

TRENDSJOURNAL

HISTORY BEFORE IT HAPPENS



26 May 2020

ECONOMIC UPDATE

U.S. MARKETS



Happy Days are here again?

All those millions who dumped stocks following the lockdowns of economies around the world are counting their losses following a remarkable reversal that has pushed the S&P 500 up 34 percent from its 23 March low.

President Trump tweeted today: "Stock Market up BIG, DOW crosses 25,000. S&P 500 over 3000. States should open up ASAP. The Transition to Greatness has started, ahead of schedule. There will be ups and downs, but next year will be one of the best ever!"

Today, the Dow rallied up over 500 points on cheers that the economy was reopening.

Why have the markets spiked recently? Two Wall Street reasons:

1. Countries are starting to reopen their economies.
2. Hopes of a COVID-Killer vaccine.

On the oil front, although down some 40 percent from their January high, prices moved slightly higher today as lockdowns ease and fuel demand increases, and producers continue to cut production so supply does not dramatically outstrip demand. Brent Crude closed at \$36.10 and West Texas Intermediate moved up 2.77 percent to close at \$34.17.

The safe haven asset, gold, fell \$27 today, closing at \$1,708 on the vaccine news and that sales of new U.S. single-family homes rose by 0.6 percent in April, rather than post a decline as most market analysts projected.

Bitcoin, the alternative safe haven non-currency, slipped from its recent high 9,000 range back to 8,835.

TRENDPOST: *The stock market's strength last week – its best week since 9 April – flies in the face of market fundamentals. Germany, Japan, and Mexico, among other countries, are in recession; the U.S. is in recession also, although the formal figures showing it have not been released yet.*

The piece-by-piece reopening of economies with social distancing, mask wearing, plastic shields, and capacity limitations will not generate strong economic growth.

The current bull market, like the years-long one preceding it, lived off the artificially-cheap money the Fed keeps handing out to addicts, so the rich can be guaranteed their profits while the rest of us watch our jobs disappear and our debts pile up.

The facts are undeniable. Federal Reserve Chairman Jerome Powell made it perfectly clear that the central bank would infuse the equity markets with all the cash and schemes undreamed of to keep the markets rising.

Beyond buying Treasury bonds, corporate bonds, including junk bonds, credit card and student loan debt, municipal debt, and trillions into repo markets for trading houses to gamble, Powell said, "Well, there's a lot more we can do. I will say that we're not out of ammunition by a long shot. No, there's really no limit to what we can do with these lending programs that we have. So there's a lot more

we can do to support the economy, and we're committed to doing everything we can as long as we need to."

Thus, forecasting the rise and fall of equity markets based on economic fundamentals, corporate earnings, price earnings ratios, etc. is imprecise considering that, by the facts, the Fed is rigging the markets.

Furthermore, the Fed is not supporting the "economy." Their monetary methadone is being injected into Wall Street, not Main Street.

TREND FORECAST: *Helping to push equities higher today on the news of the vaccine were major casino and airline stocks, which shot up some 10 percent on average.*

Considering the multitude of "New ABnormal" flying conditions, social gathering constraints, crowd size restrictions, testing requirements, and ingrained fear throughout society, we forecast these sectors will not bounce back to pre-COVID-19 revenue and earnings levels.

TREND FORECAST: *Gold is holding above \$1,700 because gold investors know that the stock market is a rigged gambler's game, disconnected from the reality of economic fundamentals.*

The trillions lost, the hundreds of millions out of work, and the millions of businesses that will go out of business as a result of the global lockdown is manpower and money that is lost.

Even if the "new normal" would return to the "old normal," the socioeconomic and geopolitical damage inflicted by the lockdowns will, at best, temporarily forestall the "Greatest Depression."

Our forecast remains that gold must hold steady above the \$1,740 mark for at least two weeks for it the spike to \$2,000 and above... which, to date, it has not be able to maintain.

