

# TRENDS JOURNAL

HISTORY BEFORE IT HAPPENS

*Welcome to*

**THE NEW  
ABNORMAL**



5 May 2020

## ECONOMIC UPDATE

### U.S. MARKETS



After losing 622 points on Friday, the Dow Jones Industrial Average regained 26 of them Monday and bounced up another 133 points today on the hopes the lockdown economy will be opening up.

The NASDAQ fared better, reversing its 284-point Friday loss by 105 points yesterday and was up 1.13 percent today.

The S&P budged up 12 points to 2,842 after losing 82 points Friday.

Yields on ten-year treasuries rose to 0.64 from Friday's close of 0.62.

Staying in its tight high \$1,600 to low \$1,700 range, gold closed up at \$1,708.

Bitcoin's value retreated about 2 percent to 8,719, but it is still trading in the neighborhood of recent highs.

With hopes of demand recovering and demand increasing, oil prices registered their fifth day of gains with Brent crude closing at \$31.15 and West Texas Intermediate at \$24.50.

**TRENDPOST:** *Equity markets, as evidenced by facts documented in the **Trends Journal**, are being artificially propped up with trillions of dollars from the Federal Reserve banks, particularly the New Federal Reserve Bank.*

*There is no connection between the gambling casino on Wall Street and the economic hardship realities pummeling Main Street. There will be no V-shape or U-shape economic recovery. Having entered the first phases of the “Greatest Depression,” equity markets rising on the hopes of an economic rebound is a false flag event.*

**TREND FORECAST:** *In the “New ABnormal,” where politicians make up laws and rules of who can go where and when, for how long, how far apart, wearing masks, etc., retail, hospitality, travel, cinema, theme parks, and live entertainment will fight for survival.*

*Indeed, with the mainstream media constantly streaming COVID fear and hysteria, and nations closing borders, people will be afraid to fly, take a cruise, eat in restaurants, stay in hotel rooms, go to concerts, etc.*

*Just today, President Emmanuel the “King of France” Macron declared his people would be banned from taking foreign trips this summer... even within Europe: “It is too soon to say whether we can take holidays. What I can say is that we will limit major international travel, even during the summer holidays. We will stay among Europeans and, depending on how the epidemic evolves, we might have to reduce that a little more. We will know early June.”*

**TRENDPOST:** *Last week, the Dow turned in its best monthly performance in 33 years, gaining 11.1 percent, and the NASDAQ’s rise was unequalled since June 2000, up 15.5 percent.*

*Amazon’s stock price fell because the company announced major costs in its warehouses related to keeping workers safe from the COVID-19 virus. Apple’s quarterly earnings topped analysts’ expectations, but the company showed no revenue growth. Apple also failed to offer second-quarter guidance, making investors nervous.*

*Also on Friday, gold rose 1 percent as prudent investors still want to preserve value away from stock markets artificially inflated by cheap money from the Federal Reserve.*

*Bitcoin did well, approaching 9,000 at the end of the week.*

***TREND FORECAST:*** *With nations announcing more unprecedented “stimulus” measures, gold prices will remain strong despite equity markets being artificially propped up by central banksters. We maintain our forecast that when gold stabilizes above the \$1,740 per ounce range, it will spike to \$2,000 per ounce.*

### **Small Oil Companies Shutting Off Wells En Masse**

Oil rose between 15 and 20 percent on the agreement between Russia and Saudi Arabia to cut production. U.S. oil producers also began shutting down wells, which will help shrink the global oversupply. Renewed threats of conflict in the Middle East between Iran and the U.S. nudged prices higher.

But small, independent oil producers that make up about 25 percent of U.S. oil production are shutting down their wells in the country’s high-cost shale oil basins.

Valendera Energy Partners has turned off 75 percent of its Louisiana production; Iron Oil Operating has cut back its 4,000 daily barrels of North Dakota’s Bakken shale oil to a trickle.

Anschutz Exploration has closed down wells pumping 18,000 barrels of oil every day and laid off the work crews that kept them operating.

“We’re prepared to leave these wells shut in for an extended period,” said Joe DeDominic, president of the Denver-based company. He expects prices will not recover to sustainable levels for several months.

Mewbourne Oil, one of the largest producers in New Mexico and west Texas, has halved its daily production.

The worldwide oil glut that has driven prices down to 1990s levels – and, in a few cases, even lower – is likely to force those wells to stay shut at least through June. Many producers have said they will not turn wells back on until prices rise beyond \$30 and remain there for a period of time.

The closures are leading analysts to drastically reduce their forecasts for U.S. oil production this year.

U.S. output, which was 12.8 million barrels a day in January, will likely be 10.8 million in June and as low as 10.3 million by September, according to calculations by consulting firm Rystad Energy.

The oil market's collapse also has affected major producers.

For the first time since 1945, Shell Oil has cut its stock dividend. After first-quarter profits declined by about half, the company slashed its dividend by two-thirds to 16 cents a share.

***TREND FORECAST:*** *The massive shut-in of U.S. production may well rob the country of its status as the world's leading oil producer. The steady rise of renewable energy sources, and drop in prices, will take more market share from fossil fuels during the long recovery from the global economic lockdown.*

*For years to come, there will be more oil supply than demand, keeping prices low while tensions rise in oil-rich companies... both rich and poor.*

*In addition, cities and states that rely on oil as a prime revenue source will suffer rust-belt downturns, pushing real estate prices lower and public and private debt levels and bankruptcies higher.*

## **BP Posts First Quarter Results**

BP, the British oil giant, reported net income of \$628 million for this year's first quarter, a period during which crude prices fell by more than 60 percent. This figure is less than a third of the \$2.1 billion the company reported a year previous.

BP also noted \$6 billion in new debt, bringing its total to \$51.4 billion. After the quarter closed, the company issued another \$7 billion in bonds.

In response to collapsing prices, BP has cut its spending by \$3 billion, or 25 percent, and trimmed \$2.5 billion from its operating costs.

Businesses may become accustomed to more people working from home and consumers may be learning a "new normal" of less travel, noted Bernard Looney,

BP's CEO. "There's a real possibility of that," he added, saying the oil industry must plan for that contingency.

### **First Quarter's Economic Slump Worst in 12 Years**

The U.S. economy contracted by 4.8 percent in the first three months of this year, ending a 12-year expansion with the worst performance since the Great Recession in 2008.

Economists had forecast a slightly less severe 4-percent pullback.

Personal consumption fell 7.6 percent, the sharpest drop since the 1980s, and personal income fell 2 percent in March, the most since 2013.

Consumers spent 40 percent less on health care, as hospitals canceled elective surgeries and clinics and dentists' offices closed. Medical procedures are costly; less spending in that sector has a disproportionate effect on the overall economy's statistical outcomes.

Business investment declined for the fourth quarter in a row, the steepest slide since 2009.

The Federal Bureau of Economic Analysis attributed the decline to government-imposed lockdowns that closed businesses, turned 30 million people out of their jobs, and halted economic activity.

The second quarter's GDP will be a "big negative number" according to White House economic advisor Kevin Hassett, who also predicted that unemployment could reach 20 percent by the end of June.

Data for the U.S.'s second-quarter economic performance will be "worse than any data we've seen for the economy," said Jerome Powell, Chair of the U.S. Federal Reserve, during a 29 April news conference.

Agreeing to what we have been forecasting since the government imposed economic disaster, Powell said that lifting economic lockdowns across the country could deliver a spurt of economic activity but "it's unlikely that it would bring us quickly all the way back to pre-crisis levels."

Adding insult to the enormous injury Washington has long imposed on the general economy with its "Socialism for the Rich" cheap money/bailouts/tax

breaks for the Bigs and “Capitalism for the Prols” policy of grabbing every penny they can from the workers of Slavelandia... the Fed Chair dementedly anointed a corrupt and incompetent Congress and the Trump administration to collaborate to create policies and conditions that will foster a “robust” recovery.

Trump administration officials and some economists are forecasting a V-shaped recovery, with steep gains in GDP during the second half of the year.

***TREND FORECAST:*** *Again, there will be no V-shaped or U-shaped recovery. The global economy was sinking before politicians brought us the “New ABnormal” as their response to the coronavirus.*

*The economy has been knocked down and will stay down for the foreseeable future, bumping along with peaks and troughs... steadily heading downward for years.*

## THE FED WORLD AND THE REAL WORLD



Last week, the U.S. Federal Reserve announced it was adding new lanes to its \$600-billion Main Street lending program, ostensibly designed to help small businesses.

But by the facts, its sales pitch is a lie. The Fed helps the Bigs.

Indeed, small businesses employ, at best, a few hundred people, not tens of thousands. Nor do they earn billions of dollars. The new Fed program will now lend to companies with 15,000 workers, up from the original limit of 10,000; and revenues of \$5 billion instead of the former \$2.5 billion cap.

The Fed also is offering a new menu of loans: new, priority, and expanded. New and priority loans are in amounts of \$500,000 or more, half of the previous minimum; expanded loans are for \$10 million and higher.

New loans are limited to a maximum of \$25 million or four times the borrower's 2019 adjusted earnings before taxes, interest, depreciation, and amortization (EBITDA), whichever is less. Priority loans can be no more than \$25 million or six times EBITDA.

Expanded loans can reach \$200 million, six times EBITDA, or 35 percent of undrawn or outstanding debt.

These technicalities allow businesses to tailor their loan structures to idiosyncrasies of their specific industries, such as peaks and valleys in seasonal sales.

The loans are made for between two and four years and carry an interest rate of 3 percentage points above the LIBOR rate, the standard rate banks charge each other for overnight loans.

Banks making and administering the loans now must carry 15 percent of the loan, up from the previous 5 percent.

The new terms will enable companies to borrow even if they already carry a considerable amount of debt. Companies also will be able to use the new loans to refinance existing debt.

The U.S. treasury has set aside \$75 billion to cover any losses the Fed might incur on the loans.

Oil and gas producers lobbied to be included in the plan, but the Fed excluded companies that would apply for loans based on assets instead of creditworthiness.

Additionally, the Fed is considering the possibility of a loan program for nonprofit organizations.

The Main Street program was expanded after the Fed received about 2,200 comments from businesses and nonprofits asking for the changes.

***TREND FORECAST:*** *Not-for-profits, college endowments, religious orders, charitable organizations, etc., will be hit hard by the COVID-injected “Greatest Depression” that will sap income and dry up revenue streams from donors to the rich to the middle class.*

*Thus, in many cases, those among society who need help the most will be getting the least. It will also greatly affect the arts at all levels, which even in the best of times, rely on generosity to keep concerts playing, theater performances live, museums open, etc.*

## **Fed Slows Lending Pace**

At the end of April, the U.S. Federal Reserve’s debt-buying program had \$6.7 trillion worth of loans in its portfolio, but that portfolio’s rate of growth has slowed.

