

# TRENDSJOURNAL

HISTORY BEFORE IT HAPPENS

COVID-  
DIVIDE

FREEDOM

FEAR



19 May 2020

## ECONOMIC UPDATE

### U.S. MARKETS



Yesterday, the Dow closed up 911 points on continued hopes of reopening the locked economy and hopes for progress on a COVID virus vaccine.

Today, the Dow fell nearly 400 points after a report questioned the results for that potential coronavirus vaccine.

NASDAQ dropped 0.54 percent.

Brent Crude fell a bit, closing at \$34.51 a barrel while West Texas Intermediate rose 54 cents to close at \$32.36.

Gold gained \$13.80 closing at \$1,745.80.

Bitcoin was down \$52 from yesterday but still at the high \$9,000 range, trading at \$9,673.54.

**TREND FORECAST:** On 6 June 2019, when gold was at \$1,332, Gerald Celente accurately predicted the beginning of “The Gold Bull Run.” It’s now up \$400 since then, almost a third. Celente has also forecast that if the metal closes above \$1,740 and maintains that range for several weeks, it will keep running to \$2,000 and higher.

**TREND FORECAST:** Oil prices surged to two month highs not only because global production has been cut, but also because on-hand inventories of crude are starting to shrink for the first time in months due to anticipation of increased demand as traffic increases in China, its factories resume production, and lockdowns around the world ease up.

Shrinking the inventories of unsold oil on hand will be key to sustaining any oil price increase because the world’s oil demand already is contracting by more than nine million barrels a day compared to pre-COVID-19 levels, according to the International Energy Agency.

Oil’s rise in price also will be capped for months to come as people continue to work from home, avoid airplanes, and save their money instead of spending it on trips and new factory-made gadgets.

Moreover, while Wall Street is selling the recent rally as “bullish,” with Brent Crude selling at \$35 a barrel, oil-rich nations, both rich and poor, will suffer deep economic contraction at such low-level prices as will oil companies and production-related industries.

Therefore, we agree with the assessment from Commerzbank that, “Despite all the euphoria, however, we believe that caution is still advisable: it will probably take some years before demand recovers to its pre-crisis level.”

**TREND FORECAST:** The 500 companies in the S&P index are due to show a collective 13.6 percent drop in earnings in this year’s first quarter. But that’s only the beginning.

Corporate forecasts indicate a crash in profits of 40.6 percent in the second quarter, 23 percent in the third, and 11.4 percent in the fourth.

Politicians and economists forecasting a V-shaped recovery or quick economic rebound to pre-pandemic levels are indulging in wishing, not analyzing.



*By all the evidence, as reported in the **Trends Journal** over the past year, the world's economy was slowing into recession before politicians shut it down completely. Any recovery from the shutdown will be lengthened and complicated by the underlying factors that were affecting the global economy by the end of 2019.*

**TREND FORECAST:** *The economic devastation ahead will be unparalleled. The "Greatest Depression" has begun.*

*With no exit strategies for the COVID War politicians launched that has wrecked economies, bankrupted business, and ruined lives, the media cheers of reopening, with a gaggle of made up restrictions, will not restore Gross Domestic Product growth at sustainable levels.*

*And now, with more work at home orders extending into 2021, or permanently, commercial real estate will plummet.*

*Indeed, the future downturn is evidenced in the S&P 500's financial, real estate, and utility sectors, among others, that are now in correction territory, defined as a decline of 10 percent or more in stock prices from recent highs.*

*The S&P overall has pulled back by only about 3 percent from its 29 April peak.*

*The S&P Small Cap 600 index has dropped 12 percent since 29 April.*

*The Russell 2000 index of small-cap stocks is down 9.1 percent, nearing correction territory.*

## **RETAIL APOCALYPSE**





Further pushing commercial real estate prices sharply lower is the brick-and-mortar retail devastation, which was a trend prior to the COVID panic.

The retail industry shed two million jobs in April and more than 100,000 stores are expected to go out of business over the next five years, according to an analysis by investment bank UBS.

By 2026, the number of brick-and-mortar retail outlets in the U.S. will fall from last year's 883,000 to 782,000, the analysis concluded.

That would more than triple the 28,455 retail closures that took place during the Great Recession.

Through 2025, e-commerce will grow from 15 percent of retail sales in 2019 to 25 percent, UBS estimates.

The shift will squeeze brick-and-mortar stores' profits even more than Amazon and online commerce has already, keeping the wave of mass closures moving through the industry.

This month, retail chains J.Crew Group, Neiman Marcus, and Stage Stores sought Chapter 11 bankruptcy; as long expected, the 846-store J.C. Penney chain filed for Chapter 11 on 15 May.

There is a 50-percent chance that 19 retail chains now in the S&P 500 index will default on their debts, estimates Sarah Wyeth, retail and restaurant analyst for S&P Global Ratings. Only five defaulted during the Great Recession.

About three-quarters of retail chains tracked by S&P had their debt rated as junk even before the pandemic began.

"If this isn't the retail apocalypse, I don't know would be," she said.

Indeed, today, Walmart sales soared and Home Depot's rose 7 percent as people stockpile groceries and do home improvement on lockdown. But Kohl's department store, forced to close its stores in March and with people not buying many retail items such as clothing, saw its revenue collapse 44 percent.

And with people having to wear masks and have their temperatures checked, as required to enter Apple stores, more shoppers will be encouraged to shop online rather than be subjected to "New ABnormal" retail rules.

Therefore, more retail sector brick-and mortar-stores will be going dark.

***TRENDPOST:*** While local/hometown special retail in upscale markets will survive, the trend to online purchases will continue to hit retail outlets, big and small.

*According to OptinMonster, online shopping is growing so fast that the global online shopping market size is predicted to hit \$4 trillion in 2020. The U.S. alone is expecting to have 300 million online shoppers in 2023. That's 91 percent of the entire country's population!*

*So far, 69 percent of Americans have shopped online, and 25 percent of Americans shop online at least once per month.*

*As per data from research and polling firm Nielsen and Rakuten Intelligence, U.S. online sales of consumer packaged goods (grocery items) increased by 56 percent in the week ending 18 April compared to a year earlier.*

## **ONE-THIRD OF SMALL BUSINESSES PLAN NOT TO REOPEN**



Owners of a third of small and medium-size businesses closed by the mandated economic shutdown do not expect to reopen, largely because they will not have the money to pay rent and other bills, a Facebook survey has found.

Of those who do plan to reopen, 55 percent say they will not rehire their former employees. The survey did not specify if this means that the businesses will not hire the same number of workers or will look for different people to fill the available jobs.

The survey also found that 52 percent of one-person businesses are not now operating, with 55 percent of them owned by women. Among one-person business owners, 40 percent reported difficulty in paying their household expenses.

Of businesses that are still operating, fewer than 25 percent reported income that was greater than cash outflow.

The greatest needs cited by small and medium-size businesses were working capital (28 percent) and customers (20 percent).

Even so, 47 percent of survey respondents said they were afraid to borrow money because they were uncertain they could repay it.

When asked what government programs or policies would help them most, 36 percent named access to credit with guarantees of repayment if they themselves were unable to pay and 34 percent want salary subsidies for workers.

Facebook surveyed 86,000 owners of small and medium-size business owners, managers, and employees as part of a continuing data-gathering partnership with the World Bank and Organization for Economic Cooperation and Development.

## **THE GREAT DEFLATION?**



Prices for U.S. consumer goods, excluding groceries, declined in March and April, falling 0.8 percent in the latter month, the largest one-month slide since December 2008, according to the U.S. Bureau of Labor Statistics.



Gasoline and energy prices, which are now heading back up a bit, led the price shrinkage, contracting by 10.1 percent.

Excluding food, fuel, and energy, the so-called core consumer price index fell 0.4 percent, the steepest monthly drop since the bureau began keeping records in 1957.

Prices for airfare, auto insurance, and clothing posted their sharpest price drops ever.

Economists expect prices to quickly recover a significant portion of their losses once economic lockdown orders are lifted. Many predict a short, dramatic recession followed by a slow recovery, perhaps extending through 2023.

***TREND FORECAST:*** *We disagree with the Wall Street consensus. There is far greater supply of most products than demand. And considering the reopening restrictions, escalating unemployment rates, bankruptcies, shattered economies, and shattered lives, supply will continue to outpace demand, thus keeping prices lower.*

*However, as central banks deflate their currencies by unprecedented printing of digital trillions backed by nothing and printed on nothing, in their efforts to artificially stimulate economic growth, it will cost more to buy products because the value of the currencies will decline.*

*Thus, gold, the ultimate safe-haven asset, will become yet more of a “precious” metal.*

***TREND FORECAST:*** *We forecast that deflation will persist, since in many sectors, prices will not recover, which could set off a deflationary cycle: too few consumers are buying products as cash-strapped consumers shop less and buy less.*

*Indeed, while manufacturers lower their prices to move their goods, so, too, will their operating income decline. Thus, they will continue to lay off workers, which results in even fewer people able to buy things.*

*Deflation is not a danger in the food sector, where grocery prices have climbed an average of 2.6 percent, the largest rise since February 1974, as lockdown orders disrupted the food supply chain and closed processing plants.*

*The price index for eggs, fish, meat, and poultry rose 4.6 percent between March and April, with egg prices up more than 16 percent in some locales.*

*The cost of milk and breakfast cereal crept up 1.5 percent, baby food 2.7 percent, canned vegetables 3.6 percent, and juice 3.8 percent. Even doughnuts weren't spared, adding 5 percent.*

*Rising prices often spark inflation but, with prices falling broadly in other sectors, "a surge in inflation is the least of our worries," said Gregory Daco, chief U.S. economist at Oxford Economics.*

**TREND FORECAST:** *Some economists say that price declines will be short-lived. They will not. Instead, they will endure for months, with some industries and economic sectors recovering faster or slower than others.*

*There is no risk of inflation through 2021.*

*And, while the government dramatically increases its debt load, with interest rates near zero and possibly going negative, the cost of paying it back will be low, thus keeping inflation low... temporarily, as we noted above.*

## **SPENDING TANKS, SAVINGS SOAR**



Spooked by the prospect of losing their jobs and another economic shutdown this fall, Americans are cutting spending, paying off installment debt, and hoarding cash.

Retail sales cratered in April, falling 16.4 percent from March, an unprecedented one-month plunge, and 21.4 percent lower than a year earlier. March's decline was 8.3 percent.

Furniture sales retreated 58 percent, electronics sales 60 percent, and clothing sales almost 79 percent.

Grocery stores sales shrank 13.2 percent as many items became unavailable and people tightened spending as they lost jobs or saw their work hours diminish.

The April drop was much worse than most analysts had predicted.

### **The Flip Side is Fear**

While sales dropped, the U.S. savings rate shot from 8 percent of income in February to 13.1 percent in March, an increase of more than 60 percent and the highest rate since November 1981.

The rate reflects the results of an April survey by the Federal Reserve Bank of New York, showing that 21 percent of Americans fear losing their jobs in the next 12 months. Among those afraid of being out work, 47 percent thought they could find a new berth within three months, a drop of 6.1 percent from March, the largest one-month slump ever recorded.

The survey reported "considerable deteriorations" in people's view of their economic future, including record low outlooks for expected earnings, income, and new personal spending.

Those fears, in part, brought down the country's outstanding balance of revolving debt, excluding mortgages, by an annualized rate of 31 percent, the largest one-month percentage drop since January 1989.

Visa reported 31 percent fewer credit card charges in April, with fuel, restaurant, and entertainment charges dropping by 50 percent and travel-related charges by 80 percent.

JPMorgan Chase noted a 40-percent decline in the amount of money charged to its cards, with spending on nonessential items plunging by half, and a 70-percent slide in restaurant spending.



The cuts were larger among high-income households than smaller ones, the bank said.

More than 16 percent of Americans were worried about missing a minimum debt payment in the next three months, according to the Federal Reserve survey. This represents a more than 25-percent rise from the average monthly number of 11.9 percent.

In an economy in which consumer spending accounts for up to 70 percent of GDP, fewer purchases and suddenly higher rates of saving are likely to slow any recovery from the economic shutdown.

***TREND FORECAST:*** *The Fed also reported that U.S. factory output dropped 13.7 percent in April, the greatest one-month slide since 1919, after World War I ended.*

*But even that will not clear the unsold inventory of sofas, seasonal clothing, locked down retail outlets still stocked with unsold goods, cell phones, and millions of other items piling up in warehouses around the world.*

*Prices will stay low, with retailers' margins squeezed tight through the end of this year, driving more stores out of business. (See "[Retail Apocalypse](#)" article in this issue.) Prices will fall further as retailers compete to get cash out of their unsold inventory, fueling the deflationary cycle that will last deep into 2021.*

## **LOW-WAGE WORKERS PAY LOCKDOWN PRICE**



According to a Federal Reserve survey, 39 percent of households with annual incomes below \$40,000 lost at least one job since the pandemic struck, while only 19 percent of households earning \$40,000 to \$100,000 did.

