TRENDSJOURNAL.com | FORECASTING SINCE 1980 | 12 MAY 2020

TRENDS JOURNAL

HISTORY BEFORE IT HAPPENS

SCAREDY-CAT PLANET

12 May 2020

ECONOMIC UPDATE

U.S. MARKETS

Last Friday, in a further disconnect between Main Street and Wall Street, the Dow shot up 455 points because unemployment numbers came in a bit lower than feared… despite erasing a decade of job gains.

The NASDAQ rose 71 to 9,192, registering its sixth consecutive day of gains.

Despite a broad range of dismal economic news sweeping the globe, the Dow, S&P 500, and NASDAQ Composite have spiked over 30 percent from their 23 March lows.

Yesterday, the Dow fell 109 points, and today it was down 457 points.

Gold, closing today at $1,701, has maintained its $1,690 to $1,710 trading range.

Bitcoin has also remained stable in its $8,000 to $9,000 range, as speculators seek alternatives to fiat currencies during a period of unprecedented cheap money injections by central banks.

Brent crude, at $29.50 and West Texas Intermediate at $25.39 remain in the "rally" range after sinking recently to 20 year and history lows, respectively.

PUBLISHER'S NOTE: *With more than half of the S&P's companies reporting their first-quarter earnings, the result is likely to be an average decline of 13.7 percent, based on earnings already announced and analysts' projections for the rest. The drop would be the sharpest since the third quarter of 2009, even though the index already has rebounded from its March lows.*

TREND FORECAST: *The support point for gold remains $1,450. Gold will continue to gain as governments continue to print worthless paper to keep banksters and Wall Street gamblers rolling in cheap money to speculate with. People who don't fall for the central banks' con job will continue to store value in gold and Bitcoin, keeping prices for them strong.*

TREND FORECAST: *Unquestionably, the central banks and governments will continue to invent new schemes undreamed of to pump countless trillions into equity markets and economies.*

Evidenced by equity markets rising while economies are collapsing, this signals the absence of true economic fundamentals and harsh reality in the money-junkie addicted New World Disorder.

Yet, eventually, the funny money injections from central banks will dry up in many nations as their economies collapse under the load of endless debt and/or when inflation spikes as their currencies deflate, making its worthless money even more worthless than it already is.

The longer central banks keep flooding markets with cheap money to keep things looking good, the harder the world's economies ultimately will crash.

Stock Markets Have Best Month in 33 Years

In April, U.S. stock markets turned in their best monthly performance since the rally after October 1987's "Black Monday" crash.

The FTSE All World index of worldwide stocks registered its strongest month since 2008, and U.K. blue-chip stocks also are in a bull market, meaning they have gained more than 20 percent from their recent lows.

Tech stocks led the U.S. market rally, with Amazon's shares up 28 percent and Netflix's gaining 24 percent as millions of people stranded at home are shopping online and binge-watching television.

Again, the key reason why markets are behaving in contradiction to the reality of the worst global economic crisis in 90 years are not economic fundamentals, but the unprecedented cheap money injections by central banks.

"The markets are on a sugar high right now," said trader Andrew Left. "They're not making much sense to me."

Mr. Left, however, has now put more money into the market.

As with many investors, his skepticism about the durability of the rally seems to have been replaced by a fear of missing out on whatever gains can be had before the merry-go-round stops.

Is This Silver's Moment?

As investors have sheltered their financial assets in gold during the economic lockdown, the metal's price has remained near or above $1,700 for weeks.

Silver's price has lagged. But now, the also-ran metal might be closing the gap.

In March, as the economic panic was taking hold, an ounce of gold was priced at more than 125 times than an ounce of silver, which was selling at slightly more than $11, an 11-year low. That wide a spread has not been seen for more than 350 years, according to data amassed by gold trader Ross Norman.

Silver demand, also used in manufacturing, is also pushing prices lower. Used as a key ingredient in electronics and solar panels, for example, silver prices sank as the economic lockdown shuttered industry around the world.

With gold still flying high, lockdowns lifting, and industrial activity reviving in Asia, now a growing number of investors see silver as a bargain. The metal had narrowed the gap with gold to 113 times by early May with more room to run.

Silver could reach $20 an ounce by the end of the year as the economy perks up, according to analysts at Bank of America.

THE "GREATEST DEPRESSION" IS HERE

When factoring in the real numbers, unemployment in the United States is back to Great Depression levels.

The actual U.S. unemployment rate is almost 20 percent, not the official 14.7 percent reported, according to the U.S. Labor Department.

The official figure should include people "furloughed" – on temporary unpaid leave – but does not, the department pointed out.

If these non-workers were included, the unemployment figure would be 19.5 percent.

In April, 9.9 million people were not part of the workforce but told a labor department survey they wanted a job. The number was the highest on record.

Adding that group to the total would have pushed the unemployment rate to 19.8 percent, the department said.

Airlines Planning for a Long, Weak Recovery

After losing billions of dollars during the first three months of this year, U.S. airlines are looking ahead to hard years of rebuilding trade.

United Airlines executives said the first quarter's results were worse than they had predicted. The company lost $1.7 billion during the period.

Scott Kirby, United's incoming CEO, said that demand for airline seats could be "essentially zero" for the usually crowded summer vacation season and also for the rest of this year.

"We are not projecting that," he added. "But we are planning for the possibility."

American Airlines, which lost $2.2 billion during the year's first quarter, reported that 80 percent of its flights are no more than 25 percent occupied.

Southwest Airlines lost $94 million during this year's first three months but noted bookings picked up in April. The company isn't ready, however, to claim the increase is a trend.

More than 171,000 passengers passed through TSA screening gates on 1 May, the largest number in a month but still 93 percent less than a year previous.

Airlines have issued billions in new bonds to cover operating expenses and received $25 billion in federal aid to keep its workers on the payroll through September. If more tickets aren't being sold at that point, the airlines will have to cut staff to match its revenues.

The nine largest U.S. carriers probably will have to cut 105,000 workers among them, estimates Helane Becker, an analyst with Cowen & Co. The figure represents about a quarter of the industry's workforce.

U.S. Airlines Warn of Massive Job Loss Coming This Fall

U.S. airlines have been granted $25 billion in federal bailout funds to be used mostly to keep their workers, numbering about 750,000, on the payroll.

The funds only cover about two-thirds of the carriers' labor costs.

When those funds run out on 1 October, layoffs of as many as 250,000 are all but inevitable, airline executives say. United already has told its managers and administrative staff that their ranks will be cut by 30 percent on that date.

United has told those employees to take 20 unpaid days off between now and the end of September; JetBlue has told its salaried workers to take 24 unpaid holidays during the period.

The companies classify these missed days as “reduced hours,” which are allowed under the terms of their bailout, not involuntary job cuts, which are not.

Already, about 100,000 employees at American, Delta, Southwest, and United have retired voluntarily or taken indefinite unpaid leaves. Analysts think the figure could rise to 30 percent across the industry in the weeks ahead.

Covering the balance of payroll costs and other expenses, Southwest Airlines “burned through almost a billion dollars in April,” said CEO Gary Kelly. “You just can’t survive that way.”

United is flying only 10 percent of its pre-pandemic schedule “and we plan for it to stay at that level until we begin to see demand recover,” said president Scott Kirby. If demand remains feeble on 1 October, the airline will implement “difficult and painful actions,” including massive layoffs, reduced work hours, and “other actions that will have an immediate impact on our people and their livelihood."

TREND FORECAST: *Last week, Columbian airline Avianca, the second largest airline in Latin America, filed for bankruptcy protection in the United States.*

Avianca has 189 planes that were making 700 flights a day before the economic lockdown took hold. Now, it says, 88 percent of the countries it was flying to have banned travel, cutting the airline’s revenue by 80 percent.

Avianca was in trouble before the pandemic struck.

Its credit had sunk to a negative rating, and there were sudden changes on the board of directors and in CEOs.

The carrier’s trouble casts a shadow over the broader industry. Avianca is a member with Lufthansa, Singapore Airlines, and 24 other carriers of the Star Alliance, which coordinates operations among them, such as sharing airport terminals. In 2019, a holding company involved with United Airlines bought a majority ownership share in Avianca.

This is just the beginning of major bankruptcies and obliteration of travel and hospitality-related businesses as a result of government lockdowns and restrictive "New ABnormal" regulations.

Absent a wild card event, we forecast a modest travel hospitality rebound within three years. The new laws, however, combined with consumers fearful of travel, plummeting unemployment, and eroding income levels, will drive those sectors in "Greatest Depression" declines.

Manufacturing Contracts at Fastest Rate in 12 Years

The Institute for Supply Management's manufacturing index fell to 41.5 in April from 49.1 in March, the institute reported.

Readings above 50 indicate expansion of the manufacturing sector; below 50 signals contraction.

The reading was the lowest since April 2009 and the "fastest rate of change in economic activity in modern times," the institute said.

A sub-index charting manufacturing production dove to 27.1, the lowest reading since the index began in January 1948. A sub-index tracking unemployment fell to its most dismal number since 1949.

The IHS Markit's Purchasing Managers Index fell from 48.5 in March to 36.1 in April, the lowest mark since 2009.

According to analysts at Oxford Economics, manufacturing will not return to pre-pandemic levels until next year.

Overall, the U.S. economy's output will shrink by 25 percent in this quarter, according to a consensus among economists surveyed by the *Wall Street Journal*.

TREND FORECAST: *More than just furloughing workers, factories across the nation… and the world, are closing down for good, and more will follow. Caterpillar, Goodyear Tire & Rubber Co., Polaris Inc. (boat and motorcycle makers), Lenox (makers of china dishware)… are among the many companies closing plants, and/or going out of business.*

Berkshire Hathaway Loses $54 Billion but Buffet Still Upbeat

Warren Buffet's vaunted investment conglomerate lost $54.5 billion in the first quarter of this year, negating virtually all of the company's $56.3-billion gain in 2019.

The company booked $21.7 billion in profits during the same quarter last year.

The company has significant holdings in American Express, Bank of America, and four major U.S. airlines, all of which saw their share values plunge. Berkshire also owns a major stake in Kraft Heinz, the market value of which has declined by about 40 percent since Berkshire bought it.

Berkshire warned it might need to take a write-down on the investment.

Buffet also warned that insurance companies will face a horde of lawsuits related to the pandemic and economic shutdown. Berkshire Hathaway owns the Geico insurance company.

Buffet sounded a positive tone, however, at the company's virtual annual meeting this month.

Saying the pandemic's worst-case outcomes were now unlikely, "we've faced tougher problems and the American miracle, the American magic, has always prevailed," he said, adding it will prevail once more.

Shareholders asked why Berkshire hasn't been snapping up troubled companies during the economic lockdown. Buffet replied that Berkshire has been shopping and wants to do "something big" but "we haven't seen anything attractive."

TRENDPOST: *Mr. Buffet's statement that the "American miracle, the American magic, has always prevailed," is an outdated Donald Trump "Make America Great Again," slogan that sounds good but defies reality.*

*As we have long reported in the **Trends Journal**, those nostalgic visions of a time-gone-by have long left America.*

With median household income below 1999 levels, 42 percent of the public not having $400 to pay an unexpected bill, 70 percent living paycheck to paycheck, consumers $14 trillion debt and the wealth of the nation concentrated in Mr. Buffet's one percent… the "miracle" is gone and the "magic" tick has failed.

THE FED GANG GAME

Jerome Powell, chair of the U.S. Federal Reserve System, has more than $11 million of his personal funds invested with BlackRock, a private investment management firm the Fed has chosen to run its $750-billion corporate bond-buying program, as reported in *Wall Street on Parade*.

According to government-mandated financial disclosure forms, Powell has as much as $11.6 million of his personal wealth invested with BlackRock, Inc., the largest private equity firm in the U.S.