For the week ending 29 April, the central bank’s balance sheet had expanded by \$81.8 billion, a fraction of the \$586 billion added during one seven-day period in late March.

Also, the Fed’s loan load for its discount window, the lender of last resort for banks, dropped from \$33.7 billion to \$31.8 billion from 23 April to 30 April.

The Fed’s collection of government and corporate debt, however, has increased 60 percent from its \$4.2 trillion in holdings in early March, when it cut interest rates to zero and launched an array of programs to lubricate credit markets and keep the economy working during the economic shutdown.

The value of the Fed’s assets now equal about a third of the U.S. GDP.

## **Fed Redefines Its Role in U.S. Economy**

By adding direct loans to businesses and the purchase of junk bonds to its economic toolkit, the U.S. Federal Reserve System is cementing its new and expanded role at the center of the American economy.

The Fed recently agreed to buy bonds of 261 state and heavily-populated county and city governments, a move already proving politically unpopular as members of Congress complain that smaller cities and rural areas in their states have been left out.

Also, the Fed is now buying bundles of business loans known as “collateralized loan obligations.” Hedge funds bought the risky bundles before the economic crisis began; therefore, by buying the bundles, the Fed risks being seen as bailing out rich speculators.

During this year, the Fed will accumulate a portfolio of loans and bonds valued at \$8 to \$11 trillion, economists predict, about half the value of the entire U.S. GDP. The Fed’s holdings had reached nearly \$7 trillion by 22 April.

Between mid-March and mid-April alone, the Fed was buying an average of \$79 billion a day in treasury and mortgage bonds. In comparison, from 2012 through 2014, it was averaging \$85 billion a month as the Great Recession was winding down.

The Fed’s new holdings will more than double last year’s \$4-trillion total and be at least twice the size of the central bank’s involvement in the Great Recession.

Analysts and the Fed itself are sensitive to an array of risks this new role opens for it:

- Politicians will become accustomed to telling the Fed to solve a broader and broader range of economic problems it was not created to address.
- Some new Fed policies might not work, but politicians will keep them alive to please a segment of their constituencies.
- Because the Fed’s tools are best able to help corporations that borrow in capital markets, the public might see it as favoring big business and snubbing small ones. Wall Street could once again flourish while Main Street struggles. That could erode the public’s sense of the bank’s legitimacy.

Low interest rates and money flooding markets sparked inflation after World War II and in the 1970s, but the Fed isn’t worried about inflation now because the economy is contracting.

***TREND FORECAST:*** *Interest rates will remain at or below zero in the U.S. and around the world for at least the next 12 months.*

*When economic growth ticks up, which it sporadically will, interest will face upward pressures, which in turn could push inflation higher.*

*In addition, when interest rates do perk up, the IOUs the Fed holds will become even more costly. That, in turn, will impose yet more downward pressure across the broader economy as businesses default on loans and deeply indebted governments have to pay more to cover debt... while tax dollars decline.*

## **OUT OF WORK, OUT OF LUCK**



During the week ending 24 April, 4.4 million more American workers filed for unemployment benefits, bringing the total out of work to about 30 million and pinning the actual jobless rate above 20 percent.

The number of U.S. workers idled is now double that of the 15.3 million in 2008's Great Recession.

States' unemployment insurance systems have been overwhelmed, with many unable to process, or even accept, the flood of applications in a timely way.

States often delay investment in information technology and many are trying to handle the tsunami of unemployment clients with outdated computers and software.

"We literally have [IT] systems that are 40-plus years old," said New Jersey governor Phil Murphy. His state and others are pleading for programmers who know COBOL, a computer language that became antiquated in the previous century.

As a result, out-of-workers in many states have had to make dozens or, in some cases, hundreds of attempts to complete online applications or complete phone calls to states' agencies.

Also, despite federal aid, a number of states have not yet fully replenished their unemployment insurance funds since depleting them during the Great Recession. As a result, several states will have to borrow to pay the mounting heap of unemployment claims

### **Half of U.S. Workers Earn More Off the Job**

About half of U.S. workers idled by the economic shutdown are earning more by combining state and federal unemployment benefits than they did when working.

In addition to state unemployment insurance, unemployed persons are collecting \$600 a week in federal benefits through July.

The combined payments average \$978 a week, according to the U.S. labor department. The typical U.S. full-time worker earned \$957 a week during the first quarter of this year, department figures show.

The average pay for restaurant workers spending 40 hours a week on the job in 2019 was \$466, meaning those employees are collecting more than twice as much staying at home.

Employers seeking to reopen their businesses during the year's second quarter may find workers asking to remain on furlough to collect the larger pay. That would slow the economy's recovery.

To solve the problem, states or Congress might decide to end benefits to workers if their employer reopens. That would effectively force employees back to work even if they felt their health will be unsafe on the job.

***TREND FORECAST:*** *The money being sent to the out-of-work will temporarily mitigate financial disasters. However, with businesses closed down and reopening laws sharply reducing the levels of customer flow, hours to be open, etc., it will do nothing to prevent sharp downturns of personal income and levels of distress.*

## THE “NEW ABNORMAL” BUSINESS MODEL



Macy’s plans to reopen all of its 775 stores within six weeks, beginning with 68 stores that were scheduled to open their doors on Monday this week. The stores are in Georgia, Oklahoma, South Carolina, Tennessee, and Texas, all of which have relaxed lockdown orders and will be open only from 11 a.m. to 7 p.m.

The pace of reopening will be matched to the rate at which virus infection rates decline, said Jeff Gennette, Macy’s CEO.

The new retail experience will be closely regimented.

Under the rules of the “New ABnormal,” consultations at beauty counters will be no-touch, with samples applied to paper rather than to customers’ skin. Shoppers will be required to use hand sanitizer before trying on watches or jewelry.

Only a few fitting rooms will be open at a time, with employees cleaning them frequently. Clothes that customers have tried on will be set aside for 24 hours before being put back on display.

***TRENDPOST:*** *Decisions on what to do and how to do it in the “New ABnormal” world are clearly invented without providing any scientific data to support decisions. For example, holding clothes customers tried on for 24 hours? What data was provided that 24 hours, 48 hours... or whenever makes any practical sense?*

*Moreover, do different fabrics mean different times? Again, as we keep noting, the “New ABnormal” is being sold as a “New Normal” by abnormal freaks who invent them.*

## Closed on One Side, Open on The Other

The now-familiar plexiglass partitions will separate clerks and customers at checkout stations. Keypads customers use to enter their plastic card PINs are to be sanitized after each use. Signs throughout the stores will urge patrons to stay six feet away from each other.

Employees will be masked and must complete a health checklist when they arrive for work. Those that clean fitting rooms and handle returns will wear gloves.

Macy's expects the newly reopened stores to initially do about 20 percent of the business they have done in the past, Gennette said.

Appliance chain Best Buy will reopen this month. Courtesy of Best Buy, here is their "New ABnormal":

"The process for an in-store consultation is meant to be easy to follow and safe for customers and employees. Here's how it works:

1. **Create an appointment:** Customers can schedule appointments by phone, online, through the Best Buy app or via live chat.
2. **Confirmation and pre-call:** Customers will get confirmation of their visit, along with reminders via text and email. An employee will call the customer before their visit to go over the process, explain safety measures and get more information about their shopping needs.
3. **Entering the store:** When it's time for the appointment to start, the customer will be notified to go to the store entrance and check in. A host will go over the consultation and safety process and introduce the customer to their Blue Shirt or Agent. Hand sanitizer and disinfectant wipes for shopping carts will be available, and employees will wear face coverings and gloves.
4. **Shopping:** The customer and Blue Shirt or Agent will shop together, following social distancing and safety guidelines. Signs and floor stickers will provide navigation and guidance on safety. For product demos, the employee will wipe the product, let the customer handle it and then wipe it down when the customer is done. Employees will clean surfaces as needed throughout the appointment.
5. **Completing the Sale:** When a customer decides to buy an item, they will be taken to the front registers, where distancing guidelines will be

followed and there will be sneeze guards. If using a credit card, the machine and screen will be wiped before and after each use.

6. **Leaving the store:** When the purchase is finished, an employee will escort the customer out of the store.”

Costco has become the first major chain to require everyone entering its stores to wear face masks. Children under age two need not comply, as do those with medical conditions that make wearing a mask difficult.

***TREND FORECAST:*** Macy’s, in addition to many retailers, were suffering weak sales performance long before the COVID crisis struck. A COVID-Frightened Society, who sharply increased online purchases when most stores were shut down, will not be returning en masse to mall or big retail outlets.

*Moreover, with new stores initially expected to do only 20 percent of previous business, at best, big retailers (and small) may be able to pay their rent while losing billions.*

## **Malls, Restaurants Reopen: Are We Having Fun Yet?**

Simon Property Group, the U.S.’s largest mall owner, opened 49 malls in ten states last week.

Security officers and store employees are reminding shoppers about social distancing and not to shop in groups. In food courts, tables are spaced far apart, and reusable trays are gone. Drinking fountains and children’s play areas are closed off. In restrooms, every other sink and urinal is taped over to prevent use.

The Simon Group is encouraging store clerks to have their temperature taken on arrival at work, not to touch customers’ credit cards, and to wash their hands after each transaction.

Masked mall employees offer free masks, sanitizing wipes, and temperature checks to shoppers and encourage mall patrons to wear masks and wash their hands often.

Public address systems regularly remind shoppers of their responsibilities in protecting public health.

Clothing chains Banana Republic, Gap, and Old Navy are tenants in several of the malls but had no plans to reopen their stores over the weekend.

A few eateries in Alaska, Georgia, and Tennessee have reopened their doors to customers. But “casual dining” is a thing of the past.

Georgia’s governor Brian Kemp has issued 39 health-related requirements that restaurants must follow when they reopen, including mandating all employees wear face masks and allowing no more than ten customers in every 500 square feet of dining space.

In one restaurant, employees’ temperatures are taken when they come to work and posted on a whiteboard customers can see.

In Alaska, restaurants must keep a record of diners’ names and phone numbers for 30 days in case their contacts need to be traced. Only members of the same household are allowed to sit together.

Louisiana’s restaurants can now seat people but only outside and without servers coming to their tables.

Starbuck’s, which closed only about half its U.S. stores, plans to have more than 90 percent open by early June, but with no interior seating. A limited number of customers will be allowed inside at any one time for grab-and-go orders; masked and gloved baristas also will hand out orders through the door.

Starbucks estimates it lost \$915 million in business during 2020’s first quarter and expects worse in the second three months. But, it says, its’ revenues in China have rebounded to nearly normal levels.

A barbeque joint in Tennessee is checking patrons’ temperatures with an infrared thermometer gun when customers come in the door.

“Every customer who’s come in has thanked us for being open,” said one restaurant manager, “but, unfortunately, [business] has been really slow.”

***TREND FORECAST:*** *Cabin fever and pent-up demand for anything smacking of the “old” normal will drive people to shops and restaurants as places reopen.*

*Obsessed, however, with lingering health concerns, stores and eateries will maintain the “New ABnormal” by cleaning up and sanitizing around patrons as they shop and eat for the foreseeable future.*

*When an outing resembles a visit to Chernobyl or an Ebola ward, the public's initial enthusiasm to wine, dine, and shop will ebb.*

*Boredom will still lure people to malls and cafes, but not in the numbers many businesses need to pay staff and overhead, let alone to make a profit or stay in business. Thus, there will be a sharp rise in bankruptcies.*

*After reopening in the "New ABnormal," many restaurants are likely to close again, perhaps permanently, after discovering the realities of trying to do business in an era of strict pandemic paranoia rules of behavior.*

## **MORE BUSINESS BLUES**



Detroit's auto companies tentatively plan to resume limited vehicle production on 18 May, about two months after shutting down assembly lines during the virus pandemic.

The date was agreed on through talks among Ford, Fiat Chrysler, General Motors, the United Auto Workers union, and Michigan governor Gretchen Whitmer.

The union insisted on delaying reopening the plants in early May as originally planned, saying that more time was needed to design safety protocols for assembly-line workers.

Ford has not firmly committed to the May date, saying it still is assessing its' supply chain's ability to provide parts and designing safety measures that comport with government health guidelines.

***TREND FORECAST:*** *As we have written since the beginning of the COVID War, auto sales, both for old cars and new, will dramatically fall, as will prices. Thus, resuming vehicle production will simply add more product to an already oversaturated market.*

*And, as we reported in the **Trends Journal** throughout 2019, auto sales were falling across the globe... especially in China, India, and Europe.*

### **Auto Loan Industry Running on Empty**

Late-paying auto loans among big banks increased by 7.5 percent by the end of the first quarter while late credit-card payments rose only 3.5 percent, Autonomous Research reported.

Banks attribute the rise in late payments to the fact that car payments are larger than credit cards' minimum payments and, therefore, harder for cash-poor households to make.

Delinquent auto loans were on the rise before the crisis, reaching 4.9 percent at the end of last year, 38 percent higher than their quarterly average since 2003.

Sales of used cars also are slumping.

The number of used-car auctions fell by more than half, according to J.D. Power, which expects used-car prices to be down by as much as 16 percent during the second quarter and 4 to 6 percent for the year.

### **Airlines Will Jettison Planes, Routes**

American Airlines, Delta, Southwest, and United are planning to become smaller in the months ahead after losing billions of dollars in this year's first quarter.

American lost about \$2.2 billion in the year's first three months and is eating up about \$70 million a day in fixed costs. American's revenue dropped 20 percent to \$5.5 billion during the period.

About 39,000 of the carrier's employees have retired or taken unpaid leave.

American has said it has cut 80 percent of its flights for April and May and 70 percent for June, and it is starting with a "clean sheet" to plot next year's

schedules. The airline will have about 100 fewer planes in 2021 than it had planned.

Delta, Southwest, and United are mulling similar moves.

United reported losing \$1.7 billion in the quarter, the largest quarterly drop in 12 years.

***TREND FORECAST:*** *With the “New ABnormal” forcing flyers to wear face masks, and making up rules to keep them socially distanced in a non-socially distanced environment, the joy of flying, long gone for decades, will become extremely less joyous.*

*Airline travel, already down 95 percent from a year ago, will not rebound. As evidenced by billionaire Warren Buffet’s bailout of airline stock last week, the worst is yet to come for the airline industry and all business related to it.*

## **J.Crew Group Goes Bankrupt**

J.Crew Group has filed for Chapter 11 bankruptcy, becoming the first major U.S. retail chain to go bust during the economic lockdown.

The company owns the preppy J.Crew and hip-casual Madewell clothing lines and operates about 500 stores.

The company has struggled with \$1.7 billion in debt and has now negotiated with its creditors to convert about \$1.65 billion of the debt into ownership stakes in the company.

J.Crew Group lost about \$200 million during its last two operating years but doubled its earnings to \$250 million in the most recent year on sales of \$2.5 billion, indicating that a turnaround might have been possible if the virus pandemic and subsequent economic lockdown had not struck.

Popular, denim-focused brand Madewell was slated for an initial public stock offering in March, but the offering was scrapped after Crew’s creditors balked as the pandemic spread.

Madewell’s sales grew 10 percent in the most recent operating year while J.Crew stores’ sales sagged by 1 percent.

Crew had hoped that spinning off Madewell would clear enough debt to keep the remaining company solvent. Now Madewell will remain part of J.Crew Group.

“We will continue all day-to-day operations,” said Jan Singer, J.Crew Group’s CEO, adding the company expects to emerge from bankruptcy as a profitable entity.

Analysts have placed several other chains on a bankruptcy watch, including Gap, J.C. Penney, and Neiman Marcus.

Crew now adds its name to the list of retail chains bought by private equity firms and then driven into bankruptcy, including Payless Shoes, Sports Authority, and Toys “R” Us.

### **Media Companies: More Users, Less Revenue**

Millions of people idling at home are flocking to Facebook to stay in contact with friends and family. But the social media platform’s revenues are plunging.

As much as 40 percent of Facebook’s ad revenues come from small businesses, millions of which are shuttered by government order. These businesses’ ad spending could fall by half during this year’s second quarter, according to Brian Nowak at Morgan Stanley.

Similarly, Comcast has signed more new users during this year’s first quarter than in any quarter since 2008.

The company’s cable TV, internet, and phone services collected \$14.9 billion in revenue during the period, a rise of 4.5 percent year on year.

But Comcast also owns the Universal movie studio and theme parks, which lost 23 and 32 percent, respectively, during the first three months of this year.

Theaters and theme parks closed early in the lockdown and are likely to be among the last categories of businesses that will draw large numbers of visitors when they reopen.

Overall, Comcast’s first-quarter profit was \$2.15 billion, 40 percent below the same period in 2019.

Twitter reported its number of daily users rose 9 percent during the quarter just ended, to 166 million, slightly beating analysts' expectations.

But the company posted an \$8.4 million loss for the period, compared to \$191 million in profit a year earlier, as cash-strapped advertisers canceled ad buys.

Twitter's ad sales rely heavily on events and product launches, both of which have virtually disappeared during the economy's lockdown.

Twitter's stock price fell 7.7 percent on 30 April after the news was released.

***TREND FORECAST:*** *As COVID pandemonium panic recedes and new top stories – be they geopolitical tensions, The Presidential Reality Show<sup>®</sup>, or new O.J. Simpson stories contrived by money hungry Presstitutes to drive business – major media viewership will continue its long decline.*

*As for advertising, short on cash and struggling to survive, companies will dramatically cut advertising budgets while looking for new avenues, new messages, and new environments to spend less and sell more.*

### **McDonald's Isn't Lovin' It**

McDonald's reports same-store sales declined 3.4 percent during the first three months of this year, including a 22-percent tailspin in March, as the company closed restaurants across Europe and the U.S.

Overall sales were \$4.7 billion, 6 percent lower than a year previous, and the profit of \$1.1 billion was off 17 percent.

Sales of breakfasts have plunged during the lockdown; many people who bought food on their way to work are now not commuting.

"Getting back that breakfast business will be critical for us," said Chris Kpeczinski, McDonald's CEO.

The average sale has grown because people are pooling orders, the company reported, but it has canceled all-day breakfast and limited menu selections at many restaurants.

McDonald's is finding that some franchise owners are considering making permanent a more limited menu to fill orders faster and hike profits, the company said.

"The world is going to look different coming out of this crisis," Kepczinski noted, "and we expect many of those changes are going to be permanent."

The company has stopped buying back its own stock and has canceled \$1 billion in discretionary capital spending.

### **Processed Foods Make a Comeback**

The Kellogg Co. reported sales increased 8 percent during the year's first quarter, compared with that in 2019. The gains extended to its cereal division, which has been losing customers for years.

Kraft Heinz's sales rose 6.2 percent during the period.

Both companies have been seeing consumers migrate away from processed foods and toward niche brands offering fresher foods with fewer additives.

Now "consumers are coming back to big brands," said Miguel Patricio, Kraft Heinz's CEO. "In times of uncertainty, they want to experiment less with new brands."

***PUBLISHER'S NOTE:*** *It's not the need for familiarity that's driving consumers back to processed foods. Americans are junk food junkies. Stuck in lockdowns and not going out, they are eating the same low quality products they gobble down at fast food outlets ... but of a different flavor.*

*Also, while it's true boxed and processed foods tend to be cheaper than fresher fare and, with 30 million Americans out of work and others on reduced hours and pay, and cheap food is the bottom line for millions of American households, eating healthy and cooking from scratch is not overly expensive.*

### **New Corporate Bond Issues Flood the Market**

To help cover fixed operating costs during the economic shutdown, Ford Motor Co., Seaworld Entertainment, and several other large corporations issued a total of \$28 billion in new bonds between 13 April and 1 May, the fourth-largest two-week total on record.

Companies also are undertaking new bonded debt to build up cash against the second quarter's expected disastrous economy, analysts say.

Even bonds rated below investment-grade – so-called “junk bonds” – are becoming more attractive to speculators now that the Fed will buy high-grade junk.

On 14 February, interest rates on these riskier bonds were about 3.4 points above the treasury rate. The premium speculators charge for taking the risk of buying the bonds grew to 11 points by 23 March. By 27 April, the spread had fallen to 7.7, low enough that the companies' bonds were again able to find buyers.

Ford Motor's bond rating collapsed last month when it shuttered its production plants. On 24 March, some of the company's bonds were trading at 62 cents on the dollar.

After the Fed announced it would buy junk bonds, Ford's debt skyrocketed to values around 90 cents on the dollar.

The company has since issued about \$8 billion in new debt, the largest junk-bond issue on record.

Ford says it eats up \$5 billion a month in fixed costs while vehicle production is shut down.

The bond market's giddiness has not been tempered by analysts' expectations that a larger-than-usual number of companies will default on these debts.

The market is pricing in a default rate of 7.4 percent over the next 12 months, according to a model developed by CreditSights, an analysis firm.

Moody's Investors Service, however, forecasts a 12-percent default rate by 2021 and a 13-percent rate by the end of next March. Goldman Sachs' analysis reflects Moody's, pegging the default at 13 percent by the end of this year.

## NOTES FROM THE FRONT LINES



### **Nationwide Rent Strike Looms**

Organizers in Chicago, Philadelphia, New York, and several other large U.S. cities have urged renters not to pay their May rent.

The national rent strike is intended to call attention to the plight of the one-third of Americans who don't own the places where they live. About half of those renters pay a third or more of their income in rent and utilities, a group economists designate as "cost-burdened."

The majority of renters earn modest to low incomes and have been hit hardest by the economic shutdown.