TREND FORECAST: *Oil prices will not rise to pre-pandemic levels this year but will stay below \$50 as the global economy gradually reopens and assesses the damage the lockdown has done and the prospects for a return to growth.*

Hint: with unemployment nearing 25 percent and almost half of small businesses no expecting to reopen, any recovery is likely to take years, barring dramatic

surprises – such as politicians taking us into a new war to justify government spending programs and turn attention away from policy failures.

Oil prices dipped slightly last week after China announced that, for the first time, it will not announce an annual economic growth target. Prices, however, largely held recent gains as the global economy shows signs of stirring back to life, even if a thinner, slower life than before the pandemic.

LOW BOND YIELDS = DANGER AHEAD



Yields on 10-year U.S. Treasury notes have been stuck around 0.66 percent, not far from their mid-March historic low of 0.5 percent, indicating that investors foresee a gloomy economic future.

The yield now is near half of its previous historic lows.

The low yield on long-term debt signals that investors see the treasury buying bonds to shore up the economy for years to come. The steadiness of that yield indicates investors are confident in that view, analysts say.

Investors are betting the Fed will do again what it did in the Great Recession: leave interest rates low for years to foster economic recovery and let rates rise a bit only when inflation shows signs of reviving.

Now, with unemployment approaching Great Depression levels and prices falling across almost all economic sectors, the prospect of inflation is remote.

Interest rates often contain a “risk premium,” which is an interest rate that rises in tandem with an investment’s level of risk.

But treasuries' risk premium is “basically zero or nonexistent,” said Thanos Bardas, who analyzes global interest rates for investment management firm Neuberger Berman.

Also, the Fed has slowed its bond-buying spree from as much as \$75 billion a day in March to around \$6 billion a day recently. That potentially leaves more bonds available for others to buy. But the increase in supply has not brought bond prices down, which would let yields rise. (When bond prices fall, their yields increase.)

“Globally, there’s tremendous demand for that high-quality debt,” said Colin Robertson, chief of fixed income investments at Northern Trust Asset Management. That demand also is keeping bond prices high. The bond market’s pessimism contrasts with stock markets’ euphoria, which has re-established the years-long bull market that prevailed until the pandemic arrived.

PUBLISHER’S NOTE: *The stock market is a gambler’s den; the bond market is conservative. Continued low yields on ten-year securities indicate a recovery will be long, slow, and painful.*

This reading of the recovery aligns with gold prices holding steady in recent high territory.

HALF OF U.S. HOUSHOLDS HIT HARD



About 47.5 percent of Americans live in a household that has lost income since February, according to the U.S. Census Bureau.

Another 37 percent expect to lose income in the next four weeks.

Households reliant on tourism or the energy industry for income were hardest hit.

In tourist-dependent Hawaii, for example, 60 percent of households have lost income. In New Jersey, known for its refining and petrochemical plants, the share is about 57 percent. Louisiana is a center of the U.S. oil and gas industry; Nevada depends on tourism. In each, about 56 percent of households have seen incomes shrink.

Among people who have lost incomes, 26 percent of renters and 15 percent of homeowners said they were unable to pay their April rent or mortgages or had made arrangements to defer them; 20 percent of renters and 10 percent of homeowners reported little confidence in being able to make their next payment or already had deferred them.

The survey was conducted from 7 May through 12 May by several federal statistics agencies collaborating to track changes in Americans' well-being in education, employment, food security, health, housing, and income.

Out and Not Coming Back

Among the 36 million people who lost their jobs during the COVID Lockdown Panic, 42 percent may never return to those jobs, according to a University of Chicago study. Part of the permanent loss will come from the 100,000 restaurants closed by the shutdown that are expected never to reopen.

The pandemic-inspired global economic collapse has erased all the jobs added to the U.S. economy since the country began its recovery from the Great Recession more than a decade ago.

PUBLISHER'S NOTE: *There will be limited recovery among a few and accelerated economic decline for many.*

As has become the American Way, while the lockdowns brought unprecedented hardship to the workers on the Plantation of Slavelandia, once again, the rich got richer.

While there are some 40 million Americans unemployed, the wealth of U.S. billionaires soared as the COVID-19 lockdown crisis worsened.