Among households with incomes of \$100,000 or more, 11 percent lost one or more jobs.

While 5 percent of workers saw their pay increase in March, 23 percent said their incomes decreased.

Among workers with college degrees, 62 percent said they were able to work from home, but only 20 percent of those without a college certificate could do so.

Of those who had lost a job or lost some work hours, only 64 percent said they would be able to pay their month's bills in full. Just 46 percent of those families said they would be able to cover a \$400 emergency expense.

The survey also found that one in five Americans employed in February now are not, contradicting the official unemployment figure of 14.7 percent and pegging the number at 20 percent instead.

"This reversal of economic fortune has caused a level of pain that is hard to capture in words," said Fed chair Jerome Powell, adding that more federal aid to individuals would boost the economy and be worth the cost.

### **Homelessness May Jump 45 Percent**

The economic lockdown and its consequences might turn 250,000 people out of their homes, according to a Columbia University study.

That would mean 818,000 homeless Americans this year, compared to the 568,000 estimated in January 2019.

Researchers based their estimate on a previous study that found in the Great Recession, every 1-percent rise in unemployment increased homelessness by 0.65 percent for every 10,000 people.

They then looked at unemployment projections. Using a modest-case scenario, they chose an unemployment rate of 16 percent into July. Applying the previous study's homelessness rate, the researchers were able to predict that more than 800,000 people will be without homes by the end of this summer.

"Our best guess about what the future will be is what the past has been," said economist Brendan O'Flaherty, the study's author.

Preliminary figures show the lockdown's impact has been most severe on households with incomes below \$40,000, putting low-income persons at closest risk for losing their homes.

***TREND FORECAST:*** Since the COVID War was launched by politicians in early March, we had warned that low wage workers would be hit the hardest, followed by middle class earners, which would in turn dramatically escalate the already growing homeless crisis.

*Indeed, one of our Top 2020 Trends was “Homeless and Helpless.”*

*This trend is global and will dramatically worsen as economic conditions deteriorate during the “Greatest Depression.”*

***TRENDPOST:*** Being ignored by media and politicians is the fact that the homeless – those who are the most socially “non” distanced, not the healthiest, and among the poorest – have not become the primary victims of coronavirus. Indeed, in New York, the hardest hit COVID-19 state, only two percent of those admitted to hospitals were from the homeless population.

## **U.S EQUITY MARKETS: NEW ABNORMAL**



Today's U.S. stock market is “maybe the second most overvalued market I’ve ever seen,” according to David Tepper, billionaire founder of the Appaloosa Management hedge fund.

A number of high-flying tech stocks such as Alphabet, Amazon, and Google are “fully valued,” he added, meaning their stock is not worth more than their current prices.



“There has been misallocation of capital in pockets in the market,” he noted. In part because the U.S. Federal Reserve has made cheap money available for investors to play with, “the market is, by anybody’s standard, pretty full.”

He added even though the market has rallied from its mid-March lows, “that doesn’t mean you can’t fall significantly from these levels.”

The Dow fell 500 points on 13 May, shortly after Tepper made his comments in a *CNBC* interview.

## **Shot in the Arm**

As noted above, ignoring the disastrous economic fundamentals, yesterday’s 911 point market spike was attributed to the hope a COVID-Killer vaccine would soon be on the market.

This has been an ongoing market-hyping sales pitch.

Prior to yesterday’s market opening, Fed Chair Jerome Powell proclaimed on CBS “60 Minutes” that the strength and speed of the U.S. economic recovery could depend on the development of a vaccine against the COVID virus.

“Assuming there’s not a second wave of the coronavirus, I think you’ll see the economy recover steadily through the second half of the year,” Powell said. But “for the economy to fully recover... that may have to await the arrival of a vaccine,” he added.

In a separate interview, Gary Cohn, former director of the National Economic Council in the Trump administration, emphasized the need for both a vaccine and the urgency of restarting the economy.

***TRENDPOST:*** *As we continue to note, totally absent in the media, which keeps selling the “vaccine solution,” is for people to get in better physical and emotional shape and build up their immune systems.*

*Also unmentioned by the sellers of COVID Fear and Hysteria is that people dying from coronavirus are chronically mostly ill elderly and those with pre-existing health disorders.*

*For example, among the virus deaths in New York, the hardest hit state, according to JAMA, a peer-reviewed medical journal, “The most common underlying conditions were high blood pressure (56.6%), obesity (41.7%), and diabetes (33.8%). Median Charlson Comorbidity Index (CCI) score was 4 points, which corresponds to a 53% estimated 10-year survival and represents a heavy burden of underlying disease.*

## **More Made Up Rules**

The New York Stock Exchange will reopen its trading floor on 26 May after being closed since 23 March.

The exchange will permit entry to only a limited number of traders, who must submit to temperature checks, be masked, maintain a six-foot social distance, and refrain from shaking hands, high-fiving, and other “unnecessary physical contact,” said the three-page memo detailing the requirements traders must meet.

Also, traders coming onto the floor will have to attest they did not take public transport to get there.

CBOE, which operates an options trading pit in Chicago, is planning to reopen its trading floor on 1 June, the day after Chicago’s lockdown order is due to expire.

CME Group, which has futures and options trading floors in Chicago, will open its trading areas in stages that begin at least three weeks after the city’s lockdown ends. Traders entering the pits will be required to sign a waiver acknowledging they understand the risks of catching the COVID virus on an open-outcry trading floor.

## ON THE EDGE: POOR CREDIT RATINGS SOAR



The number of companies that have sunk into the lowest five ranks of Moody's credit rating system, or are just one step above, has virtually doubled that of the Great Recession, from 213 in 2008 to 412 now.

The 21-level ratings system ranges from Aaa to C, the lower grade meaning a company has defaulted on its debts with few prospects for paying back either principal or interest.

Many of today's troubled companies are in the service and hospitality sectors, which have been savaged by the economic lockdown. Many more of the low-rated firms, however, tumbled as the result of aggressive leveraged buyouts, said Chris Padgett, Moody's chief of leveraged finance.

The majority of companies in the lowest ranks – 273 – are owned in whole or part by private equity companies.

Aggressive buyouts left scores of businesses burdened by outsized debt compared to their operating profits even before the economic lockdown crushed them.

The unlucky companies include Envision, a medical staffing company involved with equity firm KKR; beauty business Anastasia Beverly Hills, backed by TPG Capital; and Party City, which equity investor Thomas H. Lee left last November.

"They didn't have the right balance sheet going into the crisis," Padgett noted.



## BOND BUYING WITHOUT BUYING BONDS



On 23 March, right at the point when U.S. equity markets tanked in bear market territory and were heading lower, the U.S. Federal Reserve announced it would buy corporate bonds, first through exchange-traded bond funds and then individually.

The Fed's assurance that they would shore up the bond market set off a rally in which investors snapped up new offerings from Boeing, Ford Motor, and other major corporations already toting hefty debt loads.

On 9 April, the Fed added junk-bond funds to its plan, bringing down yields as investors gained confidence that the high-interest bonds suddenly were less risky. The plan includes purchase of so-called "fallen angels," companies whose bonds recently descended into junk status, such as Ford Motor Co.

The Fed has chosen BlackRock Inc., the largest issuer of exchange-traded bond funds, to run the bank's program, at least for the first 90 days.

In a statement, the Fed's board of governors said they had selected BlackRock for its expertise in the funds. Fed chair Jerome Powell has as much as \$11 million of his personal fortune invested with BlackRock.

BlackRock has pledged to waive management fees on the Fed's accounts. Still, its own funds already have benefited from the Fed-inspired bond market revival.

***TRENDPOST:*** *In full view, and with little or no pushback, the money bailout policies are Socialism for the Rich & Bigs and Capitalism for We the Little People.*

*The bond buying schemes, injecting trillions into repo markets so “trading houses” can gamble, and billions of dollars of “loans” to multinationals by the Federal Reserve, with the backing of Washington, is unprecedented in American history.*

*With no blowback from the media and certainly not from the corrupt political parties, it has become the “New ABnormal.”*

## **Wall Street Before Main Street**

The \$1.8-trillion CARES Act, which Congress passed in March to bail out the U.S. economy, allots \$454 billion to the U.S. Federal Reserve to offset losses the Fed might incur in the bailout loans it makes to corporations.

Treasury secretary Steve Mnuchin said the Fed would use the funds as a secure foundation from which to generate as much as \$10 in corporate loans for every \$1 Congress gave to the program.

That would gin up as much as \$4.54 trillion in bailouts for businesses big enough to enter the bond market but leave nowhere near as much money available to independent businesses, as reported by *Wall Street on Parade*.

Do the math: that’s \$4.54 billion for Wall Street and \$1.35 trillion – less than a third as much – for Main Street of what remains from the original \$1.8-trillion rescue package.

***PUBLISHER’S NOTE:*** *The \$454 billion is earmarked as “loss absorbing capital.” That means it will be used to make good any bad investments the Fed makes.*

*In other words, if the Fed loses money in any of its investments in junk bonds or other risky corporate debt, taxpayers will eat the loss and bail out Wall Street – again.*

## **Federal Deficit to Reach \$3.7 Trillion this Year**

The U.S. federal budget deficit rocketed up to \$1.94 trillion from 1 May 2019 through 30 April 2020, according to the U.S. treasury department.

Through March, the gap was \$1.04 trillion before Congress approved the CARES Act relief package and the treasury began transferring money to businesses and individuals.

Spending during the 12-month period totaled \$5.2 trillion while revenue was \$3.27 trillion. Some of the lost revenue is due to taxpayers taking advantage of the new 15 July filing date and will be made up later, treasury officials believe.

Federal spending in April alone reached \$980 billion, compared to average April spending of \$384 billion in years past.

The Congressional Budget Office forecasts a total deficit of \$3.7 trillion by 30 September, the end of the federal fiscal year.

***TREND FORECAST:*** *At the beginning of the year, the word from Washington and Wall Street was the concern that the U.S. would be running \$1 trillion deficits for the next several years. Now, with the deficit soaring far beyond what could have been imagined, there is virtually no concern about what the deep-in-debt future will bring.*

*At some point, and we do not know when at this stage of the money printing madness, the U.S. dollar will dramatically dive. The only reason it is staying strong is because most other major currencies around the world continue to weaken.*

*When the dollar begins its collapse, gold prices will soar.*

## **PUBLIC PENSION FUNDS SINKING**



Pension funds for public employees shrank by an overall 13.2 percent during the first quarter of this year, reported the Wilson Trust Universe Comparison Service, more than in the fourth quarter of 2008 as the Great Recession was under way and the greatest one-quarter decrease in the firm's 40-year tracking history.

The losses would be even greater now had stock markets not rebounded in April.

The losses are likely to be greater anyway because first-quarter returns from many private equity deals, real estate holdings, and other investment vehicles have not yet been reported.

Before the pandemic arrived, states' pension plans had \$4.1 trillion on hand, less than half of the \$8.9 trillion they will need to pay their current commitments, according to the U.S. Federal Reserve.

Unless markets regain lost ground quickly, state and federal governments will face pressure to help raise contributions for their workers and “there will be a lot of pressure to cut benefits,” said Don Boyd, co-director of the State and Local Government Finance Project at the University at Albany in New York.

***TREND FORECAST:*** *Many state and local government pension funds are insured by the federal government. As these funds fail or come up short in their ability to pay, the funds' obligations will effectively be nationalized, leaving all of us to cover state and local responsibilities.*

*On the other hand, as the “Greatest Depression” worsens, there will be no government bailouts and pensioners will lose out.*

## REOPENING BLUES



As we have continually reported in the **Trends Journal**, politicians and their bureaucratic flunkies are making up reopening business rules.

On Sunday, one of them, Governor Mike DeWine of Ohio, said, “This is a virus we’re still learning a lot about. We don’t know a great deal about it.”

Yes, they don’t know, and never knew “a great deal about it,” but decided to lock down most of the nation anyway... and continue to do so with the new orders for re-opening.

Simon Property Group, one of the U.S.’s largest mall owners, was blocked in its plan to reopen malls in Indiana and New York earlier this month when officials, particularly those in areas with severe COVID infection rates, said it was too soon to encourage people back to public spaces.

Malls in Georgia, Oklahoma, South Carolina, and Texas have reopened, but the company has postponed reopening four Indiana malls from 1 May until this week after some counties extended their lockdowns by two weeks.

One New York official expressed “shock” on learning the company would open seven malls in that state on 16 May, the day after New York’s lockdown order was relaxed somewhat. Simon since has said it will observe local orders.

Illinois is lifting restrictions at a slower pace. Governor J.B. Pritzker said that reopening malls will have to happen “over the course of months and not in the immediate next phase” of the state’s plans for restarting its economy.