FirstKey Homes and other major national landlords have offered rent deferral programs to tenants in several locations.

Landlords say that timely rent payments are necessary for them to keep properties in good repair and make their mortgage and property tax payments on time.

### **U.S. Hotels and Restaurants Shorted by Government Aid Program**

During March, spending at eateries and lodging establishments fell 26.4 percent, while spending across the broader economy declined at only 6.1 percent.

Hotels and restaurants account for 14.1 percent of the small-business economy, according to the U.S. Census Bureau, and small operations employ 61 percent of the hospitality sector's workforce. But these businesses received only 8.9

percent of federal aid for small businesses in the recent CARES Act bailout program.

The second round of the federal bailout specifically targeted small businesses in general but still made no special provisions for inns and restaurants.

## **EUROPE**



### **Eurozone’s Contraction Could Reach Double Digits**

The Eurozone’s economy contracted 3.8 percent in this year’s first quarter compared to the last three months of 2019.

That figure translates to an annual contraction rate of 14.4 percent if the pace of economic retreat is maintained throughout this year. In Spain, the annualized contraction was 19.2 percent; Italy saw a 17.6-percent reduction. In France, the contraction was 21 percent, the worst since records began being kept in 1949.

“Measures to contain the spread of the coronavirus have largely halted economic activity,” noted Christine Lagarde, president of the European Central Bank (ECB). She said the speed and severity of the economic damage is unprecedented since World War II.

With economic restrictions only beginning to lift, analysts expect the fourth quarter’s damage to be even more severe. Lagarde has said the Eurozone’s second-quarter economic performance could be four times worse than the first’s.

Economists expect the Eurozone's economy to contract by between 5 and 12 percent this year, depending on how hesitant consumers are to re-enter shops, factories, and workplaces.

On 30 April, the ECB discussed a plan to buy up to €850 billion worth of European nations' bonds to backstop countries making risky investments to save industries and key corporations.

Some analysts have referred to the plan as paying nations' banks to lend money.

The bank also will allow some commercial banks to borrow at a -1.0-percent interest rate if the money is reloaned to businesses and consumers.

The plan is likely to heighten already tense political divisions between northern and southern Europe. Countries in the south have fared worse and need more aid; countries in the north are growing increasingly resentful of having to bail out their less-fortunate Europartners.

Some analysts fear the strain could break apart the European Union if some nations decide to abandon the euro as a currency to escape hefty financial obligations to other countries in the union.

***TREND FORECAST:*** As we have detailed in the ***Trends Journal*** last year, Europe was already sinking near recessionary levels with GDP up only 0.1 percent in both the euro area and EU28. Therefore, as economic conditions continue to deteriorate, Europe's prolonged economic distress will add to weighing down the global economy and slow recovery in the U.S. and around the world.

## **Manufacturing Crashes at Record Rate**

Europe's factory production, new orders, export sales, and purchasing all plunged at a record pace in April, according to the IHS Markit research firm.

The availability of parts and raw materials also contracted at a never-before-seen pace.

Confidence about the future sank to a fresh series low. The IHS Markit Eurozone Manufacturing PMI registered 33.4 in April, down sharply from March's 44.5. Below the earlier flash reading, the latest PMI was the lowest ever recorded by the series (which began in June 1997), surpassing readings seen during the

depths of the global financial crisis and indicative of a considerable deterioration in operating conditions.

Some countries were less gloomy than others, but all registered below 50, the dividing point between optimism and pessimism:

- The Netherlands, 41.3, a 131-month low
- Ireland, 36.0, a 133-month low
- Germany, 34.5, a 133-month low
- Austria, 31.6, a record low
- France, 31.5, a record low
- Italy, 31.1, a record low
- Spain, 30.8, a 136-month low
- Greece, 29.5, a record low

Mandated national lockdowns hid underlying weaknesses.

April was the twentieth consecutive month in which backlogs of work shrank and the twelfth in a row that manufacturers reduced their workforces. Layoffs were greatest in Greece, Ireland, and Spain.

Practical steps to protect workers' health, such as social distancing on factory floors, will force factories to run at reduced capacities even if demand strengthens quickly, which is unlikely given levels of lingering unemployment.

"April will have hopefully represented the eye of the storm in terms of the virus impact on the economy," said Chris Williamson, IHS's chief economist. "However, the PMI is indicating... any recovery will be frustratingly slow."

### **German Auto Makers' Outlook Craters**

German automakers' assessment of their business climate crashed between March and April.

The ifo Institute's Business Climate Survey for April in the sector crashed from -13.2 in March to -85.4 now.

The plunge records both the largest month-on-month drop and the lowest rating since figures began being kept 30 years ago.

The survey measures executives' expectations of future business performance.

Orders fell, piled-up inventory increased, and use of production capacities stood at 45 percent, also the lowest in 30 years.

In the survey, the index for production expectations dipped from -36.2 last month to -44.2 now; export expectations fell from -43.9 to -64.9; and expectations for business overall slid from -34.6 to -45.7.

### **Central Bank Under New Pressure as Italy's Credit Rating Sinks**

On 28 April, credit rating service Fitch downgraded Italy's bonds to one step above junk status, noting that the new debt the country has taken on to fight the virus pandemic and to endure a stringent economic shutdown raises doubts about the stability of the government's finances.

The downgrade was surprise; Fitch was not due to review Italy's creditworthiness for another three months.

Moody's already had lowered Italy's bond rating to one step above junk. Standard & Poor's reviewed Italy's credit last week and held its rating at two steps above junk.

Italy is "a step closer to that cliff edge," said Paul Brain of Newton Investment Management, but "there's a window of three to six months where Italy is safe."

After Fitch's downgrade, Nomura Asset Management bought 30-year Italian bonds, expecting Italy's predicament would spur the European Central Bank (ECB) to increase its already extravagant bond-buying program.

"There's no turning back" for the ECB, said Nomura portfolio manager Dickie Hodges.

"Every time the market starts to lose confidence in Italy, they will have to step things up. It doesn't really matter" if Italy's bonds become junk "if the central bank is buying everything," said Hodges.

The ECB's governing board is scheduled to meet on Thursday, where many analysts expect it to expand its bond-buying program as it mulls a more comprehensive pan-European economic recovery plan.

"There will be disappointment unless there's a strong signal they are prepared to do more," said David Riley, chief strategist at BluBay Asset Management.

## The “New ABnormal” Relaxed Lockdowns

European governments are planning to relax national economic shutdowns beginning this month but within an array of measures intended to keep the coronavirus at bay.

France will begin to ease restrictions on 11 May, but the government is retaining broad new powers to control citizens’ movements between regions within the country. It also is establishing a legion of officials who will trace infected persons’ contacts.

In Greece, small retail shops will be allowed to reopen next week and people will be permitted to enter churches one at a time to pray. Religious services and some schools will resume mid-month and bars and restaurants can reopen in June if they serve patrons only outdoors.

Spain, with one of the world’s strictest lockdown regimes, is permitting restaurants to offer takeout food this week and allowing people outdoors alone to jog or ride bikes. Next week, small shops can reopen.

In Germany and Spain, Google’s mobility-to-workplace index showed the beginnings of people returning to work but no significant improvement in the numbers related to travel for pleasure.

Since the lockdowns were imposed, travel to group sites such as events or retail stores has fallen 80 percent.

Across the continent, mobility is still at about half pre-shutdown levels. Trips to work are down 43 percent in Germany and off as much as 68 percent in France, Italy, Spain, and the U.K.

All plans to restart these economies are based on close monitoring of COVID-19 infection rates. Governments have made clear that if infection rates rise again, the lockdowns will be reimposed.

***TREND FORECAST:*** *With freedom, liberty, joy, and beauty sapped out life, the new unscientific, politically determined unlocking laws will not sharply boost economic growth.*

*Indeed, absent a rebirth of COVID hysteria mongering in autumn, it will take many months for consumer economic activity to reach pre-lockdown levels, which were also in decline.*

## **CHINA**



### **Chinese Consumers Not Ready to Spend**

China's economy is showing signs of shaking off the lockdown, with mines and factories back in production at or near pre-pandemic levels, according to a variety of Chinese government statistics.

But, in large measure, consumers are not yet ready to return to their old ways of spending.

Many in China's young "spending class" had never faced a recession in their adult lives. China's economy has been a powerhouse for more than 30 years, never encountering a severe recession.

Now many of these workers have lost jobs that may not return. Other workers have burned through savings while idled for weeks at home.

For them, the need to rebuild savings or hoard money against future hardship has become more urgent than a new wardrobe or vacation trip abroad.

Retail sales fell about 16 percent during this year's first quarter compared to last year's. Sales of appliances, clothing, furniture, and jewelry all were down 25 to 33 percent in March compared to a year earlier.

Also, unemployment may still be near 20 percent if migrant workers from rural areas are counted.

Earlier in this century, the Chinese government began shifting its economic emphasis from public infrastructure projects and industrial construction to a consumer economy.

Now that the consumer economy is stalled, many economists are urging the government to do more to stimulate spending. Officials are reluctant, however, to take on new national debt.

Meanwhile, consumers are holding onto their cash.

“As long as the money is in your wallet, there is a strong sense of security,” said a 22-year-old Shanghai bartender. “You don’t have to spend it. You feel comfortable just opening the wallet and seeing it.”

## **EMERGING MARKETS**



### **Emerging Economies are Tapped Out**

Twelve emerging countries, including Brazil and Russia, drew down their foreign currency reserves in March by a combined \$143.5 billion, the fastest rate since 2008, according to Arkeria, a London-based research firm.

Turkey has depleted its reserves to \$56 billion, a level last seen in 2006. The country’s banks hold \$79 billion in debt coming due early next year.

The Turkish lira has declined 15 percent against the dollar this year.

Egypt poured out \$5.4 billion of its foreign currency stash last month, the nation's biggest monthly payout on record, leaving it with about \$36.4 billion in foreign currency.

The collapse of global tourism has slashed Egypt's income from foreign visitors, leaving analysts wondering if the country will be able to make scheduled payments on its dollar-denominated debt.

Interest rates of Egypt's bonds soared from 4 percent in February to 31 percent. The rate settled back to 7 percent after Egypt asked the International Monetary Fund for help.

The global economic crisis led foreign investors to redirect their money to safer assets, leaving the nations to delve into their foreign currency reserves – primarily dollars – to make debt payments and buy food, medicines, and other necessities from abroad.

***TRENDPOST:*** *Developing countries are in a lose-lose dilemma. They need to store up dollars to pay their debts, but if they service their dollar-denominated debt, they will not have the dollars they need to fund imports of essential goods.*

*Indeed, it is the global financial pressures that are forcing nations to lower interest rates and pump unprecedented digital money backed by nothing and printed on nothing, which is keeping the dollar strong and a safe-haven currency... despite that the U.S. engaged in the same Ponzi printing schemes.*

## **Nigeria's Economy Crashes**

In Nigeria, Africa's biggest economy, oil accounts for 60 percent of government revenues and 90 percent of exports and foreign exchange.