As reported last week by the Institute for Policy Studies and Americans for Tax Fairness, since mid-March, America's billionaires' wealth spiked \$434 billion.

OUT OF MONEY. TOO-SMALL-TO-SAVE



Almost 15 million credit-card holders entered formal “hardship” programs in April to defer or reduce their payments, according to the Transunion credit-reporting agency. Almost three million auto loans were placed in similar programs.

The troubled credit card accounts total about 3 percent of those Transunion tracks, 100 times more than the 0.03 percent a year earlier. The rate of ailing vehicle loans has risen sevenfold from 0.5 percent to 3.5 percent year on year.

The dollar value of credit card and auto loan debt were in record territory early this year. Massive job losses resulting from the economic shutdown are pushing millions of debtors toward outright default.

In addition, about 840,000 personal loans, or 3.6 percent, are in jeopardy, according to Transunion.

Borrowers whose credit ratings slip will find it harder to purchase on credit in the future, likely slowing any national economic recovery.

Also in April, delinquent mortgages increased by 1.6 million, according to analysis firm Black Knight.

That brought the delinquency rate to 6.45 percent of all mortgages, more than doubling March’s 3.06 percent rate. This is the largest single-month increase on record, and it triples the record set during the Great Recession in late 2008, Black Knight reported.

Going Bust

As many as 47 percent of small businesses shuttered by the economic shutdown will not survive until 2021 if the crisis lasts four months, according to a recent survey of 5,800 small-business owners.

They will not be able to reopen despite the U.S. government's Paycheck Protection Program (PPP), which has loaned more than \$669 billion to small businesses thus far.

The reason: 75 percent of a PPP loan must be used to meet payrolls. Usually, that does not leave enough funds for shuttered businesses to pay rent, utilities, and other fixed costs, which cannot be met without trade from customers.

The PPP has no way to discern and prioritize businesses facing imminent closure above those where interruptions are mild or temporary.

Congress has "spent more money on" the PPP "than anyone has ever spent on a small-business program in world history but it hasn't changed the trajectory of permanent small-business closures," said John Lettieri, president of the Economic Innovation Group, a business think tank.

"The loss of thousands of small and medium-size businesses would... limit the strength of the recovery when it comes," warned Jerome Powell, chair of the U.S. Federal Reserve.

The "Restart Act," a bill being introduced in the U.S. Senate with bipartisan support, addresses the problem by offering small businesses loans covering six months payroll and operating capital. The loans carry a low interest rate and would be paid back over seven years with no payments due for the first 12 months.

TREND FORECAST: As we continue to note, along with ***Trends Journal*** contributor Gregory Mannarino, that the "Bigs" – from retail to manufacturing to real estate, will gobble up the "smalls," thus monopolizing numerous business sectors.

As we have detailed, the vast majority of the government bailout programs and Fed's money-pumping schemes have enriched the rich at the cost of We the People.

“WE THE PEOPLE” MUST PAY FOR FED MONEY PUMPING



Taxpayers are liable for the Fed's \$6.98 trillion in loans.

Each of the 12 banks that make up the U.S. Federal Reserve System are owned by member banks in the region of its jurisdiction. Unlike corporations for which stockholders are on the hook to pay for corporate losses, taxpayers – not member banks – will have to cover 98 percent of the Fed's losses if any of its \$7 trillion in bailout loans and junk-bond buys go bad.

For example, the Federal Reserve Bank of New York has made \$3.9 trillion in loans during the current bailout frenzy, about 56 percent of the balance sheet of the entire Fed.

But the esoteric formula by which the Fed's member banks assume liability for their bad loans calculates each member's liability based on just 6 percent of the bank's assets. In other words, the New York Fed's member banks, which include Goldman Sachs and Morgan Stanley, are responsible only for \$42.6 billion of any losses in its \$3.9-trillion portfolio. Taxpayers would be stuck with the rest of the tab.

Applying the formula to member banks across all 12 Federal Reserve jurisdictions, member banks are responsible for only the first 1.8 percent of the \$6.98 trillion in loans and junk-bond purchases the Fed has made during the current crisis, according to reporting by *Wall Street on Parade*.

If the Fed's losses on corporate and junk bond purchases amount to more than 1.8 percent of its loans, taxpayers will get the bill for the rest.

BANKSTERS MANAGE BAILOUT



During the Great Recession, the U.S. Federal Reserve bailed out several major banks twice: the Fed gave the banks bailout loans and grants, then hired them to manage loans and grants given to other financial institutions, as reported by *Wall Street on Parade*.

For example, investment bank Morgan Stanley received \$2.04 trillion in loans from the Fed between 2008 and 2011 and also was paid more than \$108 million in for “investment banking advisory services.” The Fed also paid Morgan Stanley 100 cents on the dollar to cover its losses when insurance giant AIG collapsed under the weight of its investment in fraudulent derivatives and took several major banks down with it.

The Fed bailed out Goldman Sachs with \$814 billion in cheap loans, then paid it \$11.2 million to manage the Fed’s bailout purchases of mortgage-backed securities.

JPMorgan Chase also received \$391 billion in below-market-rate loans from the Fed as well as a contract earning it \$16.3 million from 2008 to 2010 in management fees for the Fed’s program buying mortgage-backed securities.

The bank has continued to manage that program, earning it an undisclosed amount of additional fees since then – an unusual vote of confidence in a financial institution that has pleaded guilty to three felonies in the last six years.

Chase also helped the Fed run its Primary Dealer Credit Facility, which poured \$8.95 trillion in cheap revolving loans into Wall Street’s brokerage houses during the Great Recession. A GAO audit found the Federal Reserve Bank of New York

– the Fed’s arm handling the program – did not have contracts with Chase or the Bank of New York Mellon, the two firms handing out the loans.

The two banks were responsible for deciding whether the trading houses seeking the loans were creditworthy and whether their collateral was sound. But the Fed has admitted to government auditors it has no idea how much in fees the two banks collected from the loan recipients to process their requests.

DEPRESSION BLUES



The U.S. economy will take at least through 2021 to recover from the current shutdown, the Congressional Budget Office (CBO) said.

Massive unemployment and a lack of investment capital will be the main drags on the recovery, it noted.

It projects GDP will be 11.2 percent less in the current quarter than in the first quarter of this year, but it has revised its growth forecast for the fourth quarter of 2021 from 2.8 percent to 4.6 percent, indicating a clear reversal of today’s economic contraction by then.

The state of Georgia may be a measure of the CBO forecast’s accuracy.

Georgia was among the last states to shut down its economy and reopened on 30 April, one of the earliest states to do so.

Its number of unemployment claims is still rising, however, especially in the retail sector.

This indicates some consumers are not yet ready to re-inhabit public spaces; and that enough consumers are out of work, or fear losing their jobs, they are not ready to resume their old spending habits.

There is “certainly nothing to signal there’s any return to economic stability or recovery happening right now,” said Alex Camardelle, a policy analyst with the nonprofit Georgia Budget and Policy Institute.

TREND FORECAST: *We disagree with the CBO forecast. Equity markets were slumping terribly last August until the Federal Reserve starting pumping \$7 trillion into the repo markets so trading houses could borrow cheaply to bet big.*

Further, economic growth in the U.S. was estimated to come in around 2 percent for 2020, at best, while, as noted, major economies were going into recession.

The damage created by the global shutdowns is unprecedented in world history. Forecasting future economic growth on outdated models, as have the CBO and others, will prove inaccurate.

Hotel Industry Details “Roadmap to Recovery”

With most of its 2.3 million jobs in limbo, the U.S. hotel industry has called on Congress to take the below steps to ensure it can recover from the national economic shutdown:

- Continue the Paycheck Protection Program (PPP), make the loans larger and more flexible in their permitted uses, and extend the employee retention credit;
- Provide tax credits for the purchase of personal protective equipment for staff;
- Offer a temporary “travel tax credit” and restore the business tax deduction for entertainment.

This “Road Map to Recovery” was released by the American Hotel & Lodging Association on 20 May.

“The hospitality industry is in a fight for survival,” said association president Chip Rogers, adding that a typical hotel averaging 100 occupied rooms per night supports about 250 local jobs and generates \$18.4 million in guest spending at

area shops and restaurants. Hotels also generate \$186 billion in local, state, and federal taxes each year, according to association figures.

Industry analysts expect that hotel occupancy rates will not return to pre-pandemic levels until at least 2022.

“Atlantic” is Latest to Fire News Staff

The Atlantic, a 162-year-old Boston-based monthly, has become the latest news publication to lay off staff.

It has shut down its video operation, ending 11 jobs, and will cut 57 other positions, the magazine announced. The cuts total 17 percent of its workforce.

The magazine also has cut executive pay and frozen all other salaries.

The Atlantic’s purge caps a flurry of layoffs in the news industry. Within the week prior, *The Economist* cut 90 positions, the Conde Nast magazine empire lopped off 100, and the scrappy Vice video and online outlet trimmed 155.

Since March, about 37,000 news reporters have lost their jobs across the country, according to data collected by the *New York Times*.

The Atlantic’s austerity measures come even as the magazine reports 500,000 subscribers to its print and online editions, including 90,000 new since the pandemic began.

The magazine also is staunchly supported by the nonprofit Emerson Collective, founded and funded by the billionaire widow of Apple founder Steve Jobs. She named her social change organization after Ralph Waldo Emerson, the American philosopher who co-founded *The Atlantic* in 1857 with jurist Oliver Wendell Holmes.

TREND FORECAST: *As we have long forecast and as the facts show, the global economic shutdown has forced advertisers to curtail their ad buys, dramatically shrinking print and broadcast revenue streams.*

While advertising revenues will increase as businesses open, considering the “New ABnormal” that will curtail economic growth, they will not rise high enough to salvage sinking media outlets.

Thus, as with other market sectors, the “Bigs” will get bigger. And, in doing so, the dramatic decline in news sources and reporters will diminish both the scope of coverage and quality.

Layoffs Hit Lobbyists and Trade Groups

Since the pandemic arrived, several Washington lobbying firms have cut workers' pay. The International Franchise Association has laid off a third of its staff and stopped publishing its magazine. The National Rifle Association has cut its staff by 60 people. The U.S. Travel Association cut all employees' pay after canceling its Las Vegas trade show.

Trade groups rely heavily on conferences and events for revenue. The cancellation of public gatherings will cost at least 35 percent of them a quarter of their revenue this year, according to a survey by the Public Affairs Council.

The National Association of Realtors softened that blow by converting its annual Washington conference to a virtual event, attracting three times as many attendees as typically show up in person. The group says the event will be virtual from now on.

The U.S. Chamber of Commerce, which recently gave its top executives millions of dollars in bonuses and considered creating a pricey Superbowl ad, reportedly now is seeking ways to cut its budget by 20 percent.

One well-connected PR firm has applied for a PPP loan, and another is considering doing so after laying off six staffers.

In the original Paycheck Protection Program, lobbying firms were barred from receiving the loans. But Congress changed the rules after lobbying firms persuaded them to do so.

HARLEY OFF TREND: NEW TIMES, OLD MODEL



Harley Davidson, the Milwaukee motorcycle maker, has restarted its factories in Wisconsin and Pennsylvania but will make only its most popular models for the rest of this year and offer only a limited range of options.

It also has told about 70 percent of its 698 dealers they will not receive any new bikes from the company this year. Harley is restricting its production volume to “drive exclusivity,” the company says, hoping to appeal to people who desire hard-to-get products.

Harley also is revamping its product line.

Former CEO Matt Levatich had set about creating a future for the company based on a wide range of newer, cheaper models meant for millennials, women, and especially foreign markets.

With the company in decline, as we have been noting in the **Trends Journal**, Levatich was forced out of in February and replaced by Jochen Zeitz, a long-time board member and former CEO of Puma, the German athletic-apparel company, who said the expanded product line made factories too complex and drew the company’s attention away from its most profitable models.

The strategy is squeezing retail dealers, most of whom have been closed for several weeks.

Some will be unable to fill waiting orders or will be forced to do so by buying bikes from other dealers at inflated prices.

Dealers also are hoping to acquire used Harleys to sell. The price of used Harley cycles has risen about 20 percent since March.

Harley Davidson's stock price rose 7.3 percent on 20 May after news of the reopening was announced.

TREND FORECAST: *Harley's new strategy is to make bikes that will appeal to higher-end customers who will pay for premium brand levels: "Our strategy to limit motorcycle products in the showroom is purposefully designed to drive exclusivity," said the company's director of product sales.*

The market sector they are targeting, aging boomers, is dying and going broke. Had Harley moved forward with the previous plan of making cheaper bikes to appeal to broader, lower income consumers across the globe – with updated performance levels and styles – they would have been on-trend.

SEAFOOD INDUSTRY SINKING



Restaurants, most of which remain shut to public traffic, made up about 70 percent of the U.S. seafood industry's market. Although consumers are buying more fish at grocery stores to eat at home during the lockdowns – an increase of 40 percent, to \$1.4 billion from early April through early May – it makes up for only a fraction of the industry's loss.

Some of the seafood is being bought by Blue Apron and other eat-at-home meal kit purveyors. Some wholesalers have retooled their operations to make ready-to-eat fare; fishers and wholesalers are freezing as much as they can find room for.

A Philadelphia wholesaler recently dumped ten tons of shrimp and lobster worth \$100,000 into a landfill.

Fifteen distributors contacted in April by the National Fisheries Institute said they will lose 40 percent of their annual revenue, totaling about \$1.7 billion, if current conditions continue through the year.

Four out of five of the 500 fish farms surveyed in March by the Virginia Technical Institute and Ohio State University said they could not survive the next six months without government aid or some other kind of outside help.

HERTZ GOES BUST



It comes as no surprise to Trends Journal subscribers. We had warned this would happen in our 12 May issue.

The car rental giant, in business since 1918 and owner of the Dollar and Thrifty rental lines, has filed for Chapter 11 bankruptcy after incurring \$18.8 billion in debt and having only \$1 billion in cash on its balance sheet.

Hertz reported rising revenues in January and February, but since the pandemic arrived the CEO has resigned – its fourth in three years – the company has laid off 20,000 workers, and closed or combined outlets. Hertz's stock price had dropped 82 percent this year as of 22 May.

Hertz also missed a 27 April debt payment on its fleet of cars and was given a grace period extending until 22 May, the day Hertz sought court protection.

About two-thirds of car rental industry's revenue comes from airline travelers. Since March, the number of flyers crossing airport check-in points has dropped 94 percent.

Another significant portion of Hertz's revenue comes from people renting replacements while their cars are repaired after accidents. With so many workers furloughed or working at home, that income stream also has shrunk drastically along with the number of rush-hour fender-benders.

The company said it will use its \$1 billion in cash to stay alive while it completes the bankruptcy process.

Hertz, which reported \$9.8 billion in revenue in 2019, still lost \$58 million last year and \$225 million in 2018. It lost \$356 million in the first quarter of this year.

The company has been burdened by missteps, including its overpriced acquisition of Dollar and Thrifty in 2012 and a heavy investment in compact cars, which rental customers no longer favor.

Hertz's chief shareholder is Carl Icahn, a well-known private equity investor in the leveraged-buyout business. Icahn owns 39 percent of Hertz.

Avis, Hertz's chief competitor, carries far less debt and has reported it has enough cash to last the year.

TREND FORECAST: As we have previously noted, the car rental business relies heavily on airport travel. With passenger travel down some 90 percent and Uber and Lyft draining business from rental car agencies before the coronavirus lockdowns, the profitability of rental cars will remain under pressure... especially as less people travel due to virus concerns, tourism restrictions, and lost income.

BUSINESSES GOING UP ON COVID HIGH



The Target discount store chain saw sales ramp up 10.8 percent in its quarter ending 2 May, with online sales soaring 141 percent, compared to a gain of about 1 percent at brick-and-mortar outlets.

Sales spiked as consumers stocked up on staples when the economic shutdown began, then spent more freely on electronics and clothing as people received federal stimulus payments and some state governments began permitting stores to reopen.

Beauty, electronics, and grocery items led the surge.

Target invested heavily in recent years to strengthen its online presence and has reaped the reward: during the quarter, the chain's website saw more than five million first-time visitors and two million shoppers ordered items online that they picked up at stores.

Costco and Walmart also reported higher sales during the pandemic, with Walmart's up 10 percent, the company said.

But Walmart also reported \$900 million in pandemic-related expenses such as paying bonuses to store employees and raising wages for its warehouse workers. Target said it will spend about \$500 million from March through June on similar expenses made necessary by the virus epidemic.

TECH UPS AND DOWN



Tech Giants Plan for Shopping Spree

As the economic shutdown and its aftermath persist, well-heeled tech companies are shopping for smaller, struggling enterprises.

The giants will use the opportunity to expand into new markets, fill gaps in product lines, or quash competition, analysts say.

On 19 May, Microsoft announced its purchase of Softmotive, a robotics company specializing in automating routine office tasks, an ability more companies are likely to seek to survive with a smaller budget and smaller workforce.

Uber Technologies is in talks to buy food delivery service Grubhub, which saw its business surge as the shutdown began but since has fallen off. The acquisition would grow Uber Eats, the ride-hailing company's own delivery service, and outpace competitor DoorDash.

Large mergers and acquisitions have ground to a halt during the economic shutdown and are unlikely to resume at previous paces while the future remains uncertain. Instead, large companies will use their cash to buy smaller, more specialized businesses.

Tech Employment Picture Darkens

Uber has laid off 6,700 since February and its competitor Lyft has announced plans to cut 17 percent of its workforce. Airbnb has trimmed its staff by 25 percent.

Those cuts, amounting to more than 10,000 workers, as well as layoffs among start-ups and smaller companies, have rattled the tech industry, where waiting jobs have often outnumbered qualified workers.

Both Google and Microsoft have slowed hiring in several programs and divisions.

The U.S. information technology industry has erased 112,000 jobs in April, virtually wiping out all those added last year, according to U.S. labor department statistics. In San Francisco, a major U.S. tech center, about 118,000 are jobless, according to the *San Francisco Chronicle*.

RENTERS VS. LANDLORD WAR



WeWork Wants Rent Break – and So Do Its Tenants

WeWork, the multi-billion-dollar landlord that rents about 11 million square feet of workspace to gig workers and young companies, is finding almost a third of its tenants are unable to pay their rent. As a result, WeWork can't either.

WeWork does not own the space it leases, rather leases it from property owners.

WeWork has allowed some tenants to defer or skip one month's rent but otherwise is demanding its renters keep their commitments or pay hefty fees to void their rental contracts.

The company marketed its workspaces as not just a place with a desk but as a community where entrepreneurs could synergize with like minds.

Now tenants unable to pay WeWork rents claim the company is abandoning its stated purpose of supporting small business. Some tenants have banded together to hire lawyers to void or renegotiate their rental agreements.

Softbank, the Japanese investment firm, had promised to continue its support for WeWork but lost \$12.7 billion in its fiscal year ending 31 March and has negated its commitment to buy \$3 billion in WeWork shares from current stockholders. Foregoing the purchase also lets Softbank skip a promised \$1.1-billion loan to the ailing company.

WeWork has expressed confidence it will be able to continue, saying it is negotiating with landlords “in a friendly way” and intends to eventually pay all rent obligations in full. Those landlords might find it difficult to find new tenants for so much space, especially in the immediate future, analysts point out.

Softbank, however, has expressed skepticism that WeWork’s business model – renting office space to insecure gig workers and young companies financed on a shoestring and putting strangers together in shared spaces – is still valid.

WeWork’s stock market valuation has plummeted from its \$17 billion peak to \$2.9 billion as of 18 May.

Mall of America Skips Two Consecutive Mortgage Payments

The U.S.’s biggest shopping mall skipped its April and May payments on its \$1.4-billion mortgage.

The mall’s owner, Triple Five Group (TFG), notified Wells Fargo Bank, which services its mortgage, