrink. Best investment prospects will be in modest fields with long-term supply contracts for existing customers or factories already in the pipeline.



Wikipedia

HEALTH

Lab rats show researchers way to reverse major symptom of Alzheimer's

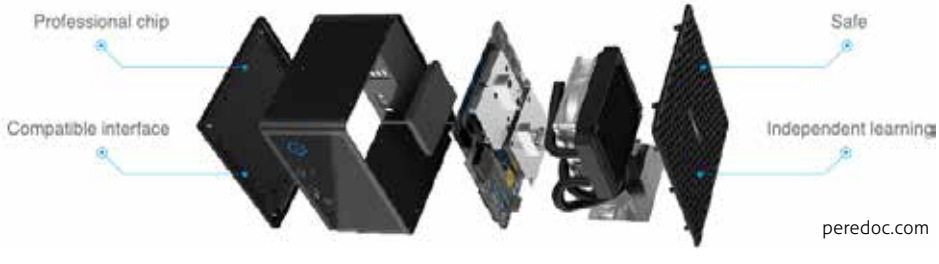
Alzheimer's has two main indicators. In one, amyloid proteins form clots that muddle communication between brain cells. In the other, proteins called tau, which normally carry nutrients to brain cells, start to tangle in dying cells and block the flow of nutrients, speeding up cells' death spiral.

Researchers at the Lewis Katz School of Medicine at Temple University have, for the first time, reversed deadly tau tangles after the disease was firmly established. Using lab mice, they found that molecules called leukotreines, which cause inflammation, are controlled in the Alzheimer victim's brain and most importantly, in their lungs.

After determining the pathway that leukotreines took through affected mouse brains, scientists tried a standard asthma drug to inhibit the leukotreines. (Asthma is about inflammation in the lungs). After 16 weeks of treatment, the form of tau that tangles brain cells was reduced by half. Inflammation had mostly disappeared and synapses, the spaces over which brain cells communicate, appeared normal.

TRENDPOST

Human clinical trials are years away. But this opens a new pathway of research that shows promise in slowing, and perhaps even halting Alzheimer's, once symptoms have shown themselves.



peredoc.com

The digital doctor will see you now

Artificial intelligence has passed China's medical board exams. Now it's time for AI to start working with patients.

The need is urgent: there are only 1.5 doctors per thousand people in China, compared to 2.5 in the US. That makes Chinese physicians less concerned about AI stealing their jobs, and more concerned about just getting help with their caseloads.

From reading oncology x-rays to designing dentures, more than 130 Chinese firms are working in the AI medical field.

Despite the need, China is proceeding with caution. Every firm that develops an AI application must be accredited for each product. So far, how to handle the liability issues hasn't been addressed yet.

TRENDPOST

AI is becoming capable of not only making routine medical analyses and decisions, but also of making difficult diagnoses that require subtle interpretations of evidence. Because AI's memory can instantly access thousands, or even tens of thousands of cases and their outcomes, it has an increasingly fine sense of what evidence is available in order to make determinations.

Over time, as AI programs have their skills refined and their case files broadened, the programs will be able to share information across borders, permitting access to a global diagnostic database. But it will take years of haggling over international regulations about AI efficiencies, security and privacy before that happens.

WATER SCARCE

Clean water shortage

As forecast, NASA says world's water is migrating

Confirming one of Gerald Celente's major long-term predictions, NASA says that finding enough fresh water will be humanity's major challenge of the 21st century.

The conclusion was drawn from data gathered by tracking global freshwater trends from 2002 through 2016, though NASA's Gravity Research and Climate Experiment. The study also found that freshwater losses are now greatest in the mid-latitudes; Antarctica is experiencing the fastest ice-sheet loss; tropical and high latitudes are getting wetter.

Most regions of concern were well-known, but others are new, such as northeast China, which has been receiving adequate rainfall, but human mismanagement has squandered much of it. Other "hot spots" cited in the report include northern India and Iran. In war-torn Syria, 22 dams Turkey has built upstream since the 1980s has driven millions of residents to pump groundwater for basic needs, draining huge, ancient aquifers.

In his book "Trends 2000," published in 1997, Celente specifically forecast the long-term trend of diminishing sources of fresh, clean water.

Celente specifically predicted the rise of bottled water and the demise of tap water, as freshwater shortages would become endemic as a result of exploding populations, global warming, rotting infrastructures to store and deliver water, droughts and other natural phenomena.

Finding enough fresh water will be a major challenge in this century.

NASA

TRENDPOST

Water infrastructure will be one of the most urgent and lucrative areas of investment, but it remains fraught. Especially in low-income communities, people have been sensitized to being abused by for-profit water companies. The most trouble-free investment opportunities will be found in the developing world, in modest-scale projects having local input.