***TREND FORECAST:*** *The general consensus of the public, brainwashed by their brain-dead politicians, is, “It’ll come back.”*

*No, the economy won’t come back. Especially since it was in decline before the politicians locked it down.*

*And now, with their no-exit strategy to the COVID War they launched, which destroyed the economy and people’s lives, the maniacs who most promoted it, as exemplified by California’s lockdown champ, Governor Gavin Newsome, don’t know how to end it.*

*During his performance on the Cartoon News Network (CNN) last week, the tyrant who took full control of the 40 million people he rules admitted he didn’t have a clue what to do next: “The question is, how to you toggle back and make meaningful modifications to the stay-at-home-order?”*



## OLD BRAND BOUNCEBACK



Hershey, Nestlé, and Procter & Gamble all reported gaining market share during the first quarter of this year. Hershey gained 3 points against its competitors during April.

New food items and brands, particularly health- and energy-oriented foods, have been gobbling market share from majors for years. In January and February this year, so-called insurgent brands – those growing at least ten times faster than their category in general – rose 35 percent. In March, they added just 5 percent.

While the big brands tout consumers “coming home” to the familiar in times of crisis, reasons for the gains are largely financial, not sentimental. Supermarkets have been reducing the range of items and brands they carry to open more shelf space for essentials, such as canned goods and paper products. Most of that reclaimed shelf space was occupied by niche or specialty brands.

Brands must pay “slotting fees” to occupy shelf space in chain supermarkets. Large companies have the cash to keep paying those fees as sales diminish; smaller companies do not.

Also, major companies often have their own factories and can increase production if needed. Small brands typically use third-party manufacturers and have to vie for run times.

In addition, large consumer products companies represent a significant share of business for carriers and distributors along the supply chain, often giving them priority over small or upstart brands.

As a result, many of the novel food items and their makers might not have the cash to survive the current economic lockdown.

Squeezing start-ups harder, venture capital funding for consumer brands fell 26 percent in this year's first quarter compared to a year previous. In 2019, funding was down 54 percent.

**PUBLISHER'S NOTE:** *People also are returning to major brands simply because mass-produced and processed foods tend to be cheaper than smaller, more specialized items. With millions of Americans unemployed and millions more in fear of losing their jobs, cheap now defines the bottom line for these households.*

*Moreover, it also exemplifies how Americans, who lead the developed world in obesity, are hooked on junk food. And despite fresh foods costing a bit more, to eat healthy... from making soups with natural ingredients to feeding a family with eggs and potatoes, it is cheaper to eat healthy then buy pre-cooked, packaged, and can foods.*

**TRENDPOST:** *This is a likely time for major consumer products companies to quickly buy up distressed start-ups and specialty brands to add to their growing stables of niche products that have special appeal to younger consumers.*

## THE NEW LIFE OF LOCKDOWN



As part of New York's economic lockdown, major businesses in Manhattan dispatched hordes of employees to work from home. Now those businesses are discovering that many of those workers need not come back downtown to do their jobs.

Executives at Barclay's, JPMorgan Chase, and Morgan Stanley have said it is highly unlikely that all of their now at-home workers will return to the city's office towers.

Nielsen, the media research firm, has decided its 3,000 workers can stay at home and come into centralized offices only occasionally, even after the lockdown ends.

In figuring out how to structure effective virtual workforces during the lockdown, companies discovered that employees and work processes could function effectively without being in the same physical place.

As a result, these corporations are realizing they no longer need to lease millions of square feet of office space at New York's stratospheric prices.

That's good for the companies, but it threatens the economic ecosystem that depends on hundreds of thousands of workers flooding the city every weekday.

Businesses ranging from restaurants and bars, newsstands, and coffee kiosks to barber shops and specialty boutiques could lose a major part of their trade without the steady stream of commuters.

Empty offices also would deflate rental rates. If the vacant spaces do not fill back up with new tenants eager for a Manhattan address, the lower rates would crimp the stock-market value of commercial real estate companies involved.

In addition, lower property prices would reduce New York City's property tax revenue, which, in turn, would threaten to reduce the number of police and firefighters or the frequency of trash collection, among other services.

Some landlords argue that remote work will not last in any significant way because face-to-face interactions are essential to productivity. "The socialization and collaboration of the traditional office is the winning ticket," said Steven Roth, chairman of Realty Trust, one of the city's largest commercial landlords.

But after the quarantine, "our habits and how we use office space will absolutely be different," said Gavin Fraser, CEO of the Brooklyn-based Small Planet software firm. "It took the lockdown to accelerate those trends."

***TREND FORECAST:*** *Many more white-collar jobs will move from centralized offices to home offices as companies seek to cut costs. This is a long-term trend that the economic lockdown has sped up.*

*The collapse in commercial real estate values is just beginning, indicated by the \$45 billion in commercial mortgages that were bundled into investment vehicles and are now overdue for their April mortgage payments.*

*Again, this new trend will decimate commercial real estate prices across the nation... and around the world.*

## **CASINOS: ALL BETS ARE OFF**



Caesars Entertainment Corp. saw revenues drop 14 percent in this year's first quarter to \$1.83 billion; Eldorado Resorts' take was \$473.1 million, down 26 percent for the period.

Caesars reported an operating loss of \$66 million while Eldorado's net loss was \$175.6 million.

Caesars logged its best-ever performance during January and February, said CEO Tony Rodio, but the company crapped out when it closed its casinos on 17 March, furloughing 90 percent of workers at those locations as well as a cadre of corporate employees.

Eldorado showed similar strength early in the year but that was "more than offset" by its decision to close its properties on 18 March.

Still, Eldorado's purchase of Caesars for \$8.58 billion in cash and stock is expected to close as planned by the end of June.

Despite Eldorado's buy, the gaming industry isn't betting on the come. MGM Resorts International has said in August it could start permanently laying off some of the 63,000 employees it furloughed this spring.

***TRENDPOST:*** *As the casino's close down, so, too, will it drive down incomes of all related businesses and employees. For many already living paycheck to paycheck, it will prove devastating.*

*Moreover, as economic conditions decline, since there will not be a snap back in travel, tourism, and conventions to bring business back to struggling casino-rich cities, crime waves will grow. And for those businesses that do open back up, theft from employees and customers will increase.*

As Gerald Celente says, "When people lose everything, and have nothing left to lose, they lose it."

## COVID COLLEGE DAYS: DOWNS AND OUTS



Requests to colleges for financial aid from high-school seniors were lagging last year's volume by 2.8 percent as of 24 April, according to the nonprofit National College Attainment Network.

More than 55,600 fewer seniors had submitted applications, indicating the economic shutdown might have erased the hope of college for these young adults.

Among returning students, the drop stood at 4.7 percent in mid-April. The number signifies more than 362,000 students not asking to renew their financial aid.

The drop was especially pronounced among students whose families earn \$50,000 or less per year.

**PUBLISHER'S NOTE:** *The “Interactive University” is a trend we first wrote about in 1996. More students, colleges, and universities are shifting to online education, an inevitable transformation as the cost of on-campus education becomes prohibitive to a growing number of young adults, particularly at a time when they and their families are out of work or fear losing their jobs.*

*As the number of students on campus dwindles, many student-focused businesses around campuses will disappear and lease rates and real estate prices will contract, damaging local economies. College towns need to become aware of this trend now to avoid becoming the “Rust Belt 2.0.”*

## DARK DAY FOR TV ADS



Beginning this month, companies that sell products to consumers are shifting ad dollars away from television and to the Internet, including Facebook, Google, and streaming services, where more people are spending more time during the lockdown.

“We’ve seen some great returns with Facebook and Instagram,” said Chris Brandt, chief marketing officer for the Chipotle Mexican Grill restaurant chain.

The shift began 1 May when advertisers’ contracts with television networks allowed ad buyers to cancel as much as half of their third-quarter purchases.

Companies taking the exit include Cracker Barrel Old Country Stores, Domino’s Pizza, General Mills, General Motors, and PepsiCo.



As a result, networks could lose as much as \$1.5 billion in revenue later this year.

Advertisers are uncertain what television networks will be able to offer viewers this fall because program production is shut down and there is no schedule yet to resume it. Therefore, ad buyers are unsure how many people will see their ads.

Networks are hoping national sports leagues can mount a semblance of their normal seasons in the last half of this year, which could revive a significant amount of advertising demand.

This spring, TV networks have worked with many hard-hit businesses, such as hotels and restaurants, to help them cancel or postpone their scheduled ads when the lockdowns were imposed.

As a result, in key categories such as cars, liquor, retailers, and pharmaceuticals, television broadcasters saw their revenue fall by about 30 percent from 17 February through 26 April, compared to the same period a year previous.

Some TV advertisers are postponing their ad buys; others are locking in their schedules now to take advantage of drastic discounted rates. All are negotiating greater flexibility into their ad contracts to ensure they can cancel purchases quickly if lockdowns continue or new ones are mandated.

***TRENDPOST:*** *In the “New ABnormal” world of fear, hype, and hysteria, new advertising means and messages will be essential reach a very different society.*

*In addition, in this rapidly changing new environment, the means and messages must continue to speak to the wants and needs of evolving and devolving populations.*

*What are they? How should they be implemented? We will continue to update you with the new trends to optimize as they emerge.*

## COVID WAR PUTS BRAKES ON DRIVERLESS CARS



For autonomous cars to be ready for consumers, they have to be road-tested – checking and refining software, adjusting controls, and tweaking the human-car connection.

That usually requires two people to be in a test car, one person behind the wheel and the other recording data and making observations.

Now the pandemic has made people skittish about being in an enclosed space with others, while states' lockdown orders have all but forbidden that kind of closeness outside of families.

So self-driving cars sit idle, literally and figuratively. But the lockdown is not the only reason.

The pandemic and economic shutdown have battered an industry that already was in financial straits.

Start-ups in the field run through \$1.6 million per month on average, according to analysis firm Pitchbook, a rate four times higher than young companies in finance or health care.

The slow progress of technology to market also has given investors pause. Many autonomous car companies were finding it hard to keep a steady stream of capital flowing in.

Zook, which investors calculate to be worth \$2.7 billion, has hired an investment bank to help it find a buyer. Starsky Robotics, which was building an autonomous truck, folded when it couldn't find a buyer for its assets. Four companies in the field have laid off workers.

The pandemic is sucking the last bit of air out of a bubble that began in 2016, when General Motors and Uber paid billions to buy start-ups developing self-driving cars. The deals paid a price equivalent to \$10 million for each of the start-ups' engineers.

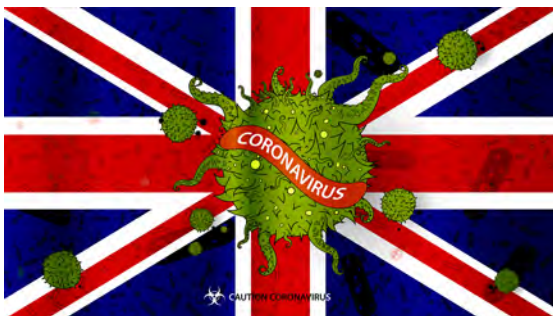
Those days are over. Venture firms have learned that autonomous car start-ups need billions in capital but can offer no clear timeline to market, let alone to a return on the investment.

***TREND FORECAST:*** For five years, we have said in our trend forecasts that the Geek World's promise to have autonomous cars running the roads by 2020 was unattainable, and the business media was buying into the hype. Our forecast has proven true.

*Developers still face the obstacle of many people's unwillingness to turn a car's controls over to a robot. That will be a major challenge which might not be overcome for a generation.*

*With capital markets facing a long post-pandemic recovery along with the rest of the economy, autonomous cars are unlikely to be a noticeable presence in the world's car market before 2027.*

## EUROPE



**U.K. Recession Will Be “Worst in 300 Years.”** The U.K. is entering a recession that will contract its GDP by as much as 30 percent for the first half of this year, the Bank of England has forecast, marking this as the worst recession since the “Great Frost” in 1709.

The economy shrank by 3 percent during the first quarter and will lose another 25 percent during this one, the bank expects. Household spending already has dwindled by 25 percent since March.

The bank will not launch additional stimulus measures now, it said, because its' March program to buy £200 billion in government bonds was still under way.

Commercial banks must not try to conserve capital by restricting their lending, warned Andrew Bailey, the Bank of England's governor. If the banking system keeps making a steady supply of loans, "we'll have a better outcome," he added.

Bailey also said again that his bank will "do what it takes to support the economy" if additional stimulus is warranted and stated again the bank's expectation of a V-shaped recovery.

**TREND FORECAST:** Forecasts of a V-shaped recovery are made by Pollyannas. The loss of jobs and income, and fear among millions of others they could suffer the same fate, will add a new urgency to saving money and pruning needless spending.

Any economic recovery might begin with a slight surge but then will gather strength slowly over many months.

**Germany in Recession.** Germany's economic output dwindled by 2.2 percent in the first quarter of this year, triggering a recession after the country's GDP dipped 0.1 percent at the end of 2019.

A recession is defined as two consecutive quarters of economic contraction.

The contraction was the second worst since Germany's 1990 reunification, exceeded only by a 4.7-percent slide in 2009's first quarter during the Great Recession.

Germany's Federal Statistics Office showed a 15.6-percent fall in factory orders in March, the month the lockdown began, compared to a year previous. Industrial production was off 9.2 percent and exports pulled back by 11.8 percent, the most since 1990.