Or it did.

With oil prices at the bottom of the barrel, demand gone, and storage tanks and ships full, Nigeria's economy has slammed to a stop.

Nigeria's break-even price for oil is the world's highest at \$133 a barrel, due to institutionalized corruption and high processing costs. Brent crude, the world's price benchmark, has been trading below \$30 a barrel for weeks.

But Nigeria keeps the oil pumps running. Many of them are so old that, once stopped, it might not be possible to restart them. In that case, the government would have to permanently shut in a significant amount of the oil it depends on for jobs, revenue, and, to a large extent, social stability.

When the oil industry collapses, “you will have serious security implications... unrest,” said Kola Karim, chair of Shoreline, the nation’s third-largest oil company.

Nigeria is less prepared to weather this oil-market disruption than those of the past, noted the International Energy Agency, because the nation’s GDP has shrunk by a third in the last five years.

Now the coronavirus that led to the global economic shutdown and oil price collapse is making its way into Nigeria.

The number of cases of the virus there is unknown, but the president’s chief of staff has died of the disease, sparking fear among the ruling elite and motivating the president to shut down the country.

With 90 percent of the nation’s 206 million people working in the shadow economy, the lockdown means the hand-to-hand cash or barter payments that kept most of the country’s people alive have been lost.

Nigeria’s government has cut its 2020 budget by \$5 billion and asked the IMF for \$7 billion in aid.

***TREND FORECAST:*** *Nigeria is just one example of a poor oil-rich country getting poorer. Again, as we have noted, whether an oil-rich country that is poor or oil-rich countries that are rich, minus a war or a Black Swan event that sharply drives oil prices above \$80 per barrel, we forecast rapidly rising social unrest as people who have lost everything and have nothing left to lose will lose it.*

# TRENDS-EYE VIEW

## BIGS GET BIGGER, FEDS SCREW MOMS... AND POPS



*by Gregory Mannarino*

Too Big to Fail? No such thing today in the New America....

The merger between the mega-corporations and this government THING, yet to be fully defined, is in full swing. Moreover, it is being funded with unlimited capital directly from the Federal Reserve.

In every sense, what we are witnessing in the New America is a culling of small businesses on an **epic** scale. Make no mistake, the winners have been chosen: the big corporations, so say goodbye to your local mom-and-pop shops.

This engineered shutdown of the U.S. economy is by design an instrument, a weapon if you will, allowing corporations to overrun and wipe out **any** competition from small businesses.

For years, in the “War Rooms” of the mega corporations, the question has been, “How do we eliminate the mom-and-pops?” The mega corporations have believed, and continue to believe, that the United States is “oversaturated” with small businesses... and the coronavirus charade is being used to foster a grand elimination of them.

The “business” of government in America – and government IS a business –for decades has been merging with the mega corporations, henceforth forming a union with the military-industrial complex (MIC). This union has formed a dangerous alliance between the MIC and the federal government, with virtually unlimited financial backing directly from the Federal Reserve.

The alliance between the corporations and government, combined with an unlimited

bankroll provided by the Fed, is a curse upon freedom and liberty.

The elimination of “mom-and-pop” shops will, by design, empower this New America/corporate agenda and secure the New World Order, which is a society governed and ruled by the direct merger of corporate and government power. This is what is known as fascism.

We are in the midst of enormous change. There is no doubt about it.

In America, a new government philosophy has been allowed to manifest itself under the guise of an “emergency.” It is always the same story: **they** create a problem and then offer **their** solution, with no input allowed by “We the People.”

The maniacs in charge are making the rules, and the rules are not to be questioned. That is called totalitarianism.

Facism and totalitarianism – who said it couldn’t happen in America? Well, it happening right now.

## COVID-19: SPECIAL REPORT

### MEDIA/POLITICAL HYPE MINUS THE FACTS



It’s an ongoing media theme: every day, the mainstream media and politicians continue to sell COVID-19 fear and hysteria.

Yet, nearly absent in their reporting are the hard facts and scientific data, as we have continually reported in recent issues in the **Trends Journal**: the vast majority of those dying from the virus are elderly people who are chronically ill and those suffering from obesity, high blood pressure, diabetes, heart disease, and long-term lung ailments, according to the Centers for Disease Control and Prevention (CDC).

On 29 April, some 70 residents died at the state-run Soldiers' Home in Holyoke, an elder care facility in Massachusetts. So far, this is the deadliest toll at a long-term care facility in the United States.

According to Joan Miller, a nurse who works at Soldier's Home, there had been a severe staff shortage. "Veterans were on top of each other. We didn't know who was positive and who was negative and then they grouped people together and that really exacerbated it even more," she said.

In New Jersey, 62 died at the Paramus Veterans Memorial Home and another 50 at the Menlo Park Veterans Home.

In New York, 55 have died from the virus at the Long Island State Veterans Home.

Again, it is important to note that only a small fraction of those dying at certain eldercare homes are being reported.

Indeed, as we reported in last week's **Trends Journal**, a *Wall Street Journal* article from 22 April stated the virus has killed over 10,000 residents of long-term care facilities (such as nursing homes), but 27 states have not yet reported their data on nursing-home related COVID-19 fatalities.

Included among those states not providing complete data is Washington, where the virus first struck in the U.S. One out of five of its nursing homes was hit by the disease, and more than 200 deaths have been linked to those facilities since early April.

The Kaiser Family Foundation, an America non-profit organization focusing on national health issues, has reported that 27 percent of COVID-19 deaths in 23 states occurred in nursing homes and long-term care facilities.

## **F.U. Who?**

On 23 April, Dr. Hans Kluge, European regional director of the World Health Organization, revealed that more than 50 percent of all COVID-19 deaths in Europe have occurred in nursing homes and long-term care facilities. This information has been ignored by the mainstream media.

This information has been known for weeks. On 30 March, an article published in the medical journal *Lancet* reported: “Covid-19 kills an estimated 13.4% of patients 80 and older, compared with 1.25% of those in their 50s and 0.3% of those in their 40s.”

As for Italy, where COVID-19 panic news fears first spread outside of China and sparked the lockdowns throughout the western world, while deeply buried in it's full page story, the *New York Times* even noted yesterday that “The average age of those who died of Covid-19 there [Italy] was around 80.”

Evidence also indicates that children and the young demographic are far less vulnerable to the virus. According to CDC data, in the U.S., only 1.7 percent of nearly 150,000 infections were found in people below the age of 18.

## **Makes You Cry**

The mainstream media carefully avoids providing information concerning the vast majority of coronavirus victims. Recently, a story was reported about the death of an angelic, five-year-old African-American girl who died of the virus in Detroit Michigan:

**“The numbers are low until it’s your child:  
The coronavirus can be deadly for children, too.”**

Absent from this *Washington Post* story are two very significant facts: 1) Michigan has the country’s highest COVID-19 death rate, and 2) economically depressed Detroit is the epicenter of that state’s virus outbreak. West Michigan news outlet WWMT was more accurate in its reporting: “Experts also said the virus is hitting poverty stricken and more marginalized communities harder.”

It is tragic that this child, or any child, should die of the virus. But the people of America deserve to know that as of 21 April, when the *Washington Post* ran that story, there were just two deaths associated with the virus in America of children between the ages of one and five... out of 23.2 million children in that age group.

**TREND FORECAST:** *More than 100 countries continue to keep schools shut down, affecting some 840 million children. Beyond the difficulties of parents balancing work schedules, finding affordable childcare services, etc., one of the greatest megatrends of the 21st century has been born: “Interactive U.”*

*As the **Trends Journal** has been reporting since the outbreak of this pandemic, from grade school through graduate school, the COVID crisis has created demand for a whole new world of “Interactive Online Education.”*

*Trends are born, they grow, mature, reach old age and die. “Interactive U,” the online trend Gerald Celente predicted in his 1996 book, “Trends 2000” is now reality and a part of our culture.*

*For OnTrendpreneurs® and visionary investors, designing and funding a new education curriculum to replace the outmoded 19th century Industrial Age one invented by the Prussians will not only reap enormous financial rewards, it will vastly improve individual skill sets.*

*And, while we do not provide financial advice, we forecast that leading companies designing advanced Interactive U online educational systems will be at the forefront among competing high-tech corporations.*

**TRENDPOST:** *While virtually ignored on broadcast media and rarely in the press, we have noticed that in Associated Press coverage of the coronavirus, included are these two sentences: “For most people, the coronavirus causes mild or moderate symptoms. For some, it can cause severe illness such as pneumonia, or even death.”*

*Rarely, if ever, in the mainstream media, it is ever mentioned that, “For most people, the coronavirus causes mild or moderate symptoms.” Instead, they concentrate on the “For some” who die.*

## CNN, HOW LOW CAN YOU GO?



In the 21 April **Trends Journal**, we reported how Jeff Zucker, Chairman of CNN, seized on the coronavirus to pump up the cable networks failing ratings:

### **Ratings Soar, Ads Vanish at CNN** Pandemic coverage boosts viewership

On a recent conference call, CNN chief Jeff Zucker urged editors and producers at the network not to shift focus from coronavirus new updates despite weeks of wall-to-wall coverage of the pandemic.

“You need to stay on the news,” Mr. Zucker said, according to a person who listened. “People are coming to CNN for the news right now.”

The 16 April *WSJ* article noted, “TV ratings suggest his hunch was on target.”

According to Nielsen data, CNN total primetime viewers averaged 2.2 million in the first week of April. This is more than double the viewership in the fourth quarter of 2019.

Doubling down on their “how low can you go, do anything to increase viewership” mentality, in the most disgusting case of what used to be called “journalism,” last Tuesday, CNN posted this headline story:

### **US coronavirus cases surpass 1 million and the death toll is greater than US losses in Vietnam War**

As some researchers say deaths could rise significantly in coming weeks, the number of confirmed coronavirus cases in the United States has

topped 1 million and the deaths toll has surpassed the total of US troop fatalities during the Vietnam War.

As of Tuesday evening, there are more than 1,012,000 people in the United States who have or have had the virus, according to a tally from health officials by Johns Hopkins University. At least 58,356 people have died.

The first known US coronavirus-related fatality was February 6, less than three months ago.

***TRENDPOST:*** *The Trends Journal often refers to CNN as the “Cartoon News Network.” But after reading this incredibly misleading and ignorant story comparing COVID-19 to the Vietnam War, it might be more appropriate to refer to CNN as the “Colossal Nitwit Network.”*

*Absent in their comic-book quality “news” story is the fact that beyond the 58,220 young American boys CNN said were killed in Vietnam, they failed to mention the over 300,000 American soldiers who were seriously wounded in action with amputations and crippling wounds... at a rate 300 percent higher than in World War II.*

*Add to that the 2015 study published in the Journal of the American Medical Association, which found “over 270,000 Vietnam veterans have current full Post-Traumatic Stress Disorder (PTSD),” meaning they have been living lives filled with pain and suffering... and how the war divided the nation.*

***TRENDPOST:*** *Also conveniently ignored by the CNN Presstitutes of the lowest order are the three million Vietnamese that Americans killed, and the estimates of millions more wounded in yet another U.S. war launched by psychopathic presidents based on lies:*

### **30-Year Anniversary: Tonkin Gulf Lie Launched Vietnam War**

Thirty years ago, it all seemed very clear.

“American Planes Hit North Vietnam After Second Attack on Our Destroyers; Move Taken to Halt New Aggression”, announced a *Washington Post* headline on Aug. 5, 1964.

That same day, the front page of the *New York Times* reported: “President Johnson has ordered retaliatory action against gunboats and ‘certain

supporting facilities in North Vietnam' after renewed attacks against American destroyers in the Gulf of Tonkin.”

But there was no “second attack” by North Vietnam – no “renewed attacks against American destroyers.” By reporting official claims as absolute truths, American journalism opened the floodgates for the bloody Vietnam War.

A pattern took hold: continuous government lies passed on by pliant mass media... leading to over 50,000 American deaths and millions of Vietnamese casualties.

The official story was that North Vietnamese torpedo boats launched an “unprovoked attack” against a U.S. destroyer on “routine patrol” in the Tonkin Gulf on Aug. 2 – and that North Vietnamese PT boats followed up with a “deliberate attack” on a pair of U.S. ships two days later.

The truth was very different... — [FAIR](#), 27 July 1994

*Yes, the truth was very different, but no different than today.*

*As FAIR, the national progressive media watchdog group, noted, the mainstream media sold the American people the Vietnam War based on lies. As the records prove, nothing has changed.*

*For example, it was America's media which sold the lies that “Saddam Hussein has weapons of mass destruction,” also, the first Iraq War, the Afghan War, the Libyan War, the Syrian War, the Yemen War, etc.*

**TRENDPOST:** *While CNN's comparison of COVID-19 to the Vietnam War is pathetic, using war as an analogy in dealing with the virus is a favorite tool of politicians hoping to look brave in a crisis:*

- *French President Emmanuel Macron defended his strict COVID-19 lockdown because “We are at war... the enemy is there – invisible, elusive – and it is advancing.”*
- *UK Prime Minister Boris Johnson, in explaining his strategy for COVID-19, said, “We must act like any wartime government.”*

- *President Donald Trump – who’s daddy paid a doctor to help him beat getting drafted into the Vietnam War because he had a bone spur – said, “Our war against the Chinese virus... I view it as a, in a sense, a wartime President.”*
- *Declared Spain’s Prime Minister Pedro Sanchez, “We are at war.”*

### **Adding Insult to Stupidity**

Also neglected by CNN in comparing the deaths in the Vietnam War to the COVID War are the millions of dead Vietnamese and Americans poisoned by the Pentagon and the Washington warmongers’ “Operation Ranch Hand,” which sprayed more than 20 million gallons of poisonous Agent Orange over Vietnam, Cambodia, and Laos from 1961 through 1971.

Indeed, the levels of mental madness continually dealt out by demented political and military “leaders” has become the American Way.

For example, the public accepts its President’s bombing runs over Syria for alleging, without proof, that the ruling government dropped chlorine barrel bombs on their enemy. Missing from history is the U.S. genocide of spraying tons of poisons across entire nations to kill food crops, seafood, and trees. This enabled our bombing runs to kill more of the “enemy” would by depriving them of a place to hide and/or insuring their starvation.

For the CNN scum of the earth and other media which promoted and compared the COVID War to Vietnam War, yesterday marks the 50th anniversary of Ohio National Guardsmen slaughtering four Kent State University students and seriously wounding nine others for protesting the murderous war.

But today, there are no protests against America’s ongoing wars and the new ones we are inciting against Iran and Venezuela. And the media and its Presstitutes are again saluting War-Criminal-in-Chief George W. Bush, who has called on the nation to unite in its fight against the COVID War.

## THE COVID DOPE OPERA



In the never-ending quest to sell coronavirus pandemonium panic, in the 29 April edition of the *New York Times*, under the headline “Coronavirus Update,” were these two sub-headlines:

**“Number of Infections Rises Past 1 Million”**

**“Japan May Postpone Olympics Yet Again”**

The first article opens with: “It took 99 days to go from one case to one million. The United States passed that distressing milestone on Tuesday as the nation continued its struggle with a pandemic that has killed more than 52,000 Americans.”

The article goes on to point out: “Stunning as the one million figure is, it understates the reach of the virus. Some disease researchers say the actual total of infections could be around 10 times higher.”

***TRENDPOST:*** *Absent in their fear-selling hype is the fact that if their “experts” are correct, and the number of infected are ten times higher, it proves the virus is far less deadly and dangerous than it is being sold as, since the death rate would also be ten times higher: 520,000 dead, not 52,000.*

*Beyond the headline “Number of Infections Rises Past 1 Million,” which pumps more fear and anxiety into the public, it also conditions readers to dutifully obey the myriad of “Executive Orders” that close down their businesses, put them out of work, and order them to follow the extended list of the New ABnormal, while ignoring scientific facts and hard data.*

**TRENDPOST:** *The second sub-headline, “Japan May Postpone Olympics Again,” implies Japan is experiencing a worse than expected coronavirus crisis.*

*The exact opposite is the truth. It is being postponed because of the New ABnormal. People are afraid to travel and gather in crowds and stadiums... not because of the virus attacking Japan.*

*As we reported in the **Trends Journal** last week, Japan had only a soft lockdown, which allowed most businesses and social activities to continue, with only 430 deaths from coronavirus in a country of over 126 million people. Yet, this point was ignored by the Times.*

**TRENDPOST:** *Also absent from the mainstream media hype are the facts that nations such as Cambodia, Turkmenistan, Nicaragua, Myanmar, and others, which had no lockdown restrictions at all, have COVID-19 death rates that are insignificant. For example, the death rates from the virus of the nations mentioned add up to 11.*

## **And More Hype**

From the *Daily Mail* in the U.K. to the *New York Times* in the U.S. and press throughout the country, the big headline screeching the media was:

### **“After Decades of Service, Five Nuns Die as Virus Sweeps Through Convent”**

In the *NYT* article, the reporter waited until the fifth paragraph to note the nuns died in an elder care convent for those suffering from dementia, which was “meant to be their final home.”

Of course, the death of these elderly nuns was tragic for those close to them, but the fact is they were near the end of their lives, and they had advanced stages of dementia, a debilitating disease that compromises the physical health of those who suffer from it.

As with the volumes of data we have presented in the **Trends Journal**, including this issue, those who are chronically ill in elder care facilities are most at risk to die from the virus.

The article goes on to point out, much later into the drama, that the entire state of Wisconsin had 316 dead from COVID-19. They ignored to note it has a population of 5.8 million.

Thus, they have the minuscule COVID death rate of 0.005 percent... and their state is locked down – sheltered-in-place – with lives, businesses, and the economy destroyed by imbecilic government leaders and their cast of health “experts” and bureaucratic flunkies too arrogant and ignorant to do the math and look at the actual numbers.

***TRENDPOST:*** *Why a headline story about five elderly nuns dying from COVID-19? Why not five barbers, musicians, laborers, mechanics, or plumbers?*

*Because the reader-hungry Prestitutes know a heartbreaking story of five nuns dying in “Our Lady of The Angels” convent home feeds into fear and anxiety, which attracts more eyeballs to their papers, screens, and websites.*

*As a by-product, the twisted manipulation of the true nature of this pandemic helps political leaders maintain authoritarian control over citizens, particularly those believing in outside authorities to save the day.*

## **CORONAVIRUS: THE SWEDEN SUCCESS STORY CONTINUES**



As reported last week in the **Trends Journal**, Sweden is successfully managing the COVID-19 pandemic without shutting down its economy and imposing severe government restrictions on travel and daily life.

As data continues to come in, the results continue to impress. The death rate from coronavirus in Sweden of 22 per 100,000 is the same as Ireland, which was seen by the anointed “experts” as being superior to the efforts of the UK and France.

In the capital city of Stockholm, citizens have been seen enjoying themselves in restaurants, cafes, and nightspots, strolling the streets and packing the parks. While Sweden’s governmental medical team encouraged social distancing and commonsense precautions, all actions were voluntary.

While high schools and colleges were closed, elementary schools were kept open, as it has been known for some time that those under 18 have been virtually unaffected by COVID-19. It should be noted, however, that most nations have banned grade school because “experts” contend children can pass on the infection to others, but, as reported in the *Wall Street Journal*, “it isn’t clear to what extent.”

Gatherings of more than 50 were banned in Sweden, but smaller athletic and social events remained unrestricted.

And while other European countries were closing borders and shutting down most business activity, Sweden’s borders have remained open. Citizens, while voluntarily maintaining some social distance where possible and cutting down on use of public transportation by about 50 percent, are not wearing masks for the most part, and there have been no incidents of police harassment for not following protocols.

## **The Old Normal**

Sweden’s success model for dealing with COVID-19 is getting world attention. Dr. Michael Ryan, Executive Director of the WHO Health Emergencies Programme, said, “I believe that if we are to reach a new normal situation, Sweden can in many ways represent a model for the future.”

Sweden’s strategy was devised with the knowledge that at the early stages of the soft lockdown, there is an expected spike in the number of people dying from COVID-19. But that quickly settled down, and, in addition to avoiding the significant economic and psychological pain and suffering of those in lockdown, there is the known advantage that by allowing a virus to spread within reason, social immunity is achieved much faster than with a strict lockdown.

Known as “herd immunity,” the Swedish Public Health Agency estimated that by 1 May, over 25 percent of Stockholm residents will have been infected, which will go a long way toward inhibiting future outbreaks.

Sweden’s top medical epidemiologist, Dr. Anders Tegnell, noted that when a country is in a strong lockdown, the vast majority cannot develop immunity, so it is best to let Swedes establish immunity the natural way.

Last Tuesday, the doctor stated, “A recent survey from one of our hospitals in Stockholm found that 27% of staff there are immune... We think that most of those are immune from transmission in society, not the workplace. We could reach herd immunity in Stockholm within a matter of weeks.”

Dr. Tegnell has made it clear he didn’t set out to establish herd immunity. Instead, it is a positive benefit of allowing Swedish citizens to voluntarily practice safety rather than imposing a strict lockdown, which was based on early data showing COVID-19 was a high risk for only a very small percentage of the overall population.

Indeed, as in other countries, and continually noted in the **Trends Journal**, the virus has disproportionately killed the elderly population. The Swedish Public Health Authority reports the virus has hit 75 percent of the senior nursing homes and, so far, 86 percent of those who have died from COVID-19 were over 70 years old.