Harvesting water from thin air

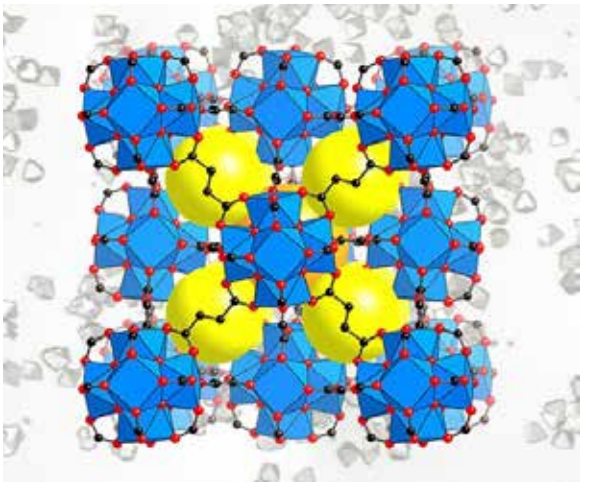
In the wake of NASA's new report warning that potable water scarcity is the next human crisis, people will be looking to collect water from places previously thought useless to look, like deserts.

No stranger to water shortages, researchers at the University of California have developed a way to coax water from Arizona's arid air using a metal-oxide framework, or MOF, which is very porous. Using only available sunlight and air, two pounds (1 kg) of the zirconium-based mixture was able to gather seven ounces of water in 24 hours.

Promising, but not good enough.

So, the researchers created a new generation MOF out of aluminum. It harvests twice as much water over the course of a day than its predecessor and is also about 150x cheaper to make.

Because of demand, several start-up On-trendpreneurs* are already planning to commercialize the technology.



A grid of metal oxide can gather water using only sunlight and air.

Berkely.edu

TRENDPOST

Harvesting water from air and fog sounds sci-fi but will be rich areas for tech-savvy entrepreneurs and funders in the years ahead.

Saint-Joseph Hospital in Paris has a Healthy Mind project that uses VR to calm patients.

immersive.health

TECH 10.0

Total recall

Take a Virtual Reality vacation while getting stitched up

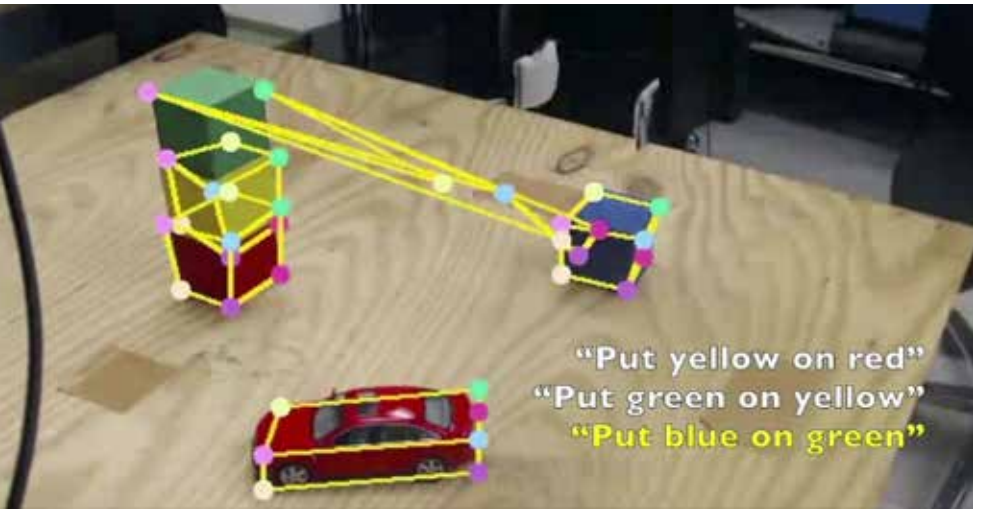
The emergency room of Paris's Saint-Joseph Hospital now offers patients trips to other worlds, while they have their wounds stitched up or burns cleaned and salved.

Patients can don new VR gear and take a guided tour to distant lands, play music, or engage in a range of engaging activities, taking their minds away from pain and anxiety. Initial research indicates that patients show a distinguishable increase in calmness and less reaction to pain when using VR.

The hospital's "Healthy Mind" project already has received a $20,000 prize from an Australian university and has begun discussions with Microsoft.

TRENDPOST

VR has been used to reduce awareness of dental pain, but this is among the very first use in hospital situations. Trials also are under way to use VR to help people reduce the use of prescription pain medications, to curb the widespread overuse of opioids.



Robots can learn to carry out a task by watching what a person does.

NVIDIA

Breeding robots

New Artificial Intelligence method lets robots learn by watching humans

Chip-maker NVIDIA has developed a deep-learning system that allows a robot to learn to carry out a task, just by watching what a person does.

Developers trained a series of neural networks, arrays of computer memory units that mimic the way human brain cells work, to carry out certain tasks around perception, structuring a program of instructions, and then carrying them out.

Next, a camera takes a live video of a process, while neural networks judge the location of objects in the video. Another network programs a recreation of those spatial relationships, and yet another creates and carries out a plan to guide the robot's actions.

The system then delivers a list of the steps it plans to take to do the task, so humans can review the program and make needed corrections.

TRENDPOST

Robots that can learn by observation and presage seamless human-machine partnerships everywhere, from factory floors to space stations.