Powell made his fortune first as a lawyer with the blue-chip firm Davis Polk, then as an investment banker with Dillon Read and the Carlyle Group, known for its financial success with leveraged buyouts.

Now the Fed has named BlackRock to manage its program of buying up to $750 billion of bonds, including junk bonds, to bail out large corporations from damage inflicted by the economic shutdown.

Under the program's terms, BlackRock would be able to use taxpayers' money through the Fed to buy and shore up its own junk-bond exchange-traded funds.

Before becoming Fed chair, Powell also was a strong advocate of softening bank regulations enacted after the Great Recession.

Another champion of bank deregulation is Randall Quarles, named by Powell as the Fed's Vice Chair for Supervision and who was a Powell crony at Davis Polk and the Carlyle Group.

TRENDPOST: *Powell's personal relationship with BlackRock creates a conflict of interest that calls on Powell either to resign as Fed chair or to close his personal accounts at the investment firm.*

Powell's and Quarles' long-standing advocacy of weaker oversight on banking practices also calls into question the soundness of their supervision of BlackRock's practices in handling taxpayer-funded corporate bailouts.

Moreover, the Fed's unprecedented massive corporate bond buying scheme and teaming up with mega investment firms to purchase commercial paper and give loans to whomever they deem worthy is anathema to capitalism.

In four words: The Game is Rigged.

Or, as the late, great comedian George Carlin frequently said, "It's a Big Club and You Ain't in It."

Fed's Bailout Puts Small Businesses in a Bind

The federal Paycheck Protection Program, or PPP, loans money to small businesses that promise to use at least 75 percent of the funds to keep workers on their payrolls. If businesses meet that criterion, much of the loan need not be repaid.

But many companies report that the program still leaves them unable to afford their rent or mortgage payments, especially in high-cost urban centers or upscale suburban locales.

For businesses with small staffs but high space costs, such as businesses with offices in swanky locales or shops and restaurants in pricey downtown shopping districts, that stricture makes the program inaccessible.

In contrast, businesses in low-rent areas found the PPP more inviting.

About 44 percent of businesses in North Dakota, where rent is cheap, were approved for PPP loans by 15 April, compared to 14 percent in New York, where rents are among the nation's most expensive, according to a study by the University of Chicago and the Massachusetts Institute of Technology.

The 25-percent cap on non-payroll expenses was not part of the law creating the PPP. Instead, it was imposed by the treasury department and Small Business Administration as they drafted regulations to implement the program.

Small-business advocates are lobbying the agencies to abolish the cap and allow businesses to adjust the proportion of the loans they allocate between payroll and other expenses.

"Employees need to have a business to return to if they want to collect a paycheck," said Karen Kerrigan, president of the Small Business & Entrepreneurship Council. "There needs to be more flexibility in the rules."

Treasury secretary Steven Mnuchin has not budged. "For every dollar to you spend to hire someone, we save costs related to unemployment insurance," he noted. "The intent was not for us to give you a grant to pay all of your overhead, you don't hire anybody back, and [the loan] is forgiven."

Millions of small-business owners are likely to find the rule impractical, according to Michael Strain and Glen Hubbard, former dean of Columbia University's business school. The two helped Congress and the Trump administration structure the original PPP legislation.

A program that would adequately support small businesses' payroll and other essential expenses would total between $1.2 and $1.5 trillion, according to Strain at the American Enterprise Institute, at least twice what the current PPP is funded for.

TREND FORECAST: *As we have noted, and* ***Trends Journal*** *contributor Gregory Mannarino has written about previously and in his new article, "THE FED IS HYPERINFLATING," as a result of government and central bank actions, the small business sector will decline, and the multi-nationals will grow.*

As the Bigs get Bigger and consolidation increases, cost-cutting measures will dramatically reduce employment, thus increasing poverty, crime, suicide, and mental illness rates.

States Set Own Rules for Reopening Their Economies

With great disparities, at least 30 states have begun to lift economic lockdowns, as noted in our new article "OPENING UP RULES: SCIENCE FICTION, NO SCIENTIFIC FACTS," allowing some businesses to reopen under mandates to maintain social distances and observe a variety of newly invented government protocols.

BUSINESS IS BACK. NO RECOVERY.

Malls in at least ten states have reopened for business… but shoppers are not flocking to them.

Shopping hubs in Florida, Georgia, and Texas were open but saw few cars in their parking lots last week.

Many mall stores remain closed even though the malls themselves are open. Food courts greet few diners. Children's play areas are shut down. Security guards remind people to wear masks.

Government guidelines recommend that states begin to lift lockdown restrictions only after they see 14 days of steady declines in new virus cases or positive tests.

At least 17 states, however, which have begun to reopen malls and stores have not followed this guideline, according to an *Associated Press* analysis. Some states have eased restrictions even while their numbers of virus cases have continued to rise.

Malls that had invested in resort-like amenities to attract shoppers face particular difficulties.

For example, the Pyramid Management Group, which owns 11 malls in Massachusetts and New York, invested hundreds of millions of dollars in recent years to add mini-golf courses, theme restaurants, comedy clubs, and other spangles to lure visitors, as shoppers drifted away online or to more novel shopping venues.

Now, amid the lingering economic lockdown, the company owes $1.6 billion in mortgage-backed debt on 11 of its malls and was late making its April payment on six.

Meanwhile, 56 percent of shoppers plan to avoid areas like theme parks while only 30 percent will stay away from clothing stores, according to a survey by Jeffries Equity Research.

Investors holding Pyramid's securities could face a 50-percent loss, Fitch Ratings has predicted.

TREND FORECAST: *Under the "New ABnormal," with a wide array of laws limiting seating, occupancy, and social distancing enforcement, the pall on the malls and decline in brick and mortar retail that existed before the coronavirus pandemonium stuck will continue to dramatically worsen.*

As fears of virus contagion decline, hometown shopping in small upscale cities will rebound moderately.

Oil Down, Some Going Out

The deeper the global economy falls, the less people drive to work, the fewer airplanes that fly, the more businesses are closed down… the further oil companies decline.

Yesterday, burdened in debt, shale pioneer Chesapeake Energy warned that as a result of low oil and gas prices, it might go out of business.

ExxonMobil reported a first-quarter loss this year of $610 million, its first quarterly loss in three decades, and it took a "market-related" charge of $2.9 billion.

The figure contrasts starkly with the company's $2 billion in earnings during the first three months of 2019.

The oil giant also ditched $10 billion, or 30 percent, of its planned capital expenditures for this year.

Chevron booked $3.6 billion in profits during the first quarter, a gain of 36 percent from the previous year's period. The company, however, has trimmed its capital budget this year from the planned $20 billion down to $14 billion, and cut $1 billion in operating expenses, anticipating far worse performance in the months ahead.

ExxonMobil has announced global production cutbacks of 400,000 barrels a day, including 100,000 in Texas's Permian shale-oil basin. Chevron plans to shut in 200,000 to 300,000 barrels a day of its global production this month and 200,000 to 400,000 in June.

Occidental Petroleum, the largest U.S. independent producer, reported losing $2.2 billion in the first quarter this year.

The company has hired an investment bank to help it find ways to manage the $40 billion in debt it took on last August to buy Anadarko Petroleum.

Occidental had planned to sell $15 billion in assets to raise cash, but the idea was shelved when oil prices tanked and the economic lockdown vaporized demand for oil.

To raise the money for its Anadarko purchase, Occidental sold $10 billion worth of preferred shares to Warren Buffet. The shares carry an annual dividend payment of $800 million. Last month, Occidental paid the dividend in shares instead of cash.

During the first week of May, the number of oil and gas drilling rigs at work in the U.S. sank to 374, a low not seen in a century.

PUBLISHER'S NOTE: *ExxonMobil's cut amounts to about 10 percent of its production and Chevron's a slightly higher percentage. When oil demand returns, these relatively modest cuts leave the majors well positioned to take U.S. market share from hundreds of independent producers that have slashed their output by half or more in response to the world's oil price crash.*

AMONG THE WEAKEST OF THE WEAK

Restaurant Supplier's Performance Bodes Ill for Sector

Sysco, which supplies food to restaurants, schools, hospitals, and other institutions, has dispensed with a third of its employees after seeing sales fall 6.5 percent in its most recent quarter, the worst performance in 11 years.

In mid-March, as economic lockdowns were being imposed, sales were down as much as 60 percent; restaurants now shuttered made up almost two-thirds of Sysco's customers.

The company reported that sales ticked up in April, but most of the gains came from restaurants with drive-through windows, which tend to be larger chains.

Business remained virtually flat among smaller and independent restaurants, which could indicate that many will not be able to reopen when lockdowns are eased.

TREND FORECAST: *Even in the best of times, with profit margins thin and numerous factors such as weather, etc. affecting customer turnouts, restaurants are a risky business.*

Now, with governments across the globe making up laws on occupancy rates, seating spacing, mask wearing, etc., there will be massive restaurant closures and bankruptcies in the coming months.

As profit margins shrink, quality, even at higher end establishments, will decline as do-or-die cost cutting measures will be employed to regain financial losses and help boost profits.

Rental Car Business Running on Empty

Already losing business to Uber and other ride-hailing services, major car rental companies saw their profits fall even faster and further in the first quarter of this year.

Avis Budget Group lost $158 billion during the period, with revenue down 9 percent to $1.8 billion and a 7-percent decline in the number of rental days.

Air travel, which has virtually ceased, accounts for about two-thirds of the car rental industry's business.

Avis's stock was priced at $13.97 on 4 May, compared with prices around $50 five weeks earlier.

Hertz Global Holdings negotiated a 2.5-week reprieve from creditors after the company was unable to make a lease payment earlier this month on its fleet of cars.

The company will use the delay to develop a "financing strategy and structure" that accommodates the impact of the economic lockdown on travel, it said.

The company has laid off 10,000 North American employees in April, during which the company's stock lost about 80 percent of its market value and stood at about $4 on 4 May.

The companies' executives are pinning hopes on a burst of pent-up demand for travel once restrictions are lifted. Airline company executives are more subdued, expecting travelers' comfort with being sealed in an airplane with strangers will take longer to return.

Car rental companies use cars they own as collateral for loans. The value of the unused cars sitting in rental lots depreciates by the day, increasing the companies' financing costs.

TREND FORECAST: *As noted, as the travel and tourism industry continues to decline, so, too, will related industries… along with the tens of millions of workers, with incomes even in the best of times that were below middle-class standards.*

Businesses Miss Mortgage Payments

Almost 24 percent of U.S. hotels failed to make their mortgage payments last month, compared with only 4.2 percent in March, according to data from JPMorgan.

The proportion of retailers late on their April mortgages rose to 11.5 percent from 3.7 percent in March.

The failures will have ripples beyond the mortgage lenders: many hotel mortgages have been bundled into securities that are used to issue bonds rated as more speculative than much corporate debt.

If late payments continue at the same rate or worse in May, "it could surpass the worst we have seen in this market going back through the Great Recession or September 11 attacks," said Manus Clancy, research chief at Trepps, an analysis firm that tracks commercial mortgage-backed securities.

In April, about 4.1 million U.S. homeowners also failed to make their mortgage payments.

Disney Records Losses in Most Recent Quarter

Although the Disney Co.'s revenue rose 21 percent to $18 billion in the quarter ending 28 March, its operating income dropped 37 percent to $2.4 billion, net income plummeted 91 percent to $475 million, and earnings shrank by $1.4 billion.

Disney is highly diversified, but all of its commercial venues were battered by the economic freeze.

Scheduled movie releases were postponed, with an updated version of "Mulan" now slated to open in late July. Broadway shows, such as "The Lion King," went dark.

Theme parks around the world were closed, with Disney's Shanghai park due to reopen this week but limited to 30 percent of guest capacity. At first, the park will admit a much smaller number than that, the company has said.