Germany's economic shutdown was less severe than those in France, Italy, or Spain and German shops, restaurants, and auto factories are reopening.

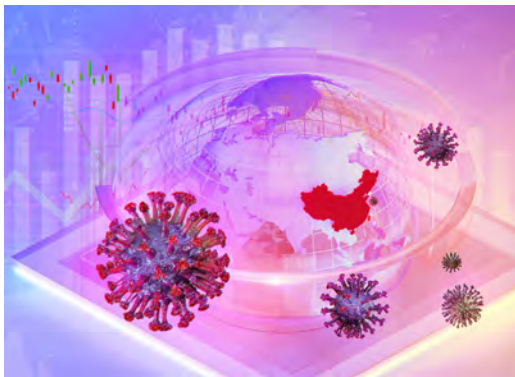
Still, second-quarter figures are expected to be much worse than the first's, in part because unemployment is still rising, the economy is still partly locked down, and many of Germany's export customers are not yet back in business.

**TREND FORECAST:** We have provided economic data in previous issues of the **Trends Journal** showing that all of Europe and most of the world has, or will, decline into recession and then into the “Greatest Depression.”

*It must be noted that Germany’s economy was slipping into recession in 2019. COVID economic lockdowns did not begin until March. Thus, with many business and social restrictions being imposed by politicians in the unlocking of their economies, it will do nothing to avert the economic disaster ahead.*

**TREND FORECAST:** As we have noted in this and other issues of the **Trends Journal**, the travel/hospitality sector will dramatically decline well into 2021. This particularly will be devastating for nations that rely on travel and tourism, putting countless businesses and hundreds of millions out of work... in addition to all the sectors supporting those businesses, from food service to air and ship builders.

## CHINA



**Mixed Start Recovery.** China’s industrial output grew 3.9 percent in April, compared to a year earlier, reversing March’s 1.1-percent decline and zooming past the 1-percent gain analysts had expected.

At the same time, urban unemployment kept rising, with the official count reaching 6 percent last month, nearing February’s record rate of 6.2 percent. Retail sales were off 7.5 percent year on year, worse than the 7 percent forecast but an improvement over March’s 16-percent plunge.

Although industry is making more goods, Chinese officials are uncertain about when Chinese consumers and the rest of the world’s economy will recover enough to begin buying them again.

Partly as a result, China's industrial output could shrink again this month, said ING economist Iris Pang. Overseas orders are being canceled and the relationship between the U.S. and China is worsening as the nations trade jabs over the origins of the COVID virus.

Also, consumer spending was restrained during China's 1 May holiday week, indicating that stagnating incomes and rising unemployment are leaving people sitting on their wallets.

"The recession could be longer than expected," Pang said.

Chinese leaders have pledged to expand deficit spending and issue more government bonds to aid small businesses.

**Exports to Southeast Asia Expand.** China's exports to countries in Southeast Asia rose 8.2 percent in April, following a 15.8-percent drop in the first two months of this year.

The region reported a 3.9-percent boost in purchases beyond its borders for the first four months of 2020.

China also imported 22 percent more iron ore and 14 percent more copper in April, compared to a year earlier. The gains are due to infrastructure projects resuming.

During the same month, trade with the European Union and U.S., which still are largely locked down, sagged 6.6 and 15.5 percent, respectively.

China's service economy also has yet to recover. Many stores and businesses remain closed and consumers seem reluctant to return to public enclosures for fear the COVID virus might still be lurking.

The weakness is thwarting the Chinese government's priority of putting people back to work. An internal April report showing the unemployment rate at 21 percent – encompassing about 70 million people – was quashed.

Still, analysts took heart from the export and import numbers.

"China's economy is still on a downward trend," said Zhou Hao, a Commerzbank economist, "but we are not seeing a meltdown."



**Internal Travel Returning.** China's national 1 May holiday brought a sharp increase in hotel occupancy rates, with rates almost doubling in some inns compared to just three or four weeks earlier.

Patrons also were returning to restaurants that had reopened.

"The public confidence has rebounded to a reasonable level as Chinese nationals see the government's ability to bring the virus outbreak under control," said Jian Chang, an economist at Barclay's in Hong Kong.

Still, the May Day holiday generated only about 40 percent as much revenue for China's hospitality sector as it did in 2019. A portion of the loss is likely due to officials' insistence that public places remain only about half-full.

Reviving tourism is a cornerstone in the country's plan to transform its economy from one based on government-funded infrastructure projects to one centered in consumerism.

China's still-weak tourism industry also is battering the U.S., which 2.8 million Chinese visited last year. About 6.8 million Chinese visited Europe in 2018, according to the China Tourism Academy.

"It is highly unlikely that people in China will be ready to travel abroad any time soon," said UBS economist Tao Wang, "with China severely cutting down international flights."

***TRENDPOST:*** *The less Chinese travel, the lower sales of luxury goods. Chinese customers used to travel to Europe and America to buy designer items at cheaper prices and bring them back, or resell them in China, where the prices for the items are higher.*

*According to a report by McKinsey & Company, global revenue for the luxury goods market is expected to contract about 35 percent this year compared to 2019.*

*They estimate some 80 percent of "publicly listed fashion companies in Europe and North America will be in financial distress."*

**Auto Sales Perk Up in April.** China's vehicle sales grew 4.4 percent in April, compared to a year previous, the first month since June 2018 that sales grew instead of shrinking.

Although passenger car sales fell 2.6 percent last month, sales of commercial vehicles, such as buses and trucks, soared 32 percent.

After plummeting 42 percent in the first quarter of this year, sales are expected to settle at about 23 million vehicles this year, matching 2013's level, according to the China Auto Dealers Association, or CADA.

To clear old inventory, dealers are offering 45-percent discounts on Buicks this month and a Chevrolet can be had for a down payment equivalent to \$7.75.

Given the uncertain pace of recovery from the economic shutdown, "It is difficult to guarantee positive growth in the coming months," said Chen Shihua, an executive with the China Association of Automobile Manufacturers.

The world's vehicle industry had come to depend on China after selling a record 28.9 million vehicles there in 2017. But the market for passenger cars had become saturated in large cities, while stalled economies in smaller cities dashed the hopes of reaching the 30-million mark in 2018.

In 2019, Chinese bought just 25.8 million vehicles.

***TREND FORECAST:*** As reported in ***Trends Journals*** over the past year, the auto industry and economies around the world were in slowdown. While auto sales may go up, the rise in auto purchases will be marginal, pushing down prices for both new and used cars. Also, defaults of auto loans will sharply rise.

## ASIA



**Japan's Economy in Recession.** Japan's economy, the world's third largest, has seen two consecutive quarters of contraction and is now in its first recession since 2015.

The economy shrank by 7.3 percent in 2019's final quarter and again by 3.4 percent in the first three months of this year, with exports down 6 percent.

The first quarter's outcome was better than expected. Economists had forecast a 4.6 percent drop and a 1.6-percent slide in consumer spending, which actually shrank only 0.7 percent.

The country's GDP, however, is expected to wither by 22 percent this quarter, according to economists polled by Reuters.

Japan's government has put together a stimulus plan valued at \$1.1 trillion and will supplement it later this month with more money. The Bank of Japan began its own stimulus measures in March and expanded them in April.

**Toyota to Resume Vehicle Production.** Toyota Motor Co., the world's 10th largest company by revenue as of last December, predicted that a reviving economy and an end to the lockdown could restore car sales to pre-pandemic levels by 2021, as they already have in China, the company said.

For the operating year ending in March, Toyota reported flat revenue but a slight increase in profits to \$19.3 billion.

Toyota expects its overall sales to drop about 20 percent during this operating year and operating profits to be off by as much as 80 percent.

After reporting an annual loss in 2009, the company brought in a new CEO who disciplined spending and investments, ensuring that Toyota would be able to survive hard times.

As a result, Toyota reports having almost \$75 billion in cash, which will help it keep its planning and development work steady through this year, it said, and weather bumps along the economy's road to recovery.

It will need the money.

The company foresees an 80-percent drop in operating profits this year compared to last and will cut production in Japan by 122,000 vehicles now that the country's economy is expected to contract by 22 percent this quarter.

***TRENDPOST:*** Again, to continually drive home the point that the global economic slowdown preceded the COVID Economic Lockdown imposed by politicians, Japan's economy was already in decline in 2019.

*Consumer spending began to dramatically fall last October following the Japanese government increasing consumption tax from 8 percent to 10 percent.*

*We note this because the slow restarting of an already slowing down economy will not speed up growth.*

*And Japan, the world's third largest economy, with one of the highest debt to debt to GDP ratios in the world at 234.2 percent, will dive deeper in debt with their new \$1.1 trillion stimulus package.*

### **India's Prime Minister Promotes Celente's Self-Sustaining Economy Model.**

At the onset of the Panic of '08, Gerald Celente had been advising nations to "Buy and Make Local," rather than getting products manufactured overseas.

He noted that in "self-sustaining" economies, nations such as the United States, which is rich in human and natural resources, while paying more to make products made domestically, would also in turn raise the wages of those making them, thus equalizing the cost-benefit while creating more jobs.

Now, the Indian government will begin an initiative to relieve the country's dependence on imports and to manufacture more goods and offer more services through domestic enterprises.

Narendra Modi, India's prime minister, tied the economic transformation to the lockdown relief plan his government announced last month.

That program, valued at the equivalent of \$22.5 billion, provided free food, cooking gas, and a cash payment to most Indians. India's central bank also cut its key interest rate.

Modi put the value of the new plan at \$267 billion.

“We strive for an economy that does not just bring an incremental change but a quantum jump,” Modi said in a televised address. “Let’s be vocal for local.”

***TREND FORECAST:*** *One of our Top Trends has been the self-sustaining economy: nations seek to become less dependent on imports and to produce more of their goods at home. That shift would raise consumer prices but also would raise wages and standards of living.*

*However, in the case of India, it has eight consecutive quarterly declines in its GDP. It is unlikely that Modi’s country can attract or generate the investment needed to make his vision a reality in the foreseeable future.*

*However, while it will somewhat improve the Indian economy and his popularity ratings, more importantly, this is a trend that will sweep the globe, leading to more nationalism movements which in turn will disrupt established political parties that favor globalization.*

**Turkey: Financial Crisis.** The pandemic panic has triggered mass unemployment in Turkey, where the jobless rate stood at 13.5 percent last December.

The country also faces the prospect of raging inflation after the country’s central bank has cut interest rates eight times in the last year.

Recip Erdoğan, Turkey’s president, has insisted that lowering interest rates will tamp down inflation, a notion contrary to economic experience as well as theory. He has vigorously pressured the central bank to make the successive rate cuts.

Turkey has run through billions of dollars in its foreign currency reserves to prop up the lira, its steadily weakening currency, which fell to record lows against the dollar last week.

The lira has lost 15 percent of its value since this year began.

In addition, the country’s economy will contract by as much as 5 percent in the second and third quarters of this year, analysts predict.

Turkey entered the crisis with a heavy burden of foreign debt and was depending on foreign investors to keep financing it. Most of those investors have now taken their money elsewhere.

As a result, the country is deciding whether to impose capital controls or ask the International Monetary Fund for aid.

Erdoğan has laid his country's economic woes at the door of unspecified nefarious foreign forces.

"We are very aware of the traps being set for our economy," he said in a televised appearance and "the insidious goals behind them."

## NOTES FROM THE FRONT LINES



**World Economic Outlook Worsens Warns IMF.** The world's economic outlook has darkened since mid-April, the International Monetary Fund says.

A month ago, the IMF forecast a global economic contraction of 3 percent this year, with developed countries' GDPs shrinking 6.1 percent and those in emerging nations 1 percent.

The forecast also said that emerging nations would need \$2.5 trillion in aid to weather the crisis.

The IMF's analysis in June will predict greater contractions and developing countries needing even more help, said Kristalina Georgieva, the IMF's managing director, on 12 May.

The IMF draws hope from the flood of money that central banks are releasing to prop up their own countries. "Spend as much as you can and then a little bit more," Georgieva urged the world's developed economies.



**Insurers Warn of Losses.** Major insurance companies are bracing for waves of damage claims due to canceled events and other business losses from the global economic shutdown and are warning that their profits will suffer.

Lloyd's of London expects to pay out at least \$3 billion and perhaps as much as \$4.3 billion, among its biggest payouts on record.

If lockdowns persist past June, the payouts could be \$1 to \$2 billion more, the insurance syndicate warned.

German reinsurer Munich Re Group reported paying out about €800 million, the equivalent of \$979 million, in lockdown-related claims. Allianz SES, another German insurance giant, said it could see €1 billion in losses this year.

The two companies have scrapped their investment guidance and profit targets for the year.

Swiss Re Group lost €225 million in the first quarter this year, it said.

Lloyd's estimates that the insurance industry overall will cover about \$107 billion in losses from the shutdown, about what it paid out in hurricane claims in 2005 and 2017.

The syndicate also expects the industry's investment portfolio, which it uses to build up reserves to cover future losses, to lose \$96 billion this year.

The combination of a record-level payout and plummeting investment values "is something the likes of which we have never seen," said John Neal, Lloyd's CEO.

**Economy Will Recover Slowly.** A quick, V-shaped economic recovery is "off the table," according to Neil Kashkari, president of the Federal Reserve Bank of Minneapolis.

He expects any recovery to be gradual and said the official 14.7-percent unemployment figure reported recently likely masks an actual rate as high as 25 percent.

Kashkari also expressed concern that states and businesses are trying to kick-start their economies before it is safe to do so.

He praised federal guidelines for lifting the lockdown but added that “it doesn’t strike me that even most of the country is even following the standards.”

**Traders Gamble on Negative U.S. Interest Rates.** Although the U.S. Federal Reserve has repeated that it has no plans to formally set interest rates below zero, some traders in Fed funds futures – the market where gamblers bet on upcoming Fed policy – are still betting the Fed will drop rates below zero within 12 months.

***TREND FORECAST:*** *We maintain our forecast that the Fed will set interest rates below zero by the end of this year.*

**Endeavor Group Holdings Ups Borrowing.** The international entertainment conglomerate has arranged a \$260-million loan to supplement the \$2.8 billion it already has borrowed to see itself through the economic crisis.

The loan is being circulated by JPMorgan Chase with Oaktree Capital Group providing the bulk of the money. Oaktree has long been one of Endeavor’s chief investors.

Endeavor is a talent management, event promoter, and film and television streaming service that owns the Miss Universe Pageant, the Professional Bull Riders organization, the Ultimate Fighting Championship mixed martial arts business, and Euroleague basketball, among other enterprises.

Endeavor’s revenue has fallen 70 percent during the economic shutdown as movie premieres were postponed and sports games and other live events canceled.

**Boeing’s Chief Forecasts Airline’s Demise.** David Calhoun, Boeing’s CEO, said in a 12 May “Today” television interview that a major U.S. airline probably will go out of business this fall.

Asked about the prospect, Calhoun said “Yes, most likely something will happen when September comes around.”

His conjecture prompted ire from Douglas Parker, American Airlines CEO, who phoned Calhoun to complain. United Airlines also let Calhoun know of its displeasure with his comment.

**Hotels Make Changes to Assure Guests.** To persuade travelers that hotel rooms are safe to stay in, the InterContinental Hotels Group will make changes to its rooms' amenities.

The chain, which owns Holiday Inn and Crown Plaza hotels, is removing pens and paper from rooms, and other items previous guests may have handled, to assure new arrivals their rooms are sanitary. The company also is testing the use of electrostatic sprayers, which deliver a mist that envelopes and disinfects germs.

The company's revenues fell to record lows during the first quarter, with revenue per available room off 55 percent. The company expects the figure to reach 80 percent for April.

Hilton Hotels reported its first quarter profit plunged to \$18 million, a crash of more than 90 percent from a year earlier. The company said the economic lockdown and its aftermath will have a "material negative effect" on the hotel business for "an indeterminate length of time."

**Rents Along Hong Kong's "Rodeo Drives" Crash.** Rent prices along Hong Kong's swanky shopping streets have fallen to their lowest levels since 2008.

Hong Kong never forced its shops to close but did impose a 14-day quarantine on visitors from mainland China. That, and months of anti-government street protests, kept most mainland tourists – the greatest source of luxury spending for the island – away.

Partly as a result, fashion houses Chloe, La Perla, Prada, Tiffany, and Valentina, among others, have scaled down their operations or moved out of the district entirely.

The rents have fallen 27 percent to an average of \$2,000 a square foot, still pricey but only about a third as high as their 2013 peak.

Major landlords, whose share prices have sunk by as much as 31 percent this year, say further rent cuts are likely.

**Tempest in the Ticket Market.** With the concert industry expected to not return until next year, many smaller promoters and ticket vendors are expected to close their doors for good. That would leave industry giants Live Nation Entertainment and Ticketmaster dominating the market, which could cause ticket prices to rise.

A group of senators have written a letter to the U.S. justice department urging it to “closely monitor” the ticket market to ensure a healthy degree of competition.

Late in 2019, Live Nation settled with the justice department over allegations it had violated a 2010 antitrust agreement that allowed it to merge with Ticketmaster.

**JPMorgan Chase Accepts First Crypto Clients.** The U.S.’s biggest bank has accepted its first two banking clients from the world of cryptocurrency.

The bank will handle dollar-based transactions for eight-year-old Coinbase, the world’s largest crypto exchange with more than 30 million accounts, and Gemini Trust Co., an innovator in the field.

Banks have shunned crypto clients in the past, fearing a taint that could come with digital currencies more nefarious uses, such as money laundering. Coinbase and Gemini agreed to undergo a rigorous vetting process before JPMorgan would accept them as clients.

The bank’s move signals the industry’s growing comfort with cryptocurrencies.

JPMorgan has experimented with blockchains, Bitcoin’s underlying technology, and recently created JPM Coin, a digital currency its clients can use among themselves.

**No Fun to Fly.** Ireland-based RyanAir, which reportedly carries more passengers than any other European airline, plans to resume service 1 July with 1,000 flights per day, up from the 30 daily hops it has been flying since mid-March.

Passengers will be required to check in online, submit to a temperature check on arriving in the airport, and wear masks in terminals and aboard planes. Food service will be limited and lines outside restroom doors are banned.

The 1 July date is based on the airline’s expectation that the continent’s governments will lift restrictions on inter-nation travel by then. The date or number of flights would need to be adjusted if governments maintain restrictions in full or in part.

Michael O’Leary, RyanAir’s CEO, also challenged the British government’s directive that most air passengers arriving in the U.K. quarantine themselves for 14 days in private residences.

O'Leary called the mandate “nonsense,” “entirely arbitrary,” and “entirely unenforceable.”

“This is a country that can’t even do testing and tracing,” he added.

## TRENDS-EYE VIEW

### INFLATE OR DIE



*by Gregory Mannarino*

Despite a dead economy and tens of millions losing their jobs, over the last seven weeks, the stock market has gone virtually straight up, with more gains to come.

The main driver is the unprecedented takeover of the global financial system by the Federal Reserve, now the new central bank of the world. In their quest to fulfill their goal of becoming the lender, buyer, and owner of **the world**, the Federal Reserve is inflating their balance sheet to historic levels... and this is just the beginning.

In the literal sense, the Fed is buying assets across the globe, and, moreover, they are funneling trillions to central banks worldwide, which also are buying assets. This mechanism is having a profound effect on the stock market, which seems to be defying gravity... and it is.

Understand that as long as the Fed continues to inflate its balance sheet, now standing at nearly seven trillion, stocks will put on gains despite a dead economy.

Recently, the stock market has begun to price in negative rates.

Despite the charade between President Trump, who is calling for negative rates, and Fed Chair Jerome Powell saying “no” to negative rates, the market believes negative rates are coming, and this is very stock market positive.

Negative rates force a major “risk on” environment to occur, meaning capital makes its way into the stock market. Negative rates are great for anyone who owns stocks, but they rob blind anyone with an interest-earning account. In a negative rate environment, instead of paying interest, financial institutions actually, and legally, **remove** cash from depositors’ accounts. For the average person, negative rates are legal theft on a grand scale.

## **Rates and Yield**

Many confuse “rates” and “yield,” so allow me to briefly explain.

A “yield” refers to the annual return on an investment, say, a bond. A “rate” is the amount charged by the lender for a loan. A negative rate environment, however, does not necessarily mean a low yield environment. In a negative rate situation, the ones losing are the average “savers,” whom are just trying to put cash away for a rainy day.

Today, we exist in an environment of extreme distortions being fostered by corrupt politicians and financial wizardry. It is all smoke and mirrors. Underlying this is a new world disorder in which total control is being given to world central banks.

Since its inception, the Federal Reserve has had but ONE goal: To Own It All.

We are now witnessing a fulfillment of that objective on an epic scale.

## VITAMIN D DEFICIENCY LINKED TO COVID-19 DEATHS



*by Bennett Davis*

Two studies have found that in countries where people have low levels of vitamin D in their bodies, COVID virus infections tend to be more severe and more people die.

The studies examined data from 20 countries.

In one investigation, researchers at Northwestern University looked at details of COVID cases in ten countries that had severe epidemics, including China, Italy, and the U.S. They also checked available data about the populations' general levels of vitamin D before the pandemic arrived.

The study found a significant correlation between vitamin D deficiency and a COVID complication called a “cytokine storm.”

Cytokines are proteins cells use to send out signals, which play a key role in the immune system. Some cytokines tamp down inflammation, which has been identified as a key source of many illnesses; other cytokines fan inflammation and chronic pain.

In a cytokine storm, cells react sharply and strongly to an invasion by a virus or other foreigner and quickly flood the body with cytokines. That gives the body too many signals to process at once, many of them contradicting each other. The effects can range from swelling and nausea to multiple organ failure.

After the 2009 swine flu epidemic, one study found that 81 percent of people who died had markers in their bodies of a cytokine storm.



One feature of the COVID virus is that, when it enters a cell, it replicates itself so quickly the cell can't keep up. The cell sends out an ever-growing number of cytokines as the virus population inside it climbs. Some of the cytokines finally cause the cell to kill itself, a last-ditch, sacrificial attempt to shut down the danger posed to other cells.

When the COVID virus settles in the lungs, cells there flood the body with cytokines, disrupting organ systems' normal behavior. Then the lung cells die, releasing their debris as the tissues fall apart. The debris fills the lungs' air sacs with fluid, the way pneumonia does, and blocks air from being taken into the bloodstream. Deprived of oxygen, other organs begin to fail. This kind of congestion has killed a significant number of COVID patients.

The Northwestern study found the risk of severe COVID infection among patients with drastic vitamin D deficiency was 17.3 percent, while patients with adequate vitamin D levels was 14.6 percent, which works out to a 15.6-percent advantage for those who have enough vitamin D.

Vitamin D is known to protect against lung infections.

The researchers theorize that elderly people have succumbed to the virus in larger numbers because that group is more prone to vitamin D deficiencies. They also suggest children seem to be largely immune to cytokine storms because their immune systems are stronger and less likely to overreact to infections.

In the second study, U.K. scientists found similar results in examining data from 20 countries.

They saw that the populations of Italy and Spain, for example, have generally lower vitamin D levels and greater COVID mortality. Scandinavians tend to have greater levels of the vitamin in their bloodstreams and their countries' COVID death rates have been lower.

The researchers noted that high levels of vitamin D will not prevent someone from catching COVID. High doses of vitamin D, however, taken immediately after the virus is detected, especially in older adults, may prevent the virus from gaining a grip on the lungs and thereby save lives.

# COVID-19: SPECIAL REPORT

## COMEDY OF ERRORS



As Gerald Celente has stated many times, politicians are quick to wage war despite no exit strategy. The same arrogant, incompetent, and bullying mindset is obvious in the COVID-19 War the politicians launched in February, which virtually shut down economies and put hundreds of millions worldwide out of work and into social isolation, with no rational or scientific exit strategy.

Again, as we have continually reported in the **Trends Journal**, name the country, state, city, or village across the globe and there are different Executive Orders: different rules and warnings on what to do, where you can do it, how you can do it, and when to do it. In effect, they are making it up day by day.

Since the dictates are being drawn among party lines in many nations, so, too, is the new divide between citizens: those who believe in the COVID orders from their party leaders vs. those who are opposed to them.

And, beyond the political dictates, corporations are also inventing new invasive policies that employees and customers must obey in the “New ABnormal.”

**TRENDPOST:** Yes, by the facts, both public and private sectors are creating stringent “must obey” rules that, by what is being reported, are totally made up. And, there is virtually no pushback from the media, which only bring on “experts” who agree with their agendas and beliefs.

*As we noted from the onset, the mainstream media's agenda is to sell fear and hysteria to boost their ratings. (See our 5 May article, "[CNN, HOW LOW CAN YOU GO?](#)")*

*And it does not stop.*

*This past Sunday, the New York Times front page headline continued to push the media's fear mongering campaign:*

**NEW CASES IN U.S. SLOW, POSING RISK OF COMPLACENCY  
Trajectory Uncertain**

Spikes Feared as the Very Steps That Curbed the Virus Are Lifted

Despite the facts that the numbers are dropping, which is cause for a lowering of anxiety and the hope of a return to some type of socioeconomic normalcy, the *Times* sinks lower by telling readers to remain in fear, even while admitting the "Trajectory is Uncertain."

As for the "Very Steps That Curbed the Virus," this is pure propaganda. As we have continually detailed in the **Trends Journal**, there are states and nations which imposed no draconian rules and have much lower death rates from COVID-19.

In fact, New York State, which is among those with the strictest lockdown laws, has the highest death rate per capita in the world. With some 28,400 deaths attributed to the virus, it ranks third highest in in the world.

Being the "Toilet Paper of Record," the *Times* ignores the hard data that some 50 percent of virus victims are chronically ill elderly "locked down" in nursing homes and those suffering from high blood pressure, diabetes, obesity, heart conditions, respiratory ailments, etc.

The *Times* also fails, in their fear-selling headline, that which the *Associated Press* 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."

The *Times* is against opening up the economy and for the continuation of policies that have led 36.5 million people to file for unemployment, destroyed businesses, and have launched the "Greatest Depression."

## Beach Blanket Blues

These are but a few examples of the made up stupidity dictated by political rulers:

- In France, the government allowed select beaches in low-infection “green zones” to open up, permitting swimming, surfing, and fishing, but it has banned sunbathing.
- In the U.S., Los Angeles County residents can swim in the ocean, surf the waves, and walk on the beach. But they have to follow the imposed restrictions, which include no sunbathing, no picnicking, and no volleyball. And you must wear a mask when not in the water.
- In the Gulf of Mexico, residents in Pinellas County can bring chairs and towels to sit on the beach, but people who don’t live together are required to remain six feet apart. (How the world is anyone going to know who lives together? Will there be a new anti-privacy app designed to check DNA and living quarters?)
- In New Jersey, Governor Philip Murphy has proclaimed beaches will be open by Memorial Day. But he issued a mandate that beachgoers must stay six feet apart. He stated, “The last thing that any of us wanted was for a summertime down the shore to be a memory.” (Yes, six feet apart, to keep people COVID safe as sea breezes blow in every ones face, regardless of being “properly” by, law and order, socially distanced.)
- In New York, the governor and the mayor of New York City have a breach when it comes to the beach. Governor Cuomo announced that all state beaches will open for Memorial Day. King Cuomo, however, has imposed restrictions including only 50 percent capacity allowed, no volleyball, no concession stands, no picnic areas, and beach playgrounds will remain closed.

And, as with other dictates ignoring the commonsense that sea breezes blow across beaches, the Governor not only imposed the six feet social distancing rules, but if the beach is too crowded, masks must be worn.

Why? Because in announcing the restrictions, Governor Cuomo commented, “Do not underestimate this virus or play with this virus... Nobody can tell you exactly what happens, nobody has been here before.”

Yet, despite “nobody can tell you exactly what happens” and “nobody has been there before,” Cuomo knows best... issuing Executive Orders not knowing what will happen and not having been there before.

Why did Cuomo open the beaches?

Not because of scientific data or other research, but because “If other states were opening and New York wasn’t, you would have millions of people from New York flooding those beaches... and that wouldn’t help anyone.”

***TRENDPOST:*** *What difference would it make if other states open their beaches and New York didn’t?*

*Indeed, Cuomo’s opening up of beaches violates his draconian shelter-in-place rules, which he renamed “New York on PAUSE.”*

*Therefore, he is using the excuse that New Yorkers would flood other state beaches rather than taking responsibility for doing it.*

*And, if some two-thirds of the states across the nation are opening up their economies, why isn’t King Cuomo opening up New York?*

*Because of his power trip: “I, Andrew M. Cuomo, Governor of the State of New York, by virtue of the authority vested in me... hereby temporarily suspend or modify, for the period from the date of this Executive Order through June 13, 2020”... thus extending his authority to rule over his 20 million subjects.*

Adding to the COVID comedy of errors, New York City Mayor Bill de Blasio declared it was “not in the cards” to open the beaches by Memorial Day weekend: “We can’t have crowds, we can’t have gatherings, we can’t have people going to the beach, we can’t have the boardwalk get crowded, we’ve got to protect against the problems that come with people being in too close proximity in this pandemic.”

Doubling down on the double standard reasoning of Cuomo opening New York beaches to stop people from flooding to surrounding states beaches, New York politicians representing areas where the beaches will be open are concerned that de Blasio’s ruling will have people from NYC overflowing their beaches, creating a “chaotic and untenable situation.”

## Open For Business

Despite fears that opening up businesses and freeing citizens from lock downs will raise the virus rate, on Sunday, U.S. Health and Human Services Secretary Alex Aza said, “We are seeing that in areas that are opening, we’re not seeing the spike in cases, “but we still see spikes in some areas that are, in fact, closed.”

## FLY THE UN-FRIENDLY SKIES



The shelter-in-place orders and severe restrictions on travel have decimated air travel, which has dropped over 90 percent since the virus spread outside China.

More than 50 percent of all U.S. planes have been grounded, and the industry is rapidly losing its financial reserves despite the government aid package of \$50 billion (a.k.a. our tax dollars).

With people afraid to fly and air travel plummeting, airlines are lobbying for the Transportation Security Administration (TSA) to take the temperatures of passengers before boarding. They want to prohibit people with fevers from flying, saying it will help restore confidence for those on board.

Some members of Congress, including Representative Bennie G. Thompson of Mississippi, chairman of the House Committee on Homeland Security, question the temperature-taking requirement of the TSA. “I cannot find any law that gives TSA the authority to perform temperature checks,” he said.

Members of the TSA point out that taking someone’s temperature is not always an accurate measure of whether or not they have the virus. Temperature

checks fail to identify asymptomatic carriers and will unfairly prevent people with non-infectious medical issues from traveling.

***TRENDPOST:*** *The airline industry's push to take temperatures will discourage, not increase, air travel. Whether departing or returning, potential passengers will fear that if they are found to have a temperature, they will be quarantined, hospitalized, and/or reported to health authorities.*

## FROM BON APPETIT TO AGITA



It's a whole new COVID World of going out and eating out. Having a nice time, socializing, enjoying the vibe... from Michelin-starred to McDonalds, you will have new rules to obey.

For those hooked on Big Macs, as well as McDonald's employees, they'll have to abide by the company's 59-page dine-in reopening guide. Highlights include:

- Foot pulls, which make it possible to open rest room doors without using hands;
- Bathrooms cleaned every half hour;
- Digital kiosks cleaned after each order is punched in;
- Touchless sinks;
- All workers must wear masks and gloves;
- Face shields available for customers requesting them;
- Staff must submit to frequent temperature checks;
- Decals are to be placed on floors to show direct customers' movements and keep them properly socially distanced;
- Employees must bring customers food in a bag folded twice;



- And to pretend the “New ABnormal” is normal, workers must give customers a feeling of comfort with a thumbs-up hand signal or verbal greeting.

Not only will the new re-open guide cost franchises substantial capital outlays, all profit margins will be thinned by Executive Orders limiting seating capacity.

Commenting on the slow, arduous, and expensive rules for reopening, a spokesperson for McDonald’s said, “We have a responsibility to get this right, and sometimes doing the right thing takes time.”

Restaurant Brands International Inc., which owns Burger King, Popeyes, and other fast food eateries, said its North American franchises will be required to have plastic shields installed to separate diners.

**TRENDPOST:** *Just as Governor Andrew Cuomo stated, “Nobody can tell you exactly what happens, nobody has been here before,” which makes it clear “leaders” are randomly making up rules to obey, so, too, with McDonald’s statement that “sometimes doing the right thing takes time.”*

*Never mentioned in the media coverage are the high levels of obvious guesswork being sold as rational decision making. Thus, while “doing the right thing takes time,” when is there acknowledgement of doing the “wrong thing” at a time when “nobody has been there before”?*

## NEW DAY, NEW RULES



Around the world, countries are making up new rules as they go along as they struggle to undo the financial distress and erupting social chaos caused by shutting down their economies and ordering people to stay at home.

In the German city of Stuttgart, officials allowed a planned protest against shutdown restrictions to occur last Saturday, so long as demonstrators wore masks on public transportation and maintained social distancing.

Last week, about 500 demonstrators showed up; this past Saturday, there were about 5,000.

In Berlin, where police had approved only two protests allowing only up to 20 people to attend, some several hundred protesters gathered.

The previous weekend, more than 100 were arrested as police in Berlin confronted people throwing bottle at them during a demonstration. This Saturday, over 200 were arrested.

Tempers flared during protests against government restrictions in Munich and Cologne, which saw journalists covering the events being attacked by demonstrators accusing them of spreading panic.

In Italy, one of Europe's most locked-down nations, some travel restrictions are being lifted, and, on Monday, bars, restaurants, hairdressers, and other shops will open up, but with strict restrictions. Group gatherings remain banned.

***TREND FORECAST:*** *Economies will not bounce back. Germany, the economic powerhouse of Europe, saw its economy decline in the last quarter of 2019 and fall by 2.2 percent in the first three months of this year, pushing it into recession.*

*Italy fared worse, falling 4.7 percent, and lockdown France was down 5.8 percent in the last quarter. Overall for the Eurozone, the GDP fell 3.8 percent in the January-to-March first quarter.*

*Considering the draconian lockdown rules began in March, the next quarter GDP decline will be much deeper.*

*And, the further economies decline, the higher the levels of protest and civil unrest. There will strong growth in nationalistic movements and more calls to break from both the EU and the euro.*

## SURVEILLANCE OF CITIZENS IS “ON TRACK”



Since the COVID-19 outbreak became “Breaking News” headlines in mid-January, as we’ve detailed in the **Trends Journal**, politicians around the world have proved to be very effective at instilling fear and anxiety and control of general public.

To further gain control, politicians are now promoting “contact tracing” surveillance programs as the best way to prevent further spread of the virus.

Contact tracing is the term used for methods that not only identify who has been infected, but also collect information about anyone who has come into contact with an infected person.

As we wrote in last week’s **Trends Journal**, the tech “solution” for contact tracing are apps that get downloaded onto user’s phones.

In the U.S., some states are considering training human “tracers.” As the 8 May headline on *CBS News* blared: “Lost your job? Consider becoming a ‘contact tracer’.”

According to Lori Tremmel Freeman, CEO of the National Association of County and City Health Officials, “It [contact tracing] means that as soon as you know of a person who may have a virus or have tested presumptive positive, you work immediately to first isolate that person so they do not spread it further... You keep them away from other people, and then you work with that person directly to understand who they have come in contact with.”

A number of “experts” have said that between 100,000 to 300,000 contact tracers are needed to slow down the spread of COVID-19 nationwide, and they will be paid a salary of up to \$65,000 per year.

These hundreds of thousands of tracers, many of whom will have no medical or public health background, will be officially representing local health departments.

Ms. Freeman explains, “Local health departments have been doing contact tracing since the beginning of time and are certainly well-versed and experienced at it... But when you’re talking about having to scale the response based on the threat in your community, there must be a surge in the workforce to accommodate what’s going on with this disease.”

Dr. Amanda Castel, Professor of Epidemiology at the Milken Institute School of Public Health, explains that tracers will be told, “You are calling from the health department, and you need to engender trust in those individuals. So, understanding of confidentiality issues around collecting information they are asked for and how it will be shared – you need to be able to explain all of that.”

### **Get Ready for the Tracing Tsunami**

At a Senate hearing last Tuesday, Robert Redfield, Director of the Centers for Disease Control and Prevention (CDC), testified that contact tracing is “going to be the difference from succeeding in containing this outbreak.”

Dr. David Levy, CEO of EHE Health, was even more blunt, stating on 11 May, “This tidal wave has hit... Other than an effective antiviral or vaccine, the only solution is testing and tracing.”

Dr. Marcus Plescia, Chief Medical Officer of the Association of State and Territorial Health Officials, cited a study by Johns Hopkins Center for Health Security estimating 100,000 new contact tracers are necessary across the U.S. He estimates the cost at over \$3.5 billion.

Two states leading the surge for contact tracing are the ones hardest hit: New York and Washington.

In New York, the **Trends Journal** reported popular governor Andrew Cuomo recently had to admit that based on hospital admittance data, his stay-at-home orders appear to be backfiring... now, he is ramping up to hire up to 17,000 tracers.

At his 30 April press briefing, Governor Cuomo stated that an “army” of tracers will be required to keep New York residents safe, though he admitted the effort may not be totally effective: “My instinct is, if you were in Target and you don’t

know any names of who you came into contact with, I don't know what you would do with that.”

In the state of Washington, on 12 May, Governor Jay Inslee gave details of a “robust, vigorous and comprehensive” contact-tracing plan. The governor warned if the initiative doesn't work, “This virus could come right back and bite us.” His plan calls for training over 1,000 tracers, including members of the National Guard. Restaurants across the state are being forced to keep logs of all customers, including phone numbers and emails, or else they will be shut down.

Last week, California initiated a push to train 20,000 tracers.

## **Say Goodbye to Privacy**

As reported last week in the **Trends Journal**, millions of people worldwide are agreeing to download apps created by Facebook and Google that collect data on where they go.

The expansion of surveillance technology continues to grow under the guise of monitoring the spread of COVID-19:

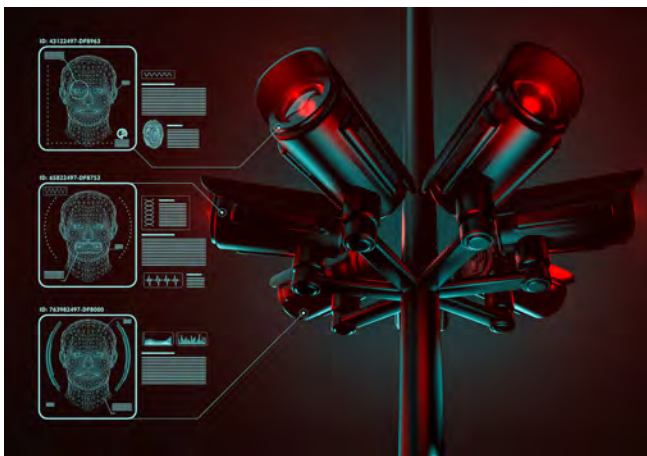
- In South Korea, over 10,000 cell phone users in the vicinity of the latest coronavirus outbreak were located via apps and were sent texts recommending they get tested.
- In the U.K., the government is working on a central database for identifying people with the virus and checking their movements. According to an analysis by Privacy International, a non-profit group advocating for privacy rights around the world, the U.K. government app has no mechanism for opting out of third-party trackers.
- In China, citizens are being required to download an app on their cellphones that assigns them a color code depending on the status of their health. The app sends the user's name and location, along with a personal identity code, to a server. Partnering in the development of the app were Chinese law enforcement authorities. The system is already being employed in about 200 cities.
- In Russia, the government has been operating facial identification technology to arrest citizens who fail to adhere to quarantine restrictions.

- A number of European countries are looking into the use of drones for “migration management” and “population control.”
- Police in Westport, CT, one of the highest income areas in the U.S., say they will soon be testing their “Flatten the Curve Pilot Program,” which will use drones to monitor social distancing and identify those who have symptoms connected to COVID.
- A monitoring technology, which had been installed by a number of U.S. businesses to help companies use office space more efficiently, is now being used to ensure compliance with government-mandated rules on social distancing. Privacy advocates note that the monitoring cameras easily can be used by corporate owners to invade the privacy of workers.

According to Edin Omanovic, Advocacy Director of Privacy International:

“9/11 ushered covert and overt surveillance regimes, many of which were unlawful... The surveillance industry understands that this is an opportunity comparable to 9/11 in terms of legitimizing and normalizing surveillance. We’ve seen a huge willingness from people to help them as much as possible. However, helping health authorities fight the virus is different to helping security authorities use this moment as an opportunity for a data grab.”

## **U.S.A. FREEDOM ACT = SPY ON YOU**



Last week, the U.S. Senate made it clear that politicians, both Republican and Democrat, are not interested in protecting the privacy rights of their constituents.

Last Wednesday, they voted to reauthorize the right of law enforcement officials to spy on citizens' web browsing histories without getting a warrant.

A small group of dissenting senators had offered up an amendment to curb this invasion of privacy, but the amendment was defeated.

The self-proclaimed Democratic-Socialist senator, Bernie Sanders, who, last February, when he was trying to win the Democratic nomination to run for President, called for the senate not to reauthorize the surveillance measure... didn't show up for the vote.

In March, the Democratic-controlled House easily defeated a similar amendment to curb government spying by vote of 278-136.

As for any sign of check and balances, among the Democrats, who backed giving the government expanded surveillance powers over U.S. citizens, were representatives Jerry Nadler and Adam Schiff, who have been out front attacking President Trump and Republican Senate Majority Leader Mitch McConnell on practically every other issue.

The Senate renewal of the surveillance measure extends through December 2023.

It should be noted that this expansive surveillance bill, which gives the government and its police force the right to spy on citizens, is called the "USA Freedom Act."

***TRENDPOST:*** *There was very little coverage in the media of this overt abrogation of citizens' Constitutional and Bill of Rights. Indeed, this is a continuation of the "Robbing of Freedom Acts" that were pushed through immediately after 9/11... with the vast majority of Congressional and public support.*



## MENTALLY ILL POLITICIANS CREATING MENTAL ILLNESS



In addition to the economic devastation caused by the global shutdown, evidence is emerging that social isolation and anxiety surrounding COVID-19 are creating major mental health issues.

Devora Kestel, Director of the World Health Organization (WHO), stated on 13 May, “The isolation, the fear, the uncertainty, the economic turmoil – they all cause or could cause psychological distress.” She added, “The mental health and well-being of whole societies have been severely impacted by this crisis and are a priority to be addressed urgently.”

A recent health-related poll published by the Kaiser Family Foundation on 2 April showed that nearly half of American adults are feeling anxiety and stress about COVID-19. The foundation website predicts anxiety and stress levels to rise as the protocols for reopening society kick in:

- “Three-fourths (74%) of the public say ‘the worst is yet to come’ when it comes to the coronavirus outbreak in the U.S. (up from 60% in an NBC News/Wall Street Journal survey conducted March 11-13), while few (13%) say ‘the worst is behind us’.”
- “Many also worry that they will not be able to afford testing or treatment for coronavirus if they need it (53%, up from 36% two weeks earlier). Few (2%) report being tested for coronavirus.”
- “Prior to the coronavirus outbreak in the U.S., there were already nearly 28 million people in the U.S. between ages 18 and 64 who did not have health insurance... Many report they do not have access to coverage through a

job and some people, particularly lower income adults in states that did not expand Medicaid, are ineligible for financial assistance to help pay for the coverage.”

- “Nearly nine in ten adults say they are worried that health care workers will not have the necessary personal protective equipment such as masks to protect themselves including 62 percent who say they are ‘very worried’.”
- “This is closely followed by 82 percent who are worried the country’s health care system will be overrun and people won’t be able to get needed medical care and 78 percent who are worried their local hospital will run out of necessary equipment like beds or ventilators to treat patients.”

According to March data from the Colorado Crisis Services, there was a nearly 60 percent rise in crisis calls from the year previous. The manager of suicide prevention for the state’s Department of Public Health and Environment, Lena Heilmann, stated on 14 May, “As people are isolating or quarantining, how do people continue to feel connected? Feeling connected to trusted adults, peers, school and community are crucial protective factors for youth.”

The California newspaper Modesto Bee conducted a survey the first week in May that showed almost 80 percent believe COVID-19 has affected their mental health. Dr. Bernardo Mora, a psychiatrist at Stanislaus County Behavioral Health and Recovery Services, commented on the survey, “It doesn’t matter who you are or what you do or anything in terms of social or economic status, you are being affected.”

The California Pharmacist’s Association reports a spike in anti-depression and anti-anxiety medications.

It should be noted that this is taking place in the wealthiest country in the world.

### **Keep Your Distance. Welcome to the Brave New World.**

According to Professor Rory O'Connor, one of the authors of a research report from the University of Glasgow, “Increased social isolation, loneliness, health anxiety, stress and an economic downturn are a perfect storm to harm people’s mental health and well-being.”

As has been pointed out in the **Trends Journal**, there is no bona fide empirical medical evidence that extensive stay-at-home orders or social distancing are an effective way to deal with a viral pandemic.

In fact, even the *New York Times* noted in a 17 May article on beach openings and closing in in New York, “Many experts have said the risk of the virus being transmitted outdoors is fairly low.”

Not disputed are the consequences of the “New ABnormal” being imposed on the public.

Health psychologist Dr. Dana Garfin, who studies collective trauma, stated it directly: “People in quarantine show signs of confusion, depression and anger.” She noted that the longer these isolating restrictions continue, the more trauma is caused, resulting in cardiovascular problems, anxiety, depression, and post-traumatic stress syndrome.

Despite modern technology forms of virtual communication, it is well documented that human touch, such as holding hands or hugging, can positively affect one’s health, in many instances reducing blood pressure and helping keep the immune system stronger.

Dr. Joshua Morganstein, a psychiatrist and disaster mental health expert with Uniformed Services University in Bethesda, MD, notes, “For some people, a lack of social connectedness feels as impactful as not eating.”

***TRENDPOST:*** *There is a simple way to prove that a majority of Americans are either brainwashed and/or confused when it comes to the effects and implications of COVID-19 on their lives – economically, socially, personally – and how to deal with it.*

*For example, a poll taken in late April by Business Insider found that three-quarters of Americans favored continuing shutdowns for another two weeks to stem the spread of coronavirus, compared to only about 10 percent who oppose doing so.*

*This, despite strict continuance of shelter-in-place orders and the shutting down of most business activity, which has thrown tens of millions out of work, and forced millions to go hungry and millions more to seek prescription and illegal drugs to deal with the stress and deprivation of being socially isolated and down-and-out.*

*Indeed, while most are willing to give up so much in belief it will keep them COVID-free, at the same time, a poll conducted in late April by Kelton Global, a consumer insights agency, reports 72 percent of Americans said another month of lockdown orders will make them hit “an emotional breaking point.”*

## **Global Mental Health Collapse**

The United Nations has warned that millions of children around the world are at risk of mental illness as a result of extended national lockdowns. Among the unintended consequences has been the significant rise in domestic violence caused by stay-at-home orders and the stress of not having work.

The World Health Organization (WHO) issued a statement on 14 May that a massive mental illness crisis will likely result from “the isolation, the fear, the uncertainty, the economic turmoil” from the extended lockdowns.

Dr. Elke Von Hoof, Professor of Health Psychology at Vrije University in Brussels, stated (as per the title of research he presented at the World Economic Forum): “Lockdown is the world’s biggest psychological experiment – and we will pay the price.”

He goes on to point out that the psychological damage to people worldwide from the unprecedented shutting down of entire societies will lead to a “secondary epidemic of burnouts and stress-related absenteeism in the latter half of 2020.”

Also noted is the February 2020 report published in the medical journal *The Lancet*, which detailed how putting people into quarantine for an extended period of time causes an increase of insomnia, anxiety, anger, emotional exhaustion, depression, and post-traumatic stress symptoms.

## KILLING THE ELDERLY



As we have been reporting since the COVID-19 outbreak, across America and around the world, the vast majority of those dying from COVID are the elderly, particularly those with significant pre-existing health issues and living in nursing homes.

In many European countries, the number of deaths from elder care homes is around 50 percent. In the U.S., while many states have yet to report elder care deaths, with the data provided, they range around 40 percent. Remember, when the virus first hit America, it struck nursing homes in Washington State.

Now Canada has reported that 81 percent of its coronavirus fatalities were in nursing homes.

And yet, despite this, New York's Governor Andrew Cuomo, who polls continue to show is one of the most popular politicians in the country for his lockdown initiatives, made a fatal mistake.

When Governor Cuomo decided to lift the mandate that nursing homes only accept patients from hospitals who tested negative for COVID-19, the number of deaths from the virus escalated dramatically. To date, some 5,000 elder care patients have died of the virus.

Realizing the fatal error, on 10 May, the State reversed the governor's mandate.

Ignoring his 20 March lockdown orders and rules, "If somebody wants to blame someone or complain about someone, blame me. There is no one else who is responsible for this decision," said Cuomo, now insisting the change isn't a condemnation of his order.

The Governor said his nursing home policies were similar to other states and that if a nursing home is not capable of properly treating a patient, “It must transfer them to a place that can. Period.”

Ignoring that Cuomo’s policy of transferring elderly ill people to nursing homes caused hundreds, if not thousands, of deaths, again, while the media adores Cuomo and he’s a public hero, also unreported is his 5 May attack on those who wanted to reopen businesses when he said it wasn’t worth the life of one person. “There’s a cost of staying closed,” he said. “There is a cost or reopening too quickly. A human life is priceless. Period.”

***TRENDPOST:*** As we noted several times in our ***Trends in The News*** broadcasts and in the ***Trends Journal***, when King Cuomo answers a question or makes a statement he does not want to be challenged on, his ending sentence is “Period.”

*Across the U.S., an estimated 40 percent of deaths from COVID-19 are connected to long-term elder care facilities. In fact, since many states have still not reported their elder care COVID-19 death rate data, the percentage may be much higher.*

*As we have continually reported, despite this hard fact, the media generally ignores that healthy people are not dying from the virus and the vast majority are chronically ill elderly.*

***TRENDPOST:*** Totally absent from both politicians and the media are suggestions that, at a time when the virus is running loose, preventative measures such as building one’s immune system and getting in strong physical and emotional shape are natural healing remedies to best stay fit and healthy.

*No! Instead, equity markets spike, as they did yesterday by 911 points, and hope returns when there is breaking news that it doesn’t matter what shape you’re in, whether or not you’re obese, eat junk food, are hooked on Big Pharma drugs with deadly side effects, and do not exercise. A vaccine may be on the way!*

Governor Cuomo’s order to lift the mandate giving nursing homes the right to refuse untested patients was made because he and his advisors assumed there would be a shortage of hospital space.

There wasn’t a shortage. The death tolls were saturated in the metropolitan New York City area.

Absent from Cuomo's recent cover-up for taking the blame was his order that specified nursing homes could not reject admitting a patient "based on a confirmed or suspected diagnosis of COVID-19."

The governor had been warned about the dangers of his order. The Society for Post-Acute and Long-Term Care Medicine (AMDA) had issued a statement that any infected patient admitted into a nursing home was a "clear and present danger."

The advocacy group's executive director, Christopher Laxton, said he is "completely convinced there has been a higher level of spread in nursing homes, and both acute illness and death, because of the New York directive."

When the daughter of an elderly patient in a NYS nursing home was told her mother was being moved to a different facility to make room for newly arriving coronavirus patients, she said, "I was speechless... I'm thinking, this cannot be happening."

According to an analysis of federal data, New York ranks low when it comes to adequately staffing nursing homes.

***TRENDPOST:*** Also totally absent in the mainstream media and politicians selling COVID Hysteria is the fact that among hardest hit states and nations are those, such as New York, that have been locked down the tightest.

*Among several unlocked-down states, such as Utah and Wyoming, although in most instances there are restrictions, and it is still not business as usual, virus deaths are minimal.*

## WISCONSIN STAY-AT-HOME ORDERS STRUCK DOWN





Last Wednesday, the Wisconsin Supreme Court declared the state's stay-at-home orders were "unlawful, invalid and unenforceable."

The 4-3 ruling referred to the restrictions as a "vast seizure of power."

Writing on behalf of the court's majority, Justice Daniel Kelly noted, "This comprehensive claim to control virtually every aspect of a person's life is something we normally associate with a prison, not a free society governed by the rule of law."

Justice Rebecca Bradley stated, "Isn't it the very definition of tyranny for one person to order people to be imprisoned for going to work, among other ordinarily lawful activities?"

Responding to the ruling, Governor Tony Evers complained, "This turns the state to chaos. People will get sick. And the Republicans own the chaos."

Also criticizing the decision was one of the dissenting judges, Rebecca Dallet, who said, "This decision will undoubtedly go down as one of the most blatant examples of judicial activism in this court's history. And it will be Wisconsinites who pay the price."

The assistant attorney general of the state, Colin Roth, arguing in favor of the maintaining the stay-at-home orders, warned that "people will die" if the justices strike down the stay-at-home order.

The court was responding to the lawsuit brought by the Republican-controlled Wisconsin Legislature to block Democratic governor Evers' lockdown orders.

The court decision is just one instance of a sharp nationwide divide between Democrats, who mostly favor continuing the hard lockdown, and Republicans, who want businesses to open up now.

As of Sunday, 453 Wisconsin residents have died of COVID-19 in a state of six million people or the grand total of 0.008 percent.

Legal challenges to stay-at-home orders have also been made in Michigan, California, Kentucky, and Illinois. But, so far, none of the courts in these states have struck down governor's orders anywhere near as fully as in Wisconsin.

Other states are actively challenging the restrictions. In Maine, Republicans have called for a special legislative session to deal with Democratic governor Janet Mills' "disregard and even contempt" for their concerns.

In Pennsylvania, Republican lawmakers have been calling for public defiance of Democratic governor Tom Wolf's restrictions on nonessential businesses.

As reported last week in the **Trends Journal**, in Michigan, hundreds of protestors descended on the state capitol, despite a strong rainstorm, to confront governor Gretchen Whitmer's determination to continue the state's lockdown.

Tensions are growing in other states where a growing number of businesses have chosen to reopen despite continuing shutdown orders. In Colorado, a restaurant that opened to diners for Mother's Day had its license revoked. In Missouri, a gym that reopened in defiance of the state's shutdown was issued a restraining order.

***TREND FORECAST:*** Wisconsin, Michigan, and Pennsylvania are three of the key battleground states for the 2020 presidential election.

*We forecast, minus a wild card event, that Donald Trump will defeat his Democratic challenger and win the Presidency by winning swing states. As we continue to note: It's the economy, stupid, and Trump will blame Democratic governors for locking down the economy.*

## LEGAL FIGHT FOR FREEDOM



Last Thursday, six high school seniors in Toms River, NJ, joined with three local businesses to file a lawsuit against Governor Phil Murphy's executive order to shut down businesses and cancel school graduations.

According to one of the attorneys representing the group, the lawsuit is based on the "unconstitutional and arbitrary manner in which the orders have been applied."

The three local businesses joining the students in the lawsuit are Car Wash and Beyond, Razberri Hair & Nail Design, and Perfect Swing Golf.

Under Executive Order by Governor Murphy, New Jersey was put under strict shelter-in-place lockdown on 21 March. He ordered the closing down of all schools and businesses deemed nonessential, and banned social gatherings, parties, and public assembly, among others.

The suit filed states, "The precedent at stake in this lawsuit will extend far beyond the life of COVID-19. If you give any government an inch they will take a foot and erode the checks and balances that protect individual liberties, thereby shortening the reach of the government."

From the business perspective, the suit points out how the governor's Executive Order favors big corporate operations at the cost of local businesses:

"The way the order (Executive Order 107) was written, and is now being applied, and in light of social distancing measures, (it) permits gatherings of hundreds at Lowes, Walmart, Home Depot, and Shop Rite, and come May 15, 2020, gatherings will be permitted down the Jersey Shore and its Boardwalks, yet mom-and-pop businesses cannot open, hair salons remain closed, and car wash businesses remain closed."

The suit goes on to claim that the governor's decision as to what businesses are essential "created a pandemic of its own – economic pandemic – that has spawned across this state and has been left without a cure. This is what happens when laws are enacted and carried out in an arbitrary, unreasonable, and capricious manner!"

***TRENDPOST:*** Governor Murphy had stated, "From day one, we've made a commitment to be guided by the facts and take any action necessary to protect the health and safety of New Jersey's nine million residents."

*As of yesterday, New Jersey recorded 10,488 deaths from COVID-19. And, as is the global trend continually ignored by the media and politicians, more than half of the state's COVID-19 deaths were at elder care facilities.*

*Thus, statements that Murphy, as with other politicians, used their powers to close down businesses and lock down people were done to “protect the health and safety of the residents,” are inaccurate.*

*People in nursing homes are already locked down. They are not roaming the streets, dining in restaurants, or attending live concerts... and clearly none of the states have protected them.*

*Indeed, instead of quarantining the mass population, those most susceptible to the virus should be in lockdown and provided with needed care, while the rest of society should be free to operate as they did before the lockdowns.*

***TRENDPOST:*** *Whether across America or around the world, where self-anointed tyrants dictate orders for the people to obey Executive Orders regardless of Constitutional or Bill of Rights, the great “COVID-DIVIDE,” as our **Trends Journal** cover illustrates, has begun.*

*The political fallout will be severe. Sides will be taken.*

*The messages will be politically clear.*

*“It’s the economy, stupid.”*

*The anti-lockdown politicians will blame the dire economic condition on the pro-lockdown politicians.*

*The public encounters will be between those yelling for freedom and those screaming fear.*

## DISSING DISTANCING



According to cellphone location data, citizens across the U.S. have been moving around a lot more recently, despite the continuing imposition of government ordered restrictions, and they are moving closer together.

As states slowly begin the tedious task of reopening and lifting certain bans, the data shows people are adhering less to social distancing.

Data generated from apps downloaded on users' phones records the frequency with which people move within about 55 yards of each other.

Unacast, a popular location-data company, currently is accessing data from about 25 million cellphones across the U.S.

The company's chief executive, Thomas Walle, said last Saturday, "We see a spike in the weekends: People are off work, they want to socialize, they want to get out and get some fresh air. The question is: Is this social-distancing fatigue? That's what we hear a lot of discussions about from other companies and people using our data."

According to data from YouGov, in those states where most businesses are still shut down hard, such as New York and California, residents wear masks more frequently.

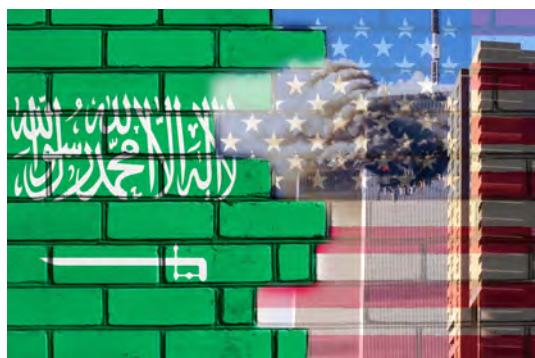
***TRENDPOST:*** As Dr. Ron Paul states, "American should pause and reflect on the lies they are being sold. Masks are just a form of psychological manipulation. Many reputable physicians and scientists have said they are worthless and potentially harmful. Lockdowns are meant to condition people to obey without question. A nation of people who just do what they are told by the 'experts' without question is a nation ripe for descent into total tyranny. This is no empty

*warning – it's backed up by history. Time to stand up to all the petty tyrants from our hometowns to Washington, D.C. It a time to reclaim freedom."*

*Indeed, the great COVID-DIVIDE has begun.*

## **GEOPOLITICAL**

### **SAUDI ARABIA: WASHINGTON'S 9/11 ALLY**



Since the worst attack by a foreign enemy on American soil took place on 9/11, both the mainstream media and Washington have made concerted efforts to underreport the fact that 15 of the 19 hijackers involved in the attack were Saudis.

The most recent example was revealed on 13 May when it was reported the FBI had mistakenly revealed the identity of an official in the Saudi embassy who had a direct connection to the 9/11 hijackers.

As soon as the FBI realized it had mistakenly revealed the connection, the name of the official was quickly re-sealed. But it was too late to stop the press leak by *Yahoo News*.

The revelation of the Saudi link occurred during a court proceeding based on a lawsuit filed by families of 9/11 victims who have been fighting a court battle for well over a decade, which accuses the Saudi government of being directly involved in the planning and execution of the attack on the World Trade Center and Pentagon.

A spokesperson representing the 9/11 victims' families said the revelation last week significantly helps the years-long lawsuit, as it verifies the FBI itself knows

of the connection between the terrorist hijackers and the Saudi Embassy in Washington.

It is interesting to note that the mistaken unsealing of the Saudi complicity occurred during a preceding in which U.S. Attorney General William Barr and the Director of National Intelligence, Richard Grenell, were seeking to block any public release of the Saudi official's identity under the guise it is a "state secret" that, if disclosed, would create "significant harm to the national security."

Despite the maneuvers of the Bush, Obama, and Trump administrations to block the release of documents that show the Saudis to be the main perpetrators of the attack on 9/11, the courts have consistently ruled the lawsuit by the 9/11 victims' families could go forward.

The Saudis consistently have denied any official involvement in the attacks.

But a breakthrough in the 9/11 victims' family lawsuit came in 2012 when their attorneys got hold of an FBI report, which stated evidence that Fahad al Thumairy, an Islamic religious leader in California, and Omar Bayoumi, a Saudi intelligence officer, had helped to house and support the hijackers as they were preparing the attack. That report cited a third Saudi involved, but the name was blacked out. This was the name mistakenly revealed by the FBI last week, then quickly sealed.

Yet, the reporter from *Yahoo News* got the name: Mussaed Ahmed al-Jarrah, an official with the Saudi Foreign Ministry, who worked at the Saudi Embassy in the U.S. from 1999 to 2000.

## **Government Duplicity**

Last September, on 9/11, about 25 family members of those killed in the terrorist attacks were greeted by President Trump at the White House for a photo-op.

The family members seized on the opportunity to request that the president allow the FBI secret documents into the 9/11 investigation be made public. Some told President Trump that his predecessors, Bush and Obama, had blocked their attempts to get to the truth of who was behind the attack. President Trump confirmed he would help.

The very next day, however, Attorney General Barr argued in court that releasing the documents would harm national security.



It should be noted that just a few months before the 9/11 victims' families were invited to the White House for the photo-op, the 200th New York City firefighter died from medical conditions caused by toxic fumes inhaled while rescuing those trapped in the World Trade Center as a result of the terrorist attack.

## HONG KONG: PROTESTS VS. COVID



As reported in last week's **Trends Journal**, protests started heating up again on the streets of Hong Kong after the months-long string of demonstrations were stopped by stay-at-home orders in response to the coronavirus.

The city government proclaimed over the weekend that the majority of social-distancing restrictions would remain, including the ban on any public gatherings of more than eight people.

Despite the fact that some of the shutdown orders are being relaxed due to fewer cases of COVID-19 being reported, and only four deaths from the virus out of a population of 7.5 million, Hong Kong's health minister warned, "As experts suggested that the virus may not be eliminated completely and could become endemic, Hong Kong has to rethink how to embrace the 'new normal'."

Already in recession before the COVID crisis, as a result of the ongoing protests, with expectations for the economic slump to dramatically deepen and real estate prices projected to fall 15 to 20 percent, the city is desperately trying to improve its image.

The Hong Kong government received seven bids for a year-long PR campaign to improve the city's image worldwide. "We aim to inform target global audiences of Hong Kong's economic recovery and responses to issues of international

interest, including the facts surrounding Hong Kong's efforts to address the Covid-19 crisis, and that Hong Kong remains always welcoming and 'open for business'," a city official stated.

***TREND FORECAST:*** *As economic conditions deteriorate, the Hong Kong riots and protests that began last October – demanding more freedom from mainland China – will continue to escalate.*

*It should be noted that prior to the Chinese Lunar New Year coronavirus outbreak this past January, China could not stop the demonstrations, which increasingly were turning violent.*

*In the absence of another virus, man-made or natural, which again will be used to lock down the city, we forecast Beijing will use military/police force to quell dissent.*