On 17 April, Dr. Johan Giesecke, a Swedish doctor renowned for his work in epidemiology, made it clear why his country’s more open strategy is working:

“The main reason is that we, or the Swedish government, decided early in January that the measures we should take against the pandemic should be evidence-based. And when you start looking around for the measures that are being taken now by different countries you find that very few of them have the shred of evidence base. But one we know, that’s known for a hundred and fifty years or more, and that is washing your hands is good for you and good for others when you’re in an epidemic. But the rest – like border closures, school closures, social distancing – there’s almost no science behind most of these.”

As for “herd immunity,” Dr. Giesecke gave a similar response as did the country’s chief medical spokesperson, Dr. Tegnell:

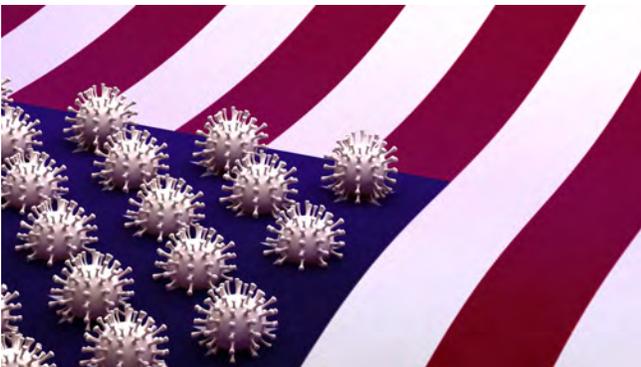
“It’s not a strategy, but it’s a by-product of the strategy. The strategy is to protect the old and the frail; try to minimize their risk of becoming infected, and taking care of them if they get infected. If you do that – the way we’re doing it – you would probably get herd immunity and then – but that’s a byproduct order, it’s not the main reason to do it.”

***TRENDPOST:*** *Dr. Giesecke also confirmed what Gerald Celente has been stating for months: **Don’t quarantine the healthy in lockdowns and, in doing so, destroy economies and sap the joy and beauty out of life. Quarantine only those most at risk to die from the virus.***

*And as Gerald Celente has made clear, just as politicians start wars with no exit strategies, those that have imposed hard lockdowns on their countries have no exit strategy for ending the COVID War.*

*Indeed, Dr. Giesecke noted, “When I first heard, which is now six weeks ago, about the different draconic measures that were taken I asked myself: How are they going to climb down from that one? When will they open the schools again? What should be the criterion to open schools? Did any one of them – strong and very decisive politicians – even think about how to get out of this when they introduced it?”*

## **AMERICANS LOVE THE “NEW ABNORMAL”**



In America, “Land of the Free, Home of the Brave,” the vast majority of citizens not only accept the shutdown of the economy and government orders to stay at home, according to several polls, they want the restrictions to continue.

Eighty percent of respondents to a recent NPR poll said they are against the reopening of schools, restaurants, and all businesses until there is extensive testing to make sure they will be safe.

A Politico/Morning Consult poll conducted 24-26 April revealed that almost 75 percent of registered voters advocate for continued social distancing restrictions regardless of whether it further destroys the economy.

And yet, at the same time, Americans favor a continued lockdown despite the toll it has taken on their livelihoods. In the 21 April NPR/PBS Newshour/Marist poll, 50 percent of Americans are reporting they have lost their jobs or have had the number of hours dropped compared to 18 percent just a month ago.

According to the latest Pew Research Center Election News Pathways survey conducted 10-16 March, the public gives the media high marks. Seventy percent polled said the news media is doing either “very well” or “somewhat well.” Only 29 percent feel the American news media is not reporting well.

Additionally, a majority of Americans find the news media has exaggerated the severity of the coronavirus: about 37 percent said the media has greatly exaggerated the risks of the virus, with 25 percent more agreeing the media has slightly exaggerated the risks.

Less than 10 percent of those polled felt the news media was underestimating the danger of the pandemic.

***TRENDPOST:*** *To show how easy it is to sell propaganda to sway public opinion, just two years ago, an Axios/SurveyMonkey poll showed that 72 percent of Americans believe “traditional major news sources report news they know to be fake, false, or purposely misleading.”*

### **Attention Deficit Disorder: The Order of the Day**

In times of fear and terror, minds and attitudes instantly change. As noted above, a strong majority of Americans, some 80 percent, believe their politicians’ decisions, which are supported by the media, that schools, most businesses, and public spaces such as beaches, despite tens of millions out of work and suffering social isolation, should be shut.

These are the same majorities, some 63 percent, as polled by the Pew Research Center last July, who said they had “not too much” or “no confidence at all” in

elected officials... the same “officials” that are now running and ruining their lives and livelihoods.

Now another poll adds to the picture of American minds being totally unhinged.

A 24 April poll conducted by CyberNews.com shows Americans strongly support privacy rights.

Almost two-thirds polled disapprove of the government collecting their data or using technologies such as facial recognition to track where they go. Over 50 percent stated their personal privacy was more important than giving the government more power to fight the pandemic.

How does that square with the NPR poll quoted above showing some 80 percent of Americans want the government-imposed lockdowns to continue? So, it’s OK for the government to take away your right to work and earn a living, but it’s not OK for them to track your movements when you do go out?

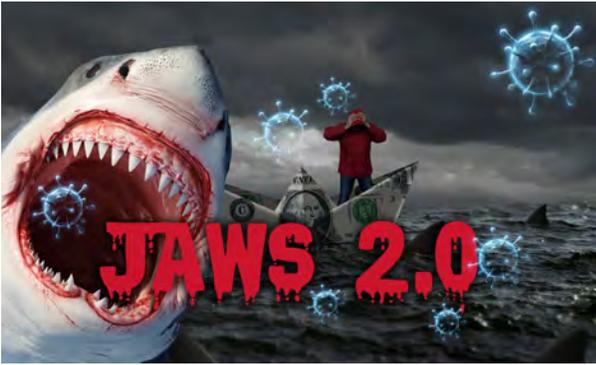
For those concerned with government tracking and privacy rights, people living in Baltimore have plenty to worry about.

Beginning last Friday, the movements of approximately 600,000 residents in the city will be recorded by up to three planes equipped with high-tech cameras. The American Civil Liberties Union tried to get a preliminary injunction against this government monitoring, but a federal judge ruled it to be constitutional.

***TRENDPOST:*** *Just as so many of our Constitutional/Bill of Rights have been robbed from We the People as an excuse to fight the “War on Terror” following 9/11, so, too, are our civil liberties being eroded with the COVID War.*

*And it will get much worse. Thermal cameras are being outfitted to follow you to detect fever and conduct “contact tracing” in the name of stopping the spread of COVID-19.*

## JAWS 2.0



“Stay out of the water. COVID will kill you!” have been the orders of political “authorities,” especially in America.

The closing of beaches is yet another example of the American public bowing down to irrational government lockdown restrictions, which have nothing to do with science or bonafide medical data.

With temperatures rising, both outdoors and among locked down citizens eager to get out of their homes and apartments and onto beaches as the weather warms up, states continue to impose strict social distancing rules which, as we have detailed, make no scientific sense.

Continuing on its rampage to spread fear, in its story last Friday about beaches opening up, the *New York Times* questioned: “But how to prevent beach blankets and lawn chairs from becoming new founts of coronavirus infection has become a flash point for governors in Florida, California and other coastal states.”

What no governor nor government health official has explained is how forcing people to remain a certain distance apart on a beach makes a difference when ocean breezes are blowing across the entire area?

And, as we noted in this current issue’s article “Sweden Success Story,” renowned Swedish epidemiologist Dr. Johan Giesecke recently pointed out “there’s almost no science” showing that social distancing significantly slows down the spread of any virus.

This hasn’t stopped authority-hungry political leaders from closing down beaches.

Last Thursday, in California, Governor Gavin Newsom officially shut down all beaches in Orange County, reversing his earlier decision to allow them to stay open.

He claimed he was forced to shut down the beaches because people were violating his social distance restrictions. “This disease isn’t going away,” he warned in a public statement. To date, just over 2,000 Californians have died from COVID-19 in a state with almost 40 million people.

Last weekend, thousands of Californians took to the locked down beaches, but police chased them out a few hours later.

In Florida, Governor Ron DeSantis has pushed back against those who are demanding he close all the beaches.

DeSantis points out that not all regions of the state have been hit equally as hard by coronavirus and that decisions on beaches should be made locally.

During spring break, overhead photos of young people partying on beaches generated outrage across the country, and much was made that dozens out of the thousands involved either developed flu symptoms or tested positive, but none of the young party goers were killed by the virus.

## **Cuomo on the Rise**

Despite the growing frustration of not being able to work and feeling socially isolated, New Yorkers strongly support Governor Andrew Cuomo’s orders to keep schools and non-essential businesses closed and force the wearing of face masks in public.

While for years the governor had seen relatively low poll numbers, now he is seen as a hero, with 87 percent surveyed supporting his executive orders to keep the economy closed down. The poll, conducted on 30 March by the Siena College Research Institute, also revealed that nearly one-third polled know someone who has contracted the virus, 53 percent say “things will be back to normal sometime soon,” and about one in four has had someone in their household laid off from work.

Last Saturday, Governor Cuomo resisted pressure to open up New York State’s economy stating that while he was aware many people were struggling with the

strict lockdown, more needed to be known about coronavirus before he would relent.

Cuomo stated, “Even when you are in uncharted waters, it doesn’t mean you proceed blindly... use information to determine action – not emotions, not politics, not what people think or feel, but what we know in terms of facts.”

***TRENDPOST:*** *Someone working for the governor ought to introduce him to Swedish epidemiologist Dr. Johan Giesecke, quoted above, who has the facts rather than the daddy’s boy Governor who is swimming in “unchartered waters.”*

## **French Surrender**

In case anyone needs proof that citizens living in democracies, not just in the U.S. but around the world, are glad to bow down to political leaders and give into shutdowns and stay-at-home orders, regardless of the consequences, Vive la France.

The government of Emmanuel Macron has officially prolonged its “state of health emergency” for two more months, to 24 July. Health Minister Olivier Veran made the announcement last Saturday.

After a recent cabinet meeting, Interior Minister Christophe Castaner stated, “We are going to have to live with the virus for a while.”

Just to make sure French citizens understand who is running their lives, President Macron proclaimed in a May Day address last Friday that when the lockdown policies ease up, it “will not be the passage to a normal life. There will be a recovery that will need to be reorganized.”

May Day in France is traditionally a time for street protest. A year ago, tens of thousands of union workers and “yellow vest” members demonstrated against Macron’s economic policies. This year all protests were banned due to COVID-19.

## THE NEW ABNORMAL: “EAT, DRINK & DON’T BE MERRY”



There was a time when “Eat, Drink & Be Merry” was a regular part of life. But thanks to political leaders and their strict lockdowns to deal with coronavirus, the new motto is “Eat, Drink & Be Tested.”

As reported in the *Associated Press*, last week, restaurants in many states have reopened, but with severe restrictions such as: “Staff must wear masks and check customers’ temperatures.” This is not a joke. In a number of areas allowing restaurants to reopen, wait staff must check customers’ temperatures before allowing them to enter.

In New York City, one of the great food capitals of the world, his honor, Mayor Bill de Blasio, stated in a 20 April press conference that reopening businesses, including restaurants, is still in the future, but he said that when NYC does lift restrictions, checking customers’ temperatures “will absolutely have a role to play.”

In California, Governor Gavin Newsom has stated that disposable menus and temperature checks will likely become the norm for his state’s eateries.

A 17-page document from the Centers for Disease Control and Prevention (CDC) details recommended safety precautions as countries reopen from severe lockdowns. The document suggests restaurants use only single-use condiments such as ketchup, mustard, and mayonnaise, put in “sneeze guards”/plastic shields at all cash registers, and eliminate all salad bars and buffets.

At least a few restaurateurs have drawn on a line on the insanity facing their businesses.

In Maine, the Red Maple Inn posted a message on Facebook that “enough is enough” and promoted their reopening despite Maine Governor Janet Mills’ shutdown order. A handful of other Maine eateries also challenged the governor and reopened over the past weekend.

But the state fought back. Last Friday, the Sunday River Brewing Company opened against orders and hundreds showed up to support the owners. State liquor inspectors then revoked the Sunday River Brewing Company’s food and liquor licenses, closing the popular spot.

In Italy, restaurant owners aren’t as complacent as in the U.S. About 75,000 owners have joined together to voice their anger over proposed government restrictions on their operations.

Thousands of protesters showed up on 28 April to stage a “mass reopening” in defiance of government edicts under the banner “Risorgiamo Italia” (“Italy Rises Again”). At 9 p.m. that evening, food businesses turned on lights and some set up a table and pantomimed the actions of serving a customer in order to let the public know how the government is making it almost impossible for them to continue running at a profit.

The Italian government has set 1 June as the date when restaurants, trattorias, clubs, and bars can reopen for in-house seating (now they can only provide takeout), but when they reopen their doors, food establishments must maintain expanded social distancing rules and add plexiglass dividers and other barriers throughout dining and drinking areas.

Most of Italy’s restaurants and cafes are family-run. The new restrictions could lead to the permanent closing down of at least half of these establishments. Owners point out that while they will still have high operating costs, the government expects them to operate at around 30 percent of their usual capacity based on the new restrictions.

In addition to the economic catastrophe this would cause, with restaurants, trattorias, clubs, and bars employing 1.5 million people and generating some 87 billion euros in revenues, it will likely kill off one of the basic fabrics of Italian cultural life.

Buon appetito.

**TREND FORECAST:** *Due to the cost of purchasing food and high operating expenses, quality restaurants work on tight margins even in the best of times. With the long list of new, government-imposed restrictions, many restaurants will continue to suffer even when allowed to open... and many will never reopen.*

### **This Drink is on the House**

As if restaurant owners and employees don't have enough problems with the severe restrictions, the majority that are still ordered to be shut down are facing what was a likely scenario from the start: in the U.S., a growing number of people are breaking into deserted bars and restaurants to steal liquor.

Although crime rates have dropped overall, burglaries and break-ins are escalating. From New Haven to San Francisco, reports keep coming in of restaurants being vandalized. Since New York City was locked down, burglaries have almost doubled. More than 140 of those were in restaurants.

### **LOVE & MARRIAGE PLUNGE**



According to government data released last week, the number of Americans tying the knot is now at the lowest level ever recorded. While this trend was happening before the spread of COVID-19, with the U.S. marriage rate dropping six percent in 2018, fear of the virus and stay-at-home orders are plunging the number even lower.

On 29 April, Sally Curtin, a statistician at the National Center for Health Statistics, stated, “Millennials are in peak marriage years, their 20s and 30s, and it’s still dropping... This is historic.”

The last time this dearth of marriages was seen was during the Great Depression. Given the financial insecurity of millennials since the 2008 financial crisis, and now the added job loss and uncertainty caused by the imposed government shutdown strategy, limitations on social gatherings are expected to push marriage rates yet lower.

## **GEOPOLITICAL ROUNDUP**

### **HONG KONG: BEIJING FEARS NEW PROTESTS**



Over the past few weeks, officials representing the Chinese government in Beijing have put strong pressure on Hong Kong's political leaders to enact security laws prohibiting the return of massive street protests, which rocked the city and surrounding area from March 2019 until the COVID-19 pandemic starting last January.

The increasing concern from Beijing comes as anti-government activists in Hong Kong are reported to be ramping up plans to protest again now that the city starts to ease the COVID-19 lockdown restrictions. Over the past five days, there have been no reports of new cases.

Currently, social distancing laws are still in place that limit any gathering of more than four people. Nonetheless, a protest did take place at a mall last Sunday, and police were brought in to break it up.

To intimidate any return of the massive protests, which rocked Hong Kong for over seven months last year, Beijing has made it clear that anti-government demonstrations would be considered treason and subversion.

The sole Hong Kong representative in the Chinese Standing Committee of the National People's Congress, Tam Yiu-chung, stated last Saturday, "The previous arrests didn't mean the forces have been completely curbed. We still need laws to safeguard national security."

As we continually reported in the **Trends Journal**, the extensive protests that saw well over a million citizens take to the streets began in March 2019. They were in reaction to the Fugitive Offenders legislation bill, which would have allowed China to extradite suspected Hong Kong criminal suspects to the mainland.

On 15 June, Chief Executive Carrie Lam suspended the bill but refused to completely withdraw it, which led to an even larger demonstration the following day. Standoffs between police and protesters continued over the summer and into the fall with substantial rioting, property damage, and arrests. The movement's issues expanded to include more democratic freedoms and less external control from the mainland.

In the November elections, the protest movement scored impressive victories, with anti-establishment candidates winning 17 out of 18 Hong Kong districts. As a result, the protest movement finally dissipated.

Then, with concerns over the spread of COVID-19 late last December into the New Year, Hong Kong has been quiet. But as the current pressure from Beijing to tighten Hong Kong's anti-demonstration laws shows, there is still great anger and distrust against China among millions of Hong Kong residents who have continued voicing concerns online.

**TRENDPOST:** *It is worth noting that the Chinese government, try as they might, was unsuccessful in stopping the Hong Kong protests... until the COVID-19 lockdown, which quelled the riots. To date, only for people, in Hong Kong's population of 7.5 million, have died from the virus.*

*As we have noted in the **Trends Journal**, nations across the globe that were in the grips of social unrest prior to COVID have been locked down, and the protests that were threatening ruling governments have been prohibited, despite low death rates.*

## LEBANON: PROTESTS ARE BACK, BANKS ARE BURNING



In Tripoli, Lebanon's second largest city, a protester was killed last Tuesday as a result of soldiers firing tear gas and live bullets against demonstrators. Angry crowds set fire to two banks, and demonstrations spread out across the capital city of Beirut. Over the next few days, four more banks were vandalized and firebombed.

Last Wednesday, seven protesters who had been arrested by army intelligence in the city of Sidon said they had been beaten and subjected to electric shock. The army denied the charges and claimed more than 150 of its personnel had been injured trying to control riots.

With the coronavirus lockdown easing and the country beginning to reopen, the pent-up frustration from last year erupted again as citizens voiced anger against the collapsing economy, government corruption, unemployment, and the lack of basic living standards... all of which we have detailed since the outbreak.

The President of the Middle East Institute, Paul Salem, stated, "The desperation of not being able to feed your family will push people onto the streets in some kind of undefined rage for something to happen."

As previously reported in the **Trends Journal**, Lebanon had been one of the hardest hit countries from the extensive global economic slowdown of 2019. Last fall, citizens were barred from taking out all but small amounts of their money from banks.

While COVID-19 has not become a major health issue, only 25 have died out of a population of close to seven million. The collapse of the currency and lack of jobs and basic living necessities remain their major concern.

Last March, the country defaulted on over one billion dollars of debt in euro bonds. Seeing their economy falling apart and suffering from lack of jobs, citizens reignited the protest movement, as hundreds were willing to violate curfew orders to take to the streets.

## YEMEN WAR: END IS NEAR?



As the **Trends Journal** has been reporting on a regular basis, the five-year war in Yemen, initiated by Saudi Arabia's invasion to squash anti-government Houthi rebels in the civil war there, has led to the world's worst humanitarian crisis.

It is estimated that over 100,000 Yemenis have been killed, including many women and children, mostly by Saudi air raids supported by the United States and other allies with munitions and intelligence. As a consequence of the war, more than ten million are at risk of starvation.

Mark Lowcock, United Nations Emergency Relief Coordinator, reported to the U.N. Security Council that about three out of four programs which have been assisting millions of Yemen's people are in danger of running out of funds.

He noted Yemen's health system has virtually collapsed, as diphtheria and cholera are at epidemic levels due to war torn conditions, making COVID-19 a greater threat than in most countries. He also voiced concern that the plunge in oil prices, due to the global shutdown, could drop the value of Yemen's currency by as much as 70 percent.

**TRENDPOST:** *One of the unintended consequences of the global lockdown in reaction to the COVID-19 panic has been plunging oil prices. As a result, the Saudi Crown Prince Mohammed bin Salman, who started the war in March 2015,*

*declared a two-week ceasefire between his country and the Saudi's Yemeni opponents.*

## **PERU: PEOPLE FLEEING BIG CITIES**



A significant trend seen around the world is the mass movement of poor working people, locked down in crowded cities where they are now unemployed, who are seeking to escape and return to their rural towns.

In Peru, some 167,000 citizens have sought help from the government to flee urban cities for the countryside. Yet, with the country reporting just 1,344 coronavirus deaths in a population of some 30 million, as a result of the lockdown, nearly one out of every three citizens have lost their jobs within the past few months.

This is similar to what has occurred in India following its lockdown, as hundreds of thousands who were put out of work left big cities to return to their rural towns and villages. It should be noted, as with Peru's low COVID-19 death count, just 1,566 Indians in a country of 1.38 billion have died.

Peru, as with many other nations, as detailed in one of our Top Trends 2020, "New World Disorder," was already suffering from economic decline before the virus hit.

Due to the nationwide lockdown to protect against COVID-19, President Martin Vizcarra announced last Sunday a "decree" to bolster Peru's economy and reopen business activity in phases.

***TREND FORECAST:*** *As economic conditions continue to deteriorate, civil unrest, crime, and government clampdowns will escalate. Wars will spill over*

*borders and escalate throughout regions. As economic conditions further deteriorate and violence escalates, citizens in ravaged nations will risk their lives to escape to other countries.*