Disney's television division – including the streaming services Disney+, ESPN+, and Hulu – also reported lower revenues.

The company has laid off 100,000 workers, cut executive salaries, and canceled the summer's semi-annual dividend, a move that will save about $1.6 billion. Analysts have downgraded their outlook for the company's stock performance.

Disney has warned that the current quarter will show even worse numbers because economic shutdowns outside of Asia expanded after the first quarter ended.

TREND FORECAST: *Shanghai Disneyland reopened Monday after being closed since January, when the coronavirus struck China.*

With limitations of 30 percent capacity, no parades, no Disney characters greeting visitors or fireworks – and face masks, social distancing and restaurant seating restrictions – the Disney COVID World, as with other once consumer friendly businesses, will continue to decline and/or go bankrupt under the "New ABnormal" mandates.

EUROPE

Europe's Economy on Track for 7.7-Percent Contraction, 9-Percent Jobless Rate

Europe's economy will contract by 7.7 percent this year and unemployment could linger at 9 percent unless the European Commission, or EC, takes "decisive joint action" to stop the damage, according to the commission's spring economic forecast.

Otherwise, the situation will worsen, warned Paolo Gentiloni, the EC's commissioner for economic matters.

The figures sketch Europe's worst economic performance since the throes of World War II.

For example, the Great Recession shrank the Eurozone's economy by 4.5 percent and turfed out 10 percent of the zone's workers. A similar proportion now would translate a 7.7-percent contraction into a jobless rate above 15 percent.

The EC is crafting a trillion-euro bailout program to complement the European Central Bank's €750-billion rescue plan.

The commission forecasts combined 6.25 growth for Europe's economic union next year. But growth will be spread unevenly across the union's 19 member countries, Gentiloni noted, saying it will be "conditioned by the speed at which lockdowns can be lifted, the importance of services like tourism in each economy, and by each country's financial resources."

European Central Bank Expands Bailouts

The European Central Bank, or ECB, has launched another new program to loan money to banks at virtually no interest costs after economic numbers released last week showed the continent in the grip of the worst economic outcomes in at least 80 years.

The bank also held its key interest rate at -0.5 percent at its 30 April meeting.

The ECB also is "fully prepared" to expand its existing €750-billion lending initiative "by as much as is necessary and for as long as is necessary," the bank said in a statement, and to extend the program past its original end-of-year closing date.

The ECB has "firepower north of €1 trillion," said Christine Lagarde, the bank's president, and will use its full flexibility in policy options "to intervene where we think there is a particular risk" of financial conditions weakening.

The bank also might begin buying bonds of "fallen angels," companies whose bonds have recently lost their investment-grade ratings.

Some analysts expect the bank to expand its bond-buying program as early as its meeting next month.

Others complain the ECB has been too slow to act and compared its €645 billion in bailout funding to the U.S. Federal Reserve's $2.3 trillion.

Europe's economic fate will ripple through the economies of the U.S., its' largest trading partner, and China, its' second-largest. Europe also is the largest foreign investor in sub-Saharan Africa, which already is in financial crisis as dollar-denominated debts come due, investors have redirected their money to safer harbors, and countries' resource-based economies have been slammed by the global shutdown.

"It's high time for the ECB to step up its game," said analysts at Allianz.

ECB's Chief Economist Forecasts Possible Three-Year Recovery

In a worst-case scenario, Europe's economy will not return to pre-pandemic activity levels until at least 2023, according to Philip Lane, the ECB's chief economist.

The scenario assumes a 12-percent economic contraction across the Eurozone this year.

Current trends indicate that Europe's economy will shrink by 7.7 percent this year, according to Paolo Gentiloni, the European Commission's economic minister.

Whether the worst case comes to pass depends on the time needed to subdue the virus and how quickly customers are able to support businesses returning to normal activities, Lane said.

TRENDPOST: *For more than two years, we have been saying that the world's economy was one "Black Swan" event away from the "Greatest Depression."*

Now, in the midst of the unprecedented economic devastation resulting from politicians shutting down most of the global economy and creating restrictive rules to reopen it, they, along with mainstream economists, still shy away from using the "D word"… but, the "Greatest Depression" has begun.

TREND FORECAST: *As the European economy continues to slide deeper into depression, and tensions rise among rich and poorer nations, we forecast the beginning of the end of the alliance, both economically and militarily.*

In addition, as the "Greatest Depression" worsens, and the euro continues its decline against the dollar, more Eurozone nations will abandon the currency and reinstate their own.

TREND FORECAST: *As economic conditions dramatically deteriorate, social unrest will escalate throughout Europe. Established parties will be overthrown and a great intra and interstate divide will reign throughout the region.*

And, whether it's conflict between European nations or outside "enemies," to redirect the people's anger away from the drastic failures created by their governments, as Gerald Celente says, "When all else fails, they take you to war."

German Court Ruling Tears at E.U.'s Fabric

The German Constitutional Court, the nation's highest tribunal, has tentatively sided with the ECB in a lawsuit challenging the legality of the bank's five-year-old bond-buying program. The court demanded the bank explain the program's economic justification and demonstrate that the program's benefits outweigh any negative effects.

The court's skepticism casts doubt on the bond-buying program's legitimacy as well as its future. It also could leave the bank open to further suits or lead to limits on the ECB's activities, including bond purchases.

The court's ruling raises the question of whether a national court has jurisdiction over any aspect of the European Union's institutions.

In addition, the court's action has sharpened tensions endemic to the union.

Northern Europe's economy, and Germany's in particular, is rooted in manufacturing. The continent's economic lockdown, and Germany's choice to remain partially open, affected the north less severely than southern countries, which depend more heavily on tourism.

Germany's economy is forecast to grow 5.9 percent in 2021 after contracting 6.5 percent this year. In contrast, the GDPs of Greece, Italy, and Spain are all predicted to shrink by at least 9 percent this year.

Residents of northern countries have become increasingly resentful of demands that they fund the ECB's ongoing loans and bailouts for nations in the south.

The disparity in the pace of economic recovery and southern countries' dependency pose a threat to the European Union itself, noted Mr. Gentiloni, as countries that have more resources and recover more quickly may become increasingly less willing to sustain weaker nations for a long period.

PUBLISHER'S NOTE: *The German court ordered the government to make sure the ECB provided a "proportionality assessment" of its bond-buying and said its "economic and fiscal policy effects" must met policy criteria.*

They ordered its central bank, the Bundesbank, to stop buying bonds and begin selling the more than €500bn it has bought if, after three months, the ECB did not obey its order.

There is strong pushback from the ECB in protest of the court's ruling. And last week, its president, Christine Lagarde, said the central bank remains "undeterred" and will continue its QE program.

TREND FORECAST: *The German court might ultimately rule over Brussels and recognize that central banks do not have the authority to steal ordinary working people's money and hand it over to banks, corporations, and other Bigs to ensure socialism for the rich and go-it-alone capitalism for the citizenry.*

However, since the European Central Banksters have vowed to ignore/and or discount any court decision, as the "Greatest Depression" worsens, it will intensify regional unrest throughout the region as we forecast, with more nations demanding independence from EU rule.

Johnson Loosens Lockdown Rules, Exhorts Brits to Go Back to Work

British prime minister Boris Johnson called on the U.K.'s workers to return to their jobs if at all possible, starting 13 May.

"We now need to stress that anyone who can't work from home, for instance those in construction or manufacturing, should be actively encouraged to go to work," Johnson said in a broadcast address. People commuting, however, should shun public transport, he added.

The new national watchword has changed from "stay home" to "stay alert," he noted, meaning that social distancing and other health precautions are to be maintained.

Johnson’s administration also is loosening many strictures that have defined the country’s six-week lockdown.

Previously, people with non-essential jobs were confined at home and allowed to leave once a day to exercise or buy food or medicine.

Now people will be permitted to sunbathe in public parks, play sports with members of their households, and go for a drive.

Elementary schools could welcome students again as early as 1 June under a best-case scenario, and a greater number of shops, hotels, and restaurants could be open again before August.

The governments of Northern Ireland, Scotland, and Wales – all independent nations within the U.K. – said there had been no coordination with Johnson’s administration about the changes. The three countries have extended their original lockdown orders through 28 May and will continue their “stay home” message at least until then.

U.K. To Quarantine Air Passengers for 14 Days

Beginning 1 June, anyone coming into the U.K. by air will be required to isolate themselves in a private residence for 14 days, according to a new government edict.

The only exception will be Brits arriving home and any citizen of Ireland.

Upon entering the country, passengers may be required to provide the address of the place where they will spend their two-week quarantine.

Airlines U.K., the trade organization for British airlines, said the policy needed a “credible exit plan” and a weekly review to determine its impact.

The country’s Airport Operators Association contends the quarantine “would not only have a devastating impact on the U.K. aviation industry, but also on the wider economy.” The association also said businesses and sectors of the economy damaged by the quarantine should receive government compensation for any losses.

France’s Third-Largest Bank Reports Disastrous First Quarter

Societé Generale's investment bank division lost €537 in this year's first quarter, compared to a €140 million profit in the same period last year. The company's equity trading unit saw revenues collapse by 99 percent from a year earlier to just €9 million. The bank also warned that its loan losses this year could reach €5 billion.

Across all of its operations, the financial giant lost €326 million in the quarter. Analysts had expected a profit of about that amount, especially since many of its competitors posted revenue gains close to 20 percent in similar divisions.

In part, the bank's woes arose from large exposure to oil industry loans, which have soured around the world. The bank had loaned €240 million to a Singapore oil trader that has gone bankrupt.

Many companies canceled their stock dividends, driving down revenues for the bank's derivatives that depended on the payouts.

Societé Generale's stock has lost half its value this year, leading analysts to speculate about the bank's ability to survive.

The bank has promised up to €700 million in cost cuts this year.

British Airlines Acknowledge Grim Future

Virgin Atlantic is laying off up to 3,150 of its 10,000 employees and closing its 35-year headquarters operations at London's Gatwick airport. It also is trimming its fleet from 43 planes to 36.

Virgin has asked the British government for £500 million in aid but the request was rejected because the company had not sought new investment elsewhere first, the government said.

"If we are to emerge from this crisis a sustainably profitable business, now is the time for further decisive action" to slash costs and hoard cash, Virgin CEO Shai Weiss told employees.

Virgin has said it will take at least three years for it – and, presumably, Britain's other carriers – to return to 2019 passenger levels.

In late April, British Airways announced plans to lay off about a third of its 42,000 workers. RyanAir, the Irish budget carrier, will also trim a third of its labor force. Scandinavian airline SAS will permanently shed half its workforce.

Rolls Royce, which makes jet engines for Airbus and Boeing, is turfing out up to 8,000 employees, about 15 percent of its payroll, as part of a corporate restructuring plan to cut costs.

The cuts are expected in England, Germany, and Singapore.

Use of Health Care Apps Soars

From mid-March through April 12 in the U.K., the number of patients' remote consultations with their medical care providers tripled, from about 25 percent to 71 percent from the same period a year earlier, according to the Royal College of General Practitioners.

The apps allow patients to send their doctors a list of symptoms with a video, have video consultations, and send their caregivers documents and text messages.

Security experts have noted that about 80 percent of telemedicine apps in use have flaws that could allow medical information to be accessed and pirated or manipulated, according to a 2019 paper in the *British Medical Journal*.

Still, many in medicine think the expanded use of apps will become permanent, even if not in the numbers occurring during the current lockdown.

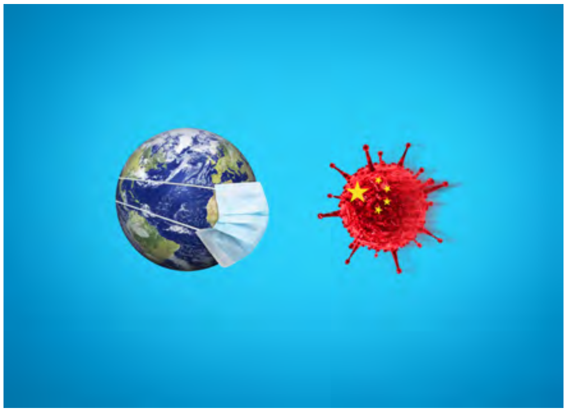
"More and more people will start getting equipment" related to telemedicine, said Simrat Marwah, a London physician. "Maybe people will start taking their own health care into their own hands and take back responsibility."

"Having the capability to offer remote consultations will be beneficial… most importantly for our patients long after this pandemic has ended," noted Martin Marshall, chair of the Royal College of General Practitioners.

TRENDPOST: *This shift to telemedicine is central to the future of medical care, both in reducing costs and in inspiring persons to take a more active role in monitoring and protecting their health. As Gerald Celente wrote 30 years ago in his book* Trends 2000*, education and other services and sectors of the economy will shift increasingly to the web.*

The trend to online living and working will continue strongly, with big rewards for entrepreneurs and investors.

CHINA



Belt and Road Partner Nations Ask for Bailouts

China's Belt and Road project is an attempt to extend the country's economic domination to more than half of the world: the country made low-interest loans to 138 nations, most of them poor, to build roads, railways, ports, and other infrastructure that would bind the countries more tightly to China as trading partners.

Now that the world's economy has collapsed, most of those countries are going bust, and they want their loans renegotiated or forgiven.

China has made about $461 billion in Belt and Road loans since 2013, according to RWR Advisory, a Washington-based consulting firm. African countries have outstanding Chinese loans totaling about $143 billion, the Johns Hopkins School of Advanced International Studies estimates.

So far, China has not acted on the requests.

"It takes time to strike a new deal and we cannot even travel abroad right now," said an unnamed researcher at the China Development Bank. The loans "are not foreign aid. We need to at least recoup principal and a moderate interest."

ASIA

Turkey Gambles Interest Rate Cuts Against Currency Stability

Turkey's central bank has cut its key interest rate for the eighth time in less than a year.

The 1-percentage point cut was twice as deep as analysts expected and puts the new rate at 8.75 percent.

The cut supports president Recip Erdoğan's strategy of using cheap money to defend the nation's economy from damage caused by the virus pandemic and subsequent global economic shutdown.

But the country's inflation rate is above 11 percent. That means investors holding liras, the national currency, or holding lira-denominated debt, are losing money at a rate of -2.25 percent.

State banks sold liras after the rate cut, weakening the currency's value.

Analysts warn that as the currency weakens, inflation gains speed.

A weaker lira also squeezes Turkey's corporations, many of which have dollar-denominated debt, which then requires more lira to service.

Turkey's foreign currency reserves already have shrunk in recent months as government-owned banks have tried to stabilize and manage currency markets rattled by the lira's softness.

MIDDLE EAST

Oil Price Crash Stalls Saudi Reforms

The plans of Saudi Arabia's ruling prince to wean the country's economy from oil and modernize some aspects of its society have been blocked by the unprecedented oil price crash this year.

The country is a welfare state with almost half the population receiving a monthly stipend. Electricity, gasoline, and food are subsidized. Post-secondary education is free.

To fund these programs, Saudi Arabia had targeted an oil price of $76 a barrel this year.

Instead, oil prices have cratered to 30-year lows and currently stand at about $30 or less.

The loss of funds is forcing Crown Prince Mohammed bin Salman to shelve the push for greater social liberalization and concentrate resources on ensuring the population's basic needs are met, including health care as the virus pandemic claims more victims in the country.

The government is paying the wages of workers who now have no work because of economic lockdowns. It has told businesses to stop collecting sales taxes and paying income and excise taxes. It also is flowing money to commercial banks, allowing them to help customers restructure loans or defer payments.

Businesses that opened in anticipation of greater liberalization include theaters, gyms, and travel agencies. Now these same businesses are appealing to the government for bailouts as the customers who were expected have failed to materialize.

The measures led the country to deplete its financial reserves by 24 percent in March to $479 billion.

The country's GDP will shrink by 2.3 percent this year, according to the International Monetary Fund, still better than the 3 percent contraction forecast for economic performance worldwide.

Moody's Investors Service, however, has downgraded Saudi Arabia's credit rating to negative as the country forecast its budget deficit to reach 13 percent of GDP this year.

TREND FORECAST: *As oil prices remain near decades low, social unrest in oil-rich nations, both rich and poor, will intensify. Civil unrest will erupt into civil wars and battle line will spill across borders. As the wars escalate, so too will oil prices, thus putting more downward pressure on oil dependent nations, industry, and consumers.*

AFRICA

The sudden absence of tourists has halted income for 8,000 workers who depend on visitors to Kenya's Maasai Mara National Reserve, a home for the continent's endangered species.

The loss of tourists is coupled with national and local governments' need to cut costs while dedicating resources to coping with the virus.

As a result, many park rangers have lost their jobs amid a national travel shutdown. That has opened the reserve to poachers and illicit hunters, some of which cross into the reserve from neighboring Tanzania.

Former poachers and bushmeat hunters had worked in the tourist industry but are now returning to their former pursuits because they have no other way to support their families, officials said.

The area under threat is a corridor of the so-called "Great Migration," the annual trek made by more than two million animals from Tanzania's Serengeti grasslands into the reserve.

"If we are going to seek resiliency for conservation systems, we need to figure out other financial inputs so that a shock in one sector does not undermine the entire conservation effort," said Catherine Semcer at the Property and Environment Research Center.

RENEWABLE ENERGY ONLY FUEL FORECAST TO GROW THIS YEAR

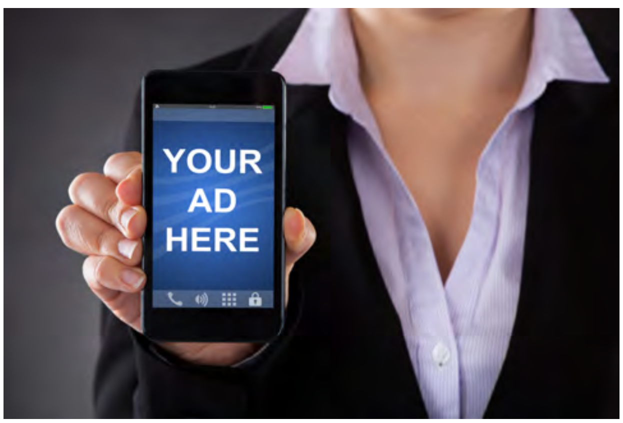
Worldwide energy demand could shrink as much as 6 percent this year, according to the International Energy Agency, which cited a "staggering decline across all the fuels… except renewables," said Fatih Birol, the IEA's executive director.

As demand for other fuel sources withered, renewable power's market grew during 2020's first quarter.

The drop in energy use will drop global carbon dioxide emissions by about 8 percent this year to a level not seen since 2010.

"If the right policies are not put in place, we may well see a rebound in emissions" as the global economy unlocks and recovers, Birol warned.

INTERNET AD REVENUES CLIMB, CONFOUNDING EXPECTATIONS



Facebook and Google reported stronger-than-expected ad sales in this year's first quarter.

Analysts had expected sales to plummet as businesses closed or scaled back activity during the global economic paralysis.

Three-quarters of advertisers and media buyers expected the media market to be worse than that of the Great Recession, according to a March survey by the Interactive Advertising Bureau, with 25 percent of respondents already having canceled any ad buys they could.

A surge in buys by e-commerce and video game companies, however, offset declines in other categories.

The surge was boosted by Facebook's 16-percent cut in ad rates. Twitter dropped its prices by 19 percent.

"Advertiser budgets are retreating from any long-term investment in their brands," said Joseph Evans at Enders Analysis. "The only campaigns that are surviving are those that contribute to cash flow today. Google and Facebook are best in class."

Snapchat announced it will make investments in its direct-response ad system sooner than expected to take advantage of "bright spots" in the current ad market.

Twitter reported a 27-percent drop in ad revenues from 11 March through 31 March as the company continued to root out bugs in its ad management software.

None of the companies are willing to predict their second-quarter performance.

COAL USE FALLS MOST SINCE WORLD WAR II

Factories shuttered amid the worldwide economic lockdown have put global coal usage on track to fall to its lowest level in more than 70 years, with prices touching a four-year low.

The plunge has been especially pronounced in Europe, where the U.K. recently went a record-breaking 24 days without using any coal at all.

In April, the Netherlands took in just 1.7 metric tons, 44 percent less than the same month a year earlier. Germany's intake was down 74 percent, Italy's 55 percent, and Spain's 58 percent.

The price of benchmark Australian high-quality coal slipped from $68 per metric ton to $51 during the month. Dirtier Indonesian coal, widely used in China, was selling at about $24 per metric ton, down 20 percent from the previous month.

China has begun to restrict imports in order to protect prices for its domestic coal industry.

Coal use will decline 8 percent during 2020, the sharpest drop since World War II, according to the International Energy Agency, which also sees “coal use declining in every sector in every region of the world.”

WORLD’S LARGEST BREWER RECORDS DOUBLE-DIGIT APRIL DECLINE

Anheuser Busch Inbev, which makes one out of every four beers drunk in the world, reported a 32-percent global sales decline in April, compared with just a 9.3 drop in the year’s first quarter.

The company warned that the second quarter’s results will be “materially worse” than the first’s, in which AB Inbev lost $2.25 billion.

U.S. sales have bucked the trend, with people idling at home spending 20 percent more on beer than before the economic shutdown. Those extra sales have more than offset the loss of sales to the nation’s shuttered bars and restaurants.

The company also reported improved sales in China, where purchases in April declined just 17 percent from the previous April, contrasting with a 46.5-percent plunge in this year’s first quarter.

The figures boosted AB Inbev's share price in Europe by 1.4 percent on 7 May.

NOTES FROM THE FRONT LINES

Social distancing tech booms. Wearable devices that measure athletes' performances are being tweaked and redeployed to factory floors to tell workers when they violate social distance norms.

For example, when people wearing chip-based devices from Kinexon come within a certain distance of each other, the devices emit an audible alarm and record how long the proximity lasted.

Yet, the devices lack a way to account for mitigating factors, such as whether workers are wearing protective equipment, and also raise concerns about whether the tracking data could be used for nefarious purposes.

The devices' makers are scrambling to meet demand from companies desperate to resume normal manufacturing activities while observing public health strictures.

Hedge funds bleed money. Investors took $33 billion out of their hedge fund accounts during the first three months of this year, the fourth largest quarterly withdrawal in history and the largest since the first three months of 2009.

During this year's first quarter, the aggregate value of hedge fund investments declined by $133 billion, according to Hedge Fund Research (HFR).

Still, hedge funds performed less poorly than stock markets did.

HFR's composite hedge-fund index fell 9.4 percent during the quarter while the S&P stock index was down about 20 percent.

General Electric leverages lockdown to continue streamlining. The company is laying off 13,000 workers from its plants that make jet engines for Boeing and Airbus. Both carriers have deferred purchases of hundreds of new planes for the foreseeable future.

G.E. said it plans to fire 25 percent of its aviation workforce in the months ahead as part of its larger plan to cut costs in the division by $1 billion.

The company reported a 40-percent decline in profits in its aviation unit during the first quarter of this year, with engine repair calls off by 60 percent and new engine installations down 40 percent.

Overall, G.E. downsized 78,000 workers last year after seeing profits wither in its power and other divisions. It already has sold its biopharma, financial, locomotive, media, and petroleum businesses and plans to cut $2 billion in costs company-wide.

"In the process of reacting to" the pandemic and subsequent economic lockdown, "we will accelerate the operational and cultural transformation of G.E.," said CEO Larry Culp.

Australian pension fund ready for record withdrawals. AustralianSuper, Australia's largest pension fund, expects members to cash out Au$4.6 billion to deal with urgencies caused by the global economic lockdown.

The fund has "heaps of liquidity," however, and can handle the demand without difficulty, said Mark Delaney, the fund's chief investment officer.

The government is allowing individuals to withdraw up to Au$20,000 in emergency funds without penalty.

Australia's public and private pension funds have about Au$3 trillion in assets.

The government expects about $30 billion to be withdrawn during the global shutdown, but some analysts expect the demand to be as much as double that.

Some funds are concentrated among investors from the hospitality sector. Those could see such demand they would be forced to sell assets in a bear market to cover the withdrawals, analysts have warned.

Airbnb lays off 25 percent of employees. The lodging broker has cut 1,900 jobs and forecasts 2020 revenues will be less than half of last year's.

Airbnb had planned an initial stock offering worth billions this year but shelved the plan after the economic lockdown kept travelers at home.

Cruise ships set sail again. Carnival Cruise Lines is setting eight cruise ships out to sea from Florida and Texas beginning 1 August, the company said. Voyages on ships based in Australia and North America, however, will remain docked until at least 31 August.

Royal Caribbean, the second-largest cruise line after Carnival, has canceled all sailings through at least 11 June. Norwegian Cruise Line Holdings has suspended any cruises until at least 30 June.

Neiman Marcus, Aldo go bankrupt. Neiman Marcus, the Dallas-based clothier with 42 stores in 13 states, has joined J.Crew Group and Canadian shoe company Aldo in filing for Chapter 11 bankruptcy protection.

The company was able to manage its debts until the mandated economic shutdown "threw everything off track," said CEO Geoffrey van Raemdonck.

Aldo, with 700 stores and about 8,000 employees, also filed for bankruptcy protection in the U.S. and Canada.

The chains join J.Crew Group and Gold's Gym, which also have sought court protection from creditors as a result of the global economic crash.

Trump asserts "National Emergency," Fed control over electric utility purchases. In a 1 May executive order declaring a national emergency, Donald Trump has given the U.S. defense department the authority to oversee electric companies' purchases of electronic equipment.

The order grows out of a view widely shared among U.S. intelligence agencies that adversaries such as China and Russia have secured hidden access to the American utility grid through equipment utility companies have imported from them and could trigger blackouts at will.

The order enables the defense department to control companies' purchases of electronic gear from entities deemed to be "controlled or influenced" by foreign adversaries. The edict also establishes a process by which the federal government can examine already-installed equipment to see if it has been compromised.

The order effectively transfers issues of grid security from the Federal Energy Regulatory Commission to the defense department and gives domestic industry an incentive to manufacture items that utilities have been buying overseas.

Americans drink their way through home confinement. U.S. residents spent $2 billion more on alcoholic beverages in March than they did a year previous.

Beer sales were up 20 percent to $5.5 billion, wine rose 28 percent to $2 billion, and spirits 39 percent to $1.3 billion.

Almost all of the gains came from sales at retail stores after bars and restaurants went dark as a result of the economic shutdown.

The beverage industry is scrambling to shift its operations to meet the suddenly lopsided demand.

Molson Coors is operating "pretty much flat out" to meet retailers' orders, although drinking at home did not balance the loss of on-premises sales; the company's overall sales declined 8.7 percent in 2020's first quarter compared to 2019's.

TRENDPOST: *In the clear hypocrisy of making up rules, the nation's rulers have proclaimed liquor stores an "essential business."*

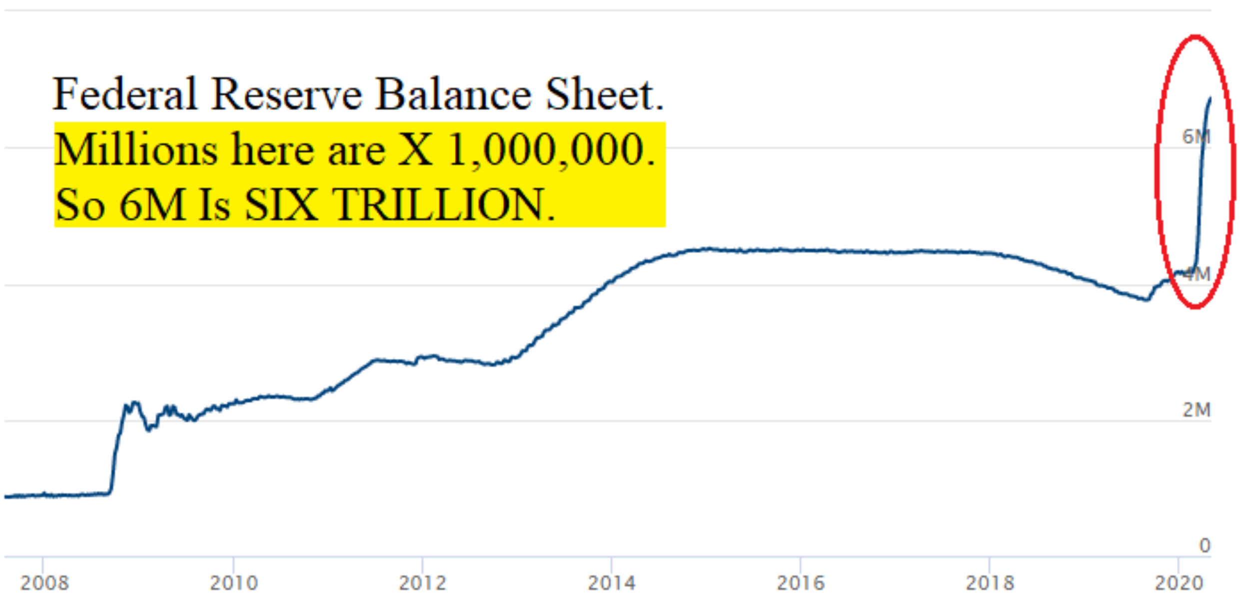
Drinking at home has been increasing in tandem with a rise in domestic violence police are reporting during the lockdown. But governments are reaping the rewards as their alcohol tax revenues increase.

Thus, politicians are assured they will maintain their salaries, pensions, health benefits, etc. while those they rule lose their livelihoods, businesses, and homes.

TRENDS-EYE VIEW

THE FED IS HYPERINFLATING

by Gregory Mannarino



It is unprecedented.

This past February, the Federal Reserve began to hyperinflate its balance sheet (see circled area above) in an attempt to funnel epic sums of capital directly into the grasping hands of the mega corporations and the Wall Street banks.

A sudden drop in the U.S. stock market sparked this unparalleled hyperinflating of the Fed’s balance sheet. This mechanism has been exceedingly effective in preventing the stock market from correcting to “fair value.”

It has been successful in allowing mega corporations to directly merge with this New American Government, which is picking the winners (major corporations) while forcing others to lose (the remaining mom and pop shops and other small to medium-size businesses).

Additionally, the mechanism is effective in pushing epic sums of capital directly into the hands of the super-rich by re-inflating/disallowing equity markets to drop. Here again, we have clear examples of "Socialism for the rich and Capitalism for the rest of us," as Gerald Celente has outlined many times.

The fact is simple. Today, more so than at any other time in history, we exist in an environment of extreme distortions across the entire spectrum of assets, with no real price discovery mechanism behind them whatsoever.

This is fostering not only an environment of "winners and losers" with regard to small businesses and corporate power, but also a mammoth transfer of wealth from the middle class straight up to the mega rich. This environment can be made worse for the middle class as calls for **negative rates** gets louder.

Understand that the wealth being legally stolen from the middle class and "transferred" to the rich is a direct result of massively suppressed rates. Suppressed rates are grand theft for every member of the middle class who has an interest-earning account. The rate of return, interest earned on these accounts, is less than the rate of inflation. By design, the mechanism of suppressed rates forces cash into risk assets – the stock market.

It appears the United States is going to have negative rates moving forward. While devastating for the middle class, negative rates can potentially push the stock market to new, all-time highs, regardless of a dead economy with tens of millions out of work and the culling of small businesses.

TREND TRACKING LESSON: PROPAGANDA SELLS, "NEW YORK TIMES" PROVES IT

TREND TRACKING LESSON, PART 1: As trend forecasters understand, personal bias, wishes, hopes, wants, beliefs, and desires are personal blinders that prevent people from seeing the future.

Hard facts count. By their deeds you shall know them.

Those who believe in their news sources without question are shortsighted to what the future will bring by taking sides and ignoring counterviews.

For example, take the *New York Times*, which has a stellar record of selling illegal and immoral U.S. wars, such as the false "yellow cake" and "aluminum tubes" stories they promoted, which brought their audience to support the based-on-lies Iraqi War.

Still adorning its warmonger-in-sheep's clothing, the *Times* is still selling shill oil.

Last Friday, regarding the failed coup led by former U.S. military men, the front-page headline in the *Times* read: "An Incursion Into Venezuela, Straight Out of Hollywood."

Hollywood?

How about the headline: "Venezuela Claims U.S.-Led Coup Attempt Stopped. Eight killed."

Then, as journalists, rather Presstitutes peddling propaganda, write the facts of who said what and let the reader decide… rather than painting over the murderous attempt.

Absent in the *Times* coverage is the documented track record of the long term, murderous trend of American interference in a democratically-elected government for the purpose of stealing their oil, of which Venezuela sits on the world's largest reserves.

Go back to the January 2018 **Trends Journal**, when we quoted John Bolton, then-U.S. National Security Advisor, who, in an economic act of war, flatly stated, "We're in conversation with major American companies now. It would make a difference if we could have American companies produce the oil in Venezuela. It would be good for... the people of the United States."

Indeed, as Gerald Celente noted at the onset of the 2003 U.S. overthrow of Saddam Hussein, "Do you think we'd invade Iraq if their major export was broccoli?"

Or, the *Times*, in reporting the "Hollywood" coup attempt, could the self-proclaimed "Paper of Record" question if the attempt was directly influenced by the recent official U.S. policy naming President Nicolás Maduro a narco-terrorist and offering a $15 million reward for his capture?

And, yet further into the *NYT* article is this journalistically ignorant line: "Mr. Maduro, a leader known widely for overseeing his country's economic downfall…"

As is well known, and continually reported in the **Trends Journal**, while under Maduro's rule, the Venezuelan economy has been on the skids, but the economic downfall has been escalated by severe sanctions imposed by the U.S.

On 8 August 2019, Michelle Bachelet, the U.N. Commissioner for Human Rights, stated, "I am deeply worried about the potentially severe impact on the human rights of the people of Venezuela of the new set of unilateral sanctions imposed by the U.S. this week."

When the Trump administration increased economic sanctions in August 2019, joined by the European Union, the Center for Economic and Policy Research reported that 300,000 Venezuelans' lives would be endangered from lack of essential medicines and treatment directly caused by the new sanctions.

Its report stated,

> "The sanctions reduced the public's caloric intake, increased disease and mortality (for both adults and infants), and displaced millions of Venezuelans who fled the country as a result of the worsening economic depression and hyperinflation. They exacerbated Venezuela's economic crisis and made it nearly impossible to stabilize the economy, contributing further to excess deaths. All of these impacts disproportionately harmed the poorest and most vulnerable Venezuelans."

TREND TRACKING LESSON, PART 2: On 4 May, the *New York Times* cover story read: "Virus Batters Some Areas. Why Does it Spare Others?"

The article cites the Dominican Republic reports about 7,600 cases of COVID, whereas its neighbor, Haiti, has just 85. But cases are not deaths, and the death rates in both of these countries are minimal. To date, out of a population of 10.8 million, 393 coronavirus-related deaths have been reported in the Dominican Republic.

As for Haiti, with poverty levels regarded as the most severe in the western hemisphere, out of a population of 11.4 million, there have been just 15 COVID deaths.

The *Times* goes on to state, "Many developing nations with hot climates and young populations have escaped the worst, suggesting that temperature and demographics could be factors. But countries like Peru, Indonesia and Brazil, tropical countries in the throes of growing epidemics, throw cold water on that idea."

It's the facts that throw "cold water" on the *Times* reporting.

As for the "young factors":

- Haiti's median age is 23, the Dominican Republic's is 27.3;
- Peru, with 32.9 million people and a median age of 31, registered 1,961 COVID deaths;
- Indonesia, with a population of 273.5 million and media age of 29.7, reports just 1,007 deaths;
- Brazil, with 212.6 million and a median age of 33.2, registered 11,519 COVID-related deaths.

Compare those statistics to the United States, with a population of 331 million and a median age of 38.2. Then weigh in that, aside from the vast majority of COVID deaths being among chronically ill elderly, America's obesity rate is the other primary cause.

And add to that, in Italy, were the average age of COVID deaths is 80 years old, mostly in the highly-polluted Lombardy region, the virus struck in the winter, and the median age of Italians is 45.8 years, thus the "young factors" and warm climate are indeed factors.

Moreover, as is routine with Presstitutes selling hype, fear, and hysteria, absent is the fact, that, "For most people, the coronavirus causes mild or modest symptoms, such as fever and cough, that clear up in two to three weeks. For some, especially older adults and people with existing health problems, it can cause more severe life-threatening illness, including pneumonia, and death."

COVID-19: SPECIAL REPORT

OPENING UP RULES: SCIENCE FICTION, NO SCIENTIFIC FACTS

Name the country, name the state, name the city… different places with different rules made up by different leaders in charge.

Across Europe, nations are reopening their economies. And each country makes up reopening laws.

In Germany, retail stores will be reopening but will have restrictions on permissible percentages of occupancy. Restaurants will be allowed to open at the end of May, but they have to keep tables six and a half feet apart. Families and friends will be permitted to congregate outside their homes, but they will be restricted to no more than two separate households and they must stay at least five feet apart.

In Italy, some citizens will be permitted to return to work. Group gatherings are still banned, but family visits will be allowed. Italians will be permitted to travel to different provinces to return home, but they will not be allowed to go back and forth. In a 26 April announcement, Prime Minister Giuseppe Conte urged Italians to maintain one-meter social distancing (about three feet).

In Belgium, families and friends can meet in their homes, but a maximum of four guests will be permitted at a time per home… and they must always be the same people.

In France, beginning 11 May, small museums, libraries, stores, and open-air markets will be permitted to open with social distancing rules in place. Restaurants, cafes, major museums, and beaches must remain closed until early June. Citizens must wear masks when traveling on public transportation, and gatherings will be limited to ten or fewer.

Indeed, what is called essential and non-essential businesses is purely the decision of the decision-makers-in-charge.

In the United States, with about 30 states allowing some businesses to open, who can do what when, where, and how are simply made up, with not one shred of science to back up the man-made-mandates.

In North Carolina, retail stores can open, but only at a 50 percent occupancy rate, and social distancing rules must be obeyed. Salons, bars, gyms, and theaters will remain closed.

In Kansas City, MO, restaurants must obey the city's new "10/10/10" rule, which permits no more than 10 percent of a business's occupancy, or ten people.

Georgia, on the other hand, allowed restaurants, retail stores, and theaters to open but only at 25 percent capacity.

Kansas allowed restaurants, malls, and gyms in much of the state to reopen.

California is allowing some retailers to open, such as flower shops, clothing shops, bookstores, and sporting goods stores, which their Governor dictator claims are "essential," but they are only permitted to offer curbside pickup. Dine-in restaurants, gyms, and offices must remain closed.

TRENDPOST: *These great disparities on how and when businesses can open illustrate the total incompetency of those making up the rules, how the Constitutional Rights of citizens are being violated, and how the majority of the public obey their rulers.*

Absent in the lockdowns and "exit strategy" declarations are the dire socioeconomic devastation and psychological damage inflicted upon nations, states… and, most importantly, the majority of citizens.

TRENDPOST: *In Cambodia and Laos, where social distancing and lockdowns were not enforced, neither country has reported COVID-19 deaths. And in Lebanon, with a population of 6.8 million and where religious Muslims and Christians often congregate in large numbers, only 26 deaths from the virus have been reported.*

"SHOCK & AWE 2.0"

When George W. Bush launched the Iraq War in 2003, the Pressitutes passionately quoted, and the vast majority of the American public bought, his "Shock and Awe" strategy, which would wipe out Saddam Hussein, destroy his fictional weapons of mass destruction, and bring freedom and democracy to the Iraqi people.

The Shock and Awe strategy was to launch an attack so massive and quickly that the enemy would be stunned, confused, overwhelmed, and paralyzed.

As with the 2003 Iraq War and so, too, with the 2020 COVID War… a war launched by world leaders who locked down their citizens and shut down the global economy with such stunning speed, it left billions shocked and awed… impotent, helpless, hopeless… like never before in history.

Then and Now

In 2003, when some 80 percent of Americans believed the Iraq War was justified (despite not one shred of evidence of WMDs).

Today, the vast majority of Americans are in support of the COVID-19 War despite scientific evidence to the contrary as amply reported in the **Trends Journal**. Some 80 percent of Americans support draconian shelter-in-place and non-essential business lockdowns ordered by politicians.

And, back then, just as the Presstitutes sold "shock and awe" to a sound-bite buying public (in the week the war began, more than 600 news reports around the world endlessly referred to "shock and awe," according to the *Washington Post*)… in 2020, as detailed in the **Trends Journal**, knowing it would boost their ratings, the media have been the prime sellers of the COVID War.

Just as George W. Bush's rating was boosted in the polls when he launched his wars, with Andrew Cuomo, America's COVID War Hero, who, with a favorability rating of just 43 percent as recently as February 2019, has now spiked to a 87 percent favorable rating:

> "Andrew Cuomo may be the single most popular politician in America right now." – CNN, 1 May 2020

Facts Don't Matter

Bragging for months about the success of his shelter-in-place order that he propagandized with the less-draconian lockdown language of "NY ON PAUSE," last Wednesday, he extended his dictatorial powers "until further notice." In speaking about the majority of New Yorkers reporting to hospitals had been following his stay-at-home orders, Cuomo stated:

> "A lot of people have been arguing where they come from and where we should be focusing… But if you notice, 18% of the people came from nursing homes, less than 1% came from jail or prison, 2% came from

> the homeless population, 2% from other congregate facilities, but 66% of the people were at home, which is shocking to us."

Indeed, with two thirds of those going to the hospital having obeyed his restrictions, the evidence contradicts his 13 April proclamation that "…if you isolate, if you take the precautions, your family won't get infected."

They did "isolate;" they did get "infected."

In one of his now-popular daily press briefings, Cuomo repeated:

> "We thought maybe they were taking public transportation and we've taken special precautions on public transportation. But actually no, because these people were literally at home. 2% of car services, 9 percent were driving their own vehicle. Only 4% were taking public transportation, 2 percent walking."
>
> Were they working? No, they were retired or they were unemployed. Only 17 percent working. So that says they're not working, they're not traveling. They're predominantly downstate, predominantly minority [particularly African American and Hispanic], predominantly older, predominantly nonessential employees."

TRENDPOST: *No, they were not "working" because most of New York State's businesses have been deemed non-essential. Liquor stores, deemed essential (and which bring in high tax revenue) are booming as people are locked down at home.*

Also unnoted by the media is that if isolation were a key factor in bringing down the COVID numbers, the non-socially distanced, out-in-the-street homeless would be flooding the hospitals. In fact, the homeless that are victims are from tightly cramped, non-sanitary homeless shelters.

TRENDPOST: *As for King Cuomo's divine wisdom stay-at-home orders, Dr. Josip Car, an authority on population and global health at Nanyang Technological University in Singapore, stated, "People living indoors within enclosed environments may promote virus recirculation, increasing the chance of contracting the disease."*

TRENDPOST: *There is increasing evidence that suggests locking people up in their homes spreads COVID-19 more than being outdoors.*

A study in China that measured 318 outbreaks of three or more cases across different parts of the country found the majority of transmissions took place inside the home or when riding public transport, while there was "only a single outbreak in an outdoor environment."

Japanese researchers found "the odds of a primary case transmitted COVID-19 in a closed environment was 18.7 times greater compared to an open-air environment."

TRENDPOST: *At none of his popular daily press briefings has the governor or the mainstream media focused on the dire consequences of forced shutdowns:*

- *According to the New York City Independent Budget Office, close to 500,000 jobs could be gone by March of next year. This estimate includes 100,000 lost jobs in retail, 86,000 in restaurants and hotels, and over 25,000 out of work in arts and entertainment. This is just the in NYC. Over 26 million Americans have filed for unemployment nationwide as of 23 April.*

- *The New York City Comptroller, Scott Stringer, another loud mouthed, power-hungry political freak, was in full bloom on 15 March declaring to the peasants of Slavelandia, "That is why today, out of an abundance of caution, I am calling for a city shutdown."*

  But on 5 May, Stringer was singing a different tune, warning that the unemployment rate for New York City was expected to reach 22 percent by June. The hotel and food services industry will lose 184,300 jobs, 178,000 in retail, and 159,700 in health care and social assistance. "This is something we have never seen in our lifetime. We have an economy that has literally shut down," he said.

TRENDPOST: *Totally absent in the media coverage is any mention that Stringer is the same bureaucrat who helped create the reality of "something we have never seen in our lifetime," and that he was championing to "have an economy that has literally shut down."*

And, rather than taking responsibility for his role in helping to shut it down, he now demands that the "federal government must step up and deliver relief to New York."

More Damage

- The economic consequences of the shutdowns will lead to other devastating health concerns. Research from Oxford University shows that suicide rates increase around 1 percent for every point rise in job losses. Lead researcher Aaron Reeves point out, "There is a good chance we could see twice as many suicides over the next 24 months than we saw during the early part of the last recession." This will lead to about 20,000 additional suicides across the country this year.

- As property and sales taxes rapidly fall, health departments will suffer significant budget cuts due to the shutdown. Following the 2008 recession, local health agencies in the U.S. saw 23,000 jobs cut. Adriane Casalotti, Chief of Government and Public Affairs at the National Association of County and City Health Officials, has recently warned, "What are you going to do when you have no tax base to pull from?"

MEDIA/POLITICAL HYPE MINUS THE FACTS

On Sunday, the Governor of Illinois, J.B. Pritzker, another daddy's boy born on third base and thought he hit a home run with a better-than-thou attitude – whose family is the 15th wealthiest in the world – defended his stay-at-home dictate and slow reopening plans, saying Illinois residents must comply with the way things are done until COVID-19 is "eradicated."

"Eradicated?" How?

Easy!

Iowa's Governor, Kim Reynolds, has the answer: "The virus will continue to be in our communities and, unfortunately, people will continue to get sick until a vaccine is available."

TREND FORECAST: *Nothing will return to "normal." Freedom of assembly and other Constitutional Rights will be abrogated until the population is vaccinated.*

Until that time, the citizens of Slavelandia, in nations across the globe, will follow the orders of their "leaders"… which will, in turn, drive nations deeper into the "Greatest Depression" as the "New ABnormal" restricts business as usual.

Most importantly, and unrecognized by any of the media and politicians, is the fact that forced vaccinations on citizens will divide nations and states, while greatly intensifying secessionist movements.

TRENDPOST: *As we have continually noted, in numerous Associated Press reports concerning coronavirus, and as per the article about Pritzger, AP states: "For most people, the coronavirus causes mild or modest symptoms, such as fever and cough, that clear up in two to three weeks. For some, especially older adults and people with existing health problems, it can cause more severe life-threatening illness, including pneumonia, and death*."

Yet, this hard fact is continually ignored by the mass media and unknown to a soundbite swallowing general public, as are the relatively low death rates in most states across America.

Indeed, Illinois, with a population of 13 million, has had some 3,349 deaths attributed to virus. This brings the grand total 0.026 percent.

Onward and Downward

With the global pandemic of COVID-19 now in its fifth month, conflicting data and spurious theories continue contributing to the high levels of fear and anxiety in dozens of countries around the world.

Epidemiologists, faced with unprecedented lockdowns ordered by political leaders, keep coming up with computer models based on assumptions, not hard scientific evidence. One of the main issues is the failure of governments to accurately report the number of deaths from COVID-19.

For example, in the United States, the latest projections range anywhere from 70,000 to nearly 170,000 deaths.

After projections from the University of Washington were published on 4 April, doubling the estimate of COVID-19 deaths by mid-summer, the model used came under heavy criticism: "[The models] are only as good as the underlying data. And the underlying data is flawed in a number of ways," said Jennifer Nuzzo, Senior Scholar at Johns Hopkins Center for Health Security.

Yet, the mainstream media primarily focuses on the worst-case scenarios by listing the number of COVID cases while continually ignoring the demographic and health profiles of the victims.

OLD AND ILL

Data clearly indicates that COVID-19 is primarily dangerous to the elderly and those with significant pre-existing health issues. Elizabeth Dugan, associate professor of gerontology at the University of Massachusetts in Boston, has said even the frail and elderly in the best-run facilities are victims.

According to Kaiser Family Foundation data released last Thursday, at least a third of the COVID-19 deaths were from nursing homes, and 14 states reported more than half the total fatalities attributed to COVID-19 were from elder care homes.

The numbers are incomplete, however, since 18 states have not reported their findings.

And as reported in the **Trends Journal**, whether in the U.S. or overseas, research has indicated that many of the people whose death certificates cite "COVID-19" as the cause, were, in fact, never tested. This was most apparent with chronically ill, elderly patients from nursing homes who may have died from a number of causes.

This fact goes virtually unreported by the mainstream media and ridiculed by America's #1 expert/"hero," Dr. Anthony Fauci, as a conspiracy theory. The Centers for Disease Control and Prevention advises listing COVID-19 as a "presumed" cause of death despite not being confirmed by tests.

It is extremely noteworthy that hospitals get paid more when they list COVID-19 as the cause of death… whether or not it is true. This has been noted in the **Trends Journal**.

As verified by *USA Today*, "This higher allocation of funds has been made possible under the Coronavirus Aid, Relief and Economic Security Act through a Medicare 20% add-on to its regular payment for COVID-19 patients."

We quoted Dr. Scott Jensen, a state senator from Minnesota, who said, "How can anyone not believe that increasing the number of COVID-19 deaths may create an avenue for states to receive a larger portion of federal dollars. Already some states are complaining that they are not getting enough of the CARES Act dollars because they are having significantly more proportional COVID-19 deaths."

- On 20 April, a study published in the Journal of the American Medical Association (JAMA) confirmed that in addition to the elderly and obese being key factors in those needing hospitalization from COVID-19, some 60 percent had high blood pressure; about one third had diabetes; and other influential factors were high blood pressure, chronic heart problems, kidney diseases, and respiratory illnesses.

- While parks and outdoor recreation centers remain off limits in many countries around the world, research by ecology experts at the University of Connecticut concludes that getting outdoors into the ultraviolet rays from direct sunlight inhibits the coronavirus. Natural sunlight also promotes the synthesis of vitamin D, which has been shown to bolster the immune system.

- Politicians and their medical spokespersons advocating stay-at-home impositions and severe restrictions in public places where people are allowed have still not provided hard data showing social distancing is an effective strategy for inhibiting the spread of coronavirus.

COVID-19: NOT AS DANGEROUS AS TOXIC AIR AND FATTY FOODS

As reported in the **Trends Journal**, compared to air pollution, COVID-19 paled as a killer in China, where the coronavirus first emerged. With slightly over 4,600 Chinese succumbing to the virus pandemic, it is important to note that more than 1.5 million Chinese die every year from environmental pollution, according to a worldwide study by 40 scientists published in 2017 in the British medical journal *The Lancet*.

As stated in a press release on ScienceDaily, a scientific resource website, worldwide, air pollution causes 8.8 million early deaths a year. As of last Sunday, about 285,000 had died from COVID-19.

In Italy, the first western nation to be hit by the virus and which set the stage for the COVID hysteria, in the Lombardy region, where most of the deaths occurred, studies show a link between high levels of air pollution and death rates from coronavirus.

Aaron Bernstein, professor at the Harvard Chan School of Public Health and one of the research leaders, stated bluntly, "People who have been living in places that are more polluted… are more likely to die from coronavirus."

While Italy suffered the largest percentage of deaths from COVID-19 in Europe, it is barely mentioned that about half of all deaths from the virus in the country took place in the Lombardy region, whose capital is Milan, which has high levels of air pollutants.

In the UK, a Cambridge University study reveals that those living in areas with high levels of air pollution are at a higher risk of dying from coronavirus. The lead researcher of this study stated, “There is an overlap in the health conditions that both air pollution and COVID-19 cause, which needs to be explored further.”

Given that those who breathe polluted air are more likely to be afflicted with cardiovascular disease, diabetes, and chronic lung issues, and the proof that these health conditions are directly related to those dying from the coronavirus confirms the link.

Fatten Up?

With millions upon millions of citizens scared to venture outdoors, sticking it out at home, food producers are getting desperate to get their products consumed.

In Belgium, the largest exporter of frozen fries, the trade association Belgapom is focusing promotions to encourage increased consumption of the deep-fried product in order to lower the large potato surplus caused by the national shutdown. Recently, the head of the association urged Belgians to “increase that moment of joy an extra time in the week.”

In France, the cheese industry has launched a “Do what you can for cheese” campaign. The government has allowed cheesemakers to avoid certain protocols for protecting the quality of their products. For example, rules were relaxed concerning how long milk can be stored before used and cheese restrictions on aging and quality have been relaxed in order to increase production.

In the UK, where data from the Health Survey for England reported over 30 percent of the population as clinically obese and over 60 percent either overweight or obese, a trade organization for meat farmers generated a recent “Steak Night” social media push. According to the UK’s National Beef Association, “The meat we are consuming this week started production three years ago or more. Beef production cannot be turned on and off like a tap.”

“America: We’re #1”

America leads the world in obesity, with over 70 percent of its adult population overweight and 42.4 percent among them obese.

As we have noted in the **Trends Journal**, not only are the locked down eating more low quality prepared canned and processed foods, with demand for meat high and a number of meat processing plants closed down, the nation is suffering a meat supply shortage.

To rev-up production, the White House went into action, invoking the "Defense Production Act" on 29 April to get meat production back up to speed.

TRENDPOST: *For over a decade, studies have pointed to the link between obesity and eating large quantities of meat, from a 2010 European study published In the American Journal of Clinical Nutrition to more recent data from the medical research group Antibodies.com.*

TRENDPOST: *In oligarch America, just four companies control 85 percent of the entire meat processing market.*

"The industry is a poster child for the trend towards excessive concentration, reduced competition and – as we are now discovering – a decline in resilience," said Tim Bond, partner and portfolio manager at London-based Odey Asset Management.

When Michael Taylor was appointed by President Clinton to be head of the Food Safety and Inspection Service, he stated his surprise when he first saw the phone in his new office: "On the telephone there were two speed dials with names by them. And one was to the American Meat Institute and the other was to the National Cattlemen's Association."

We note this because the economic devastation inflicted by politicians locking down economies will destroy millions of small businesses, leaving less competition while expanding market share to large multinationals.

SMILE! YOU'RE ON SURVEILLANCE CAMERAS

When the hard lockdown eases, returning to work will be more closely watched than ever before:

- Thermal cameras, which have the ability to measure body heat, have been installed at a large office tower in Manhattan's Rockefeller Center.

- PricewaterhouseCoopers announced it is releasing a phone app for employers that give them the ability to track who employees are interacting with while in the office. This surveillance product has attracted interested requests from over 50 clients.

- The Interpublic Group, a large advertising firm with over 20,000 employees, is considering instituting a procedure where workers are required to reveal medical data and other personal information not only about themselves, but also about family members.

- Even before the coronavirus pandemic, office workers have become more familiar with pervasive security cameras and keycards that monitor entering and exiting buildings. But COVID-19 has amped up the security-tracking trend with building owners using the excuse that tracking people's movements helps slow the spread of the virus. In other words, more surveillance equals more health and safety.

- RXR, a large real estate business, is working on an app to track the movements of its employees through smartphones. The more distance one keeps from others, the higher the score posted on one's phone. The company's CEO stated, "We are using ourselves as the guinea pigs."

- Businesses are increasing the monitoring of people entering their buildings to help keep out those who might be sick. Some are considering requiring daily health questionnaires be filled out before entrance is allowed.

- Steven Feldstein, who studies digital surveillance at Boise State University, stated recently, "We're in a bit of a Wild West. In the absence of federal guidelines in the U.S. or other even kind of less explicit formal regulations, but just norms, it's a little bit of a free for all right now in terms of who's doing what." Mr. Feldstein noted there are virtually no standards set for balancing the need for security and the rights of privacy.

- Italy and Germany will be releasing contact-tracing apps developed by Apple and Google that claim not to impinge on users' privacy rights by keeping all data on the user's phone.

  They point to the lack of a centralized database that maintains all recorded data. Domenico Arcuri, the head of Italy's COVID-19 crisis management team, confirmed that by encrypting all data collected, citizens could be assured their privacy will be maintained.

  France, the UK, and Norway have already launched apps that transmit tracking data from the user's phone to a centralized data bank where it is stored. The claim is that by storing the data in a central location, health officials can be more effective in controlling spread of the virus.

- The research group NS Tech reported on 22 April that over 40 COVID-19 contact-tracing apps have launched worldwide in 23 countries. Seventy percent of these use a centralized database where all data can be permanently stored and controlled by governments and health services.

GEOPOLITICAL ROUNDUP

VENEZUELA: WHO BOTCHED THE COUP?

On Sunday, 3 May, Venezuelan security arrested dozens of people involved in a plot to abduct President Nicolás Maduro. The pre-dawn incursion included an attempted beach landing led by two former American special force members at the port city of La Guaira. Eight of the invaders were killed.

Later that Sunday, Jordan Goudreau, a U.S. citizen and former Green Beret who served in Iraq and Afghanistan, uploaded a video online in which he claimed to be the organizer of the invasion along with a Venezuelan military officer seeking to overthrow President Maduro.

The plan consisted of two boats with 60 men. They intended to raid the capital, capture President Maduro, and fly him back to the U.S.

The next day, President Maduro held a press conference announcing the arrests of the two former American special service members along with six others he described as "mercenaries." He stated, "They were playing Rambo. They were playing hero."

Mr. Maduro displayed two U.S. passports of the captured Americans and read off their names: Luke Denman and Airan Berry. He then showed images of the fishing boats involved in the landing as well as confiscated equipment including walkie-talkies and night-vision glasses. Maduro proclaimed, "The United States government is fully and completely involved in this defeated raid."

President Maduro also cited neighboring Columbia as being complicit. The two fishing boats, which were intercepted on the Venezuelan coast, were launched from Columbia.

On Tuesday, the U.S. government officially responded. President Trump categorically asserted that the attempted abduction "has nothing to do with our government." The Pentagon later backed up Mr. Trump's assertion.

The next day, as additional facts started coming in, Venezuela released a video showing Luke Denman, one of the two captured Americans, looking into the camera and admitting he signed off on the mission with a Florida company called Silvercorp USA.

Silvercorp was run by ex-Green Beret Jordan Goudreau, the man claiming responsibility the previous Sunday. Denman confirmed he had a contract with Goudreau to pay him $100,000 and stated, "I was helping Venezuelans take back control of their country."

Also last Wednesday, Secretary of State Mike Pompeo publicly commented on the failed mission: "If we'd have been involved, it would have gone differently." He added the U.S. would employ "every tool" to get the two captured Americans returned.

As we reported, on 26 March, the U.S. Department of Justice officially charged President Maduro, along with other Venezuelan officials, with narco-terrorism, and Secretary of State Pompeo publicly announced a $15 million reward to anyone providing information that led to Maduro's arrest.

Also last Wednesday, the Venezuelan government disclosed it had arrested 114 people it suspected of being complicit in the mercenary mission and were seeking out nearly 100 more.

As the week unfolded, additional information emerged about the shadowy Jordan Goudreau, a security expert claiming to be the organizer of the failed abduction.

Goudreau said he was hired last year by Juan Guaidó, the former head of the Venezuelan assembly, who claims President Maduro rigged the 2018 national election and that he was the legitimate leader.

Mr. Guaidó has been strongly backed by the U.S. and dozens of countries, despite the fact that Maduro's election was reported to be legitimate by international observers. He denied any involvement in the attempted abduction of President Maduro. As of yet, Guaidó has not answered Jason Goudreau's claim that they met previously to discuss ways to ouster Maduro.

Also last Wednesday, the *Washington Post* published a 42-page document showing that Venezuelan forces opposed to President Maduro and allied with Guaidó met with Jordan Goudreau at Silvercorp USA offices to secure a $213 million deal to abduct Maduro. The document includes the details of the plan, which included where to set explosives and what specific riot gear would be most effective.

Included in the document was a statement by J.J. Rendón, a member of the Venezuelan opposition group, confirming he was representing Juan Guaidó, who had instructed him to say, "All options were on the table and under the table."

The *Washington Post* also reported the document detailing the plan to abduct President Maduro was signed by Juan Guaidó, but opposition leaders deny it was actually Guaidó's signature. Mr. Rendón stated that while the meeting with Goudreau took place, the document he signed was an "exploratory agreement" with Silvercorp, but that neither he nor Juan Guaidó actually supported the botched mission.

While no source specifically has connected Goudreau's plan to kidnap Maduro to the U.S. government, the *Associated Press* reported that Goudreau had been introduced to Keith Schiller, President Trump's longtime bodyguard, and he had accompanied him to a Miami meeting with Juan Guaidó envoys in May 2019.

Last Friday, President Trump reconfirmed the U.S. had no hand in the kidnapping plot, stating, "If I wanted to go into Venezuela, I wouldn't make a secret about it… I'd go in and they would do nothing about it. They would roll over. I wouldn't send a small little group. No, no, no. It would be called an army... It would be called an invasion."

TRENDPOST: *While no direct evidence has emerged linking the failed coup to the U.S. government, there is direct evidence that for decades the United States has sought regime change in Venezuela.*

In 2002, the George W. Bush administration tried to claim it wasn't involved in an attempted coup against then socialist leader Hugo Chávez. But it was revealed that Elliot Abrams, special advisor to President Bush, had agreed to the coup. (Yes, the same Elliot Abrams appointed by Secretary of State Mike Pompeo to be special envoy to Venezuela on 20 January 2019.)

Officials at the Organization of American States (OAS) confirmed Abrams and the Bush administration sanctioned the attempted coup.

In 2015, the Obama administration officially declared Venezuela to be an "unusual and extraordinary threat" to national security, officially declaring: "We are committed to advancing respect for human rights, safeguarding democratic institutions, and protecting the U.S. financial system from the illicit financial flows from public corruption in Venezuela."

In addition to the Trump administration putting a $15 million bounty on President Maduro and accusing him of being a narco-terrorist, as recently as 1 April, President Trump announced that U.S. Navy ships were ordered to the coast of Venezuela to prevent drugs from leaving the country bound for the U.S.

Again ignoring the economic terrorist sanctions imposed by Washington, Secretary of Defense Mark Esper stated at that time, "The Venezuelan people continue to suffer tremendously due to Maduro and his criminal control over the country, and drug traffickers are seizing on this lawlessness."

TREND FORECAST: *As economic conditions continue to deteriorate in Venezuela, exacerbated by plunging oil prices, social unrest will escalate. Also, we forecast the U.S. will continue in its stated objective to facilitate regime change in Venezuela.*

HONG KONG: ANTI-GOVERNMENT PROTESTS BACK AGAIN

Last Sunday afternoon, demonstrators were chased by police through a number of shopping malls as protests started heating up, reconfirming the anger of citizens demanding independence from mainland Chinese authority and the resignation of Carrie Lam, the current chief executive of the city.

After a period of quiet due to stay-at-home orders to slow the spread of COVID, what is being referred to as “Mother’s Day flash mobs” took place at multiple locations throughout the city. Police confronted and chased protesters in at least eight different malls, conducting stop and search procedures, and issued fines for violating the anti-coronavirus ban against public gatherings.

That evening, tensions between police and protesters stretched out onto streets. In one neighborhood, police used batons and pepper spray to disperse crowds. A university student participating in a street demonstration stated to a reporter, “This is just a warm-up, our protest movement needs to start again.”

Over 250 protesters were arrested. Eight were hospitalized.

The Chairman of the Hong Kong Journalists’ Association, Chris Young, said, “Some journalists who were sprayed by pepper spray were not allowed to receive immediate treatment, and they were requested to stop filming.”

While Chief Executive Lam did withdraw the controversial extradition law last fall that ignited the huge protest movement of 2019, which saw millions take to the streets, she has resisted conceding any further demands including an independent investigation into police brutality during the seven months of continuous protests.

A huge rally is being planned for 1 July, the anniversary of the transfer of Hong Kong sovereignty from Great Britain in 1997 to its status as a semi-autonomous region with mainland China. Rally organizers expect two million citizens to participate, regardless of any stay-at-home orders, which might still be in effect to deal with COVID-19.

TREND FORECAST: *Considering that most of the world is wrapped up in the 24/7 COVID news hysteria cycle, with little international coverage of events that are again heating up in Hong Kong, the Chinese government will begin to exert more military pressure to quell the protestors.*

ISRAEL: FIGHTER JETS KILL IRANIANS IN SYRIA

Barely reported in the mainstream news, on 4 May, Israel conducted air strikes in eastern Syria, part of a recent campaign of multiple air attacks over the past two weeks. This most recent bombing killed 14 Iranian and Iraqi soldiers and wounded others, according to the UK-based Syrian Observatory for Human Rights.

On 28 April, the Israeli Air Force bombed the airport located outside Damascus, targeting areas suspected as a base for Iranian fighters.

This marked the third strike that week, and it came just 24 hours after Israeli Defense Minister Naftali Bennett stated that the air attacks were being planned.

Mr. Bennett stated at the time, “Keep your ears open. We’ve gone from a policy of blocking [Iran] to pushing it out.”

Militias supported by Iran and its allies are in control of much of eastern Syria, close to the border with Iraq.

Yoram Schweitzer, senior research fellow at Israel’s Institute for National Security Studies, when asked if the increase in air attacks was in defense of aggressive acts from Iran and Hezbollah or was taking advantage of the current coronavirus pandemic, which has hit Iran significantly hard, he answered, “I don’t know which one of the two it is, but might be a combination of the two.”

Consistently, Israel has conducted airstrikes against Iranian and Hezbollah fighters since the Syrian civil war ignited in 2011. Of particular concern to Israel is control of the Golan Heights boundary where it claims Hezbollah and the Islamic Revolutionary Guard Corps (IRGC) have been trying to establish a presence.

In addition to the airstrikes by Israeli jet fighters within Syria, on 4 May, Syrian intelligence sources said Israeli helicopters fired several rockets from the Israeli-occupied Golan Heights, targeting an area over the Syrian border housing Hezbollah militia.

According to Israeli Defense Minister Bennett, “For Iran, Syria is an adventure far from home: 1,000 kilometers from home, from the Golan Heights. For us, it’s life. Iranian soldiers who come to Syria and operate within Syria… they are risking their lives and playing with their lives. We will not allow the establishment of an advanced Iranian base in Syria.”

TRENDPOST: *Again, with all attention glued to COVID, it was barely reported that a few days later, Israeli Defense Minister Bennett approved expansion of another housing project, i.e. “settlement,” in the occupied West Bank.*

Without international condemnation for its actions, despite Israel being in violation of Article 49 of the Fourth Geneva Convention, which states, “The Occupying Power shall not deport or transfer parts of its own civilian population into the territory it occupies,” the 7,000 new housing units will nearly double the size of the “settlement.”

IRAN: TRUMP VETOES WAR POWERS RESOLUTION

On 13 February, the U.S. Senate voted in favor of a War Powers Resolution that would require President Trump to get congressional approval before taking any further military action against Iran.

The official language called for "the President to terminate the use of United States Armed Forces for hostilities against the Islamic Republic of Iran or any part of its government or military, unless explicitly authorized by a declaration of war or specific authorization for use of military force against Iran."

The 55 to 44 vote, which included both Democrats and Republicans, was in response to President Trump's order six weeks earlier, on 3 January, to assassinate Iran's top military commander and popular political figure Qasem Soleimani. That murder brought the U.S. and Iran to the brink of all-out war… and also spiked oil prices!

At the time the resolution was passed, Senator Tim Kaine, one of its main sponsors, said, "It wasn't intended to rein in any one president's power. It would apply equally to any president. It's fundamentally about Congress owning up to and taking responsibility for the most significant decision that we should ever have to make."

Voting along party lines, the House of Representatives passed a similar resolution last month.

The votes were known to be symbolic, as they failed to muster the required two-thirds majority that would make them veto-proof. On 6 May, President Trump, as expected, made his veto official, calling the Iran War Powers Resolution "very insulting."

He added, “Contrary to the resolution, the United States is not engaged in the use of force against Iran. Four months ago, I took decisive action to eliminate Qasem Soleimani while he was in Iraq. Iran responded by launching a series of missiles at our forces stationed in Iraq.”

Defending the legality and Constitutional Right he had to order the assassination, President Trump proclaimed, “The resolution implies that the President’s constitutional authority to use military force is limited to defense of the United States and its forces against imminent attack. That is incorrect… We live in a hostile world of evolving threats, and the Constitution recognizes that the President must be able to anticipate our adversaries’ next moves and take swift and decisive action in response. That’s what I did!”

The following day, as expected, the Senate failed to come even close to the needed two-thirds majority, receiving a vote of 49-44 in favor.

TRENDPOST: *Totally absent in the political and media banter is how Congress has been in violation of the U.S. Constitution since the end of World War II by granting the President the right to wage war while abrogating their authority to do so:*

> **— U.S. Constitution, Article I, Section 8, Clause 1**
>
> “The Congress shall have Power… To declare War, grant Letters of Marque and Reprisal, and make Rules conquering Captures on Land and Water;
>
> To raise and support Armies, but no Appropriation of Money to that Use shall be for a longer Term than two Years;
>
> To provide and maintain a Navy;
>
> To make Rules for the Government and Regulation of the land and naval Forces;
>
> To provide for calling forth the Militia to execute the Laws of the Union, suppress Insurrections and repel Invasions;
>
> To provide for organizing, arming, and disciplining, the Militia, and for governing such Part of them as may be employed in the Service of the United States, reserving to the States respectively, the Appointment of the

> Officers, and the Authority of training the Militia according to the discipline prescribed by Congress."

Indeed, with the military industrial/intelligence complex in charge, by violating the Constitution and granting war powers to the President, it negates the clause "but no Appropriation of Money to the Use shall be for a longer TERM than two Years" and supports America's discretionary budget for which more than half goes toward military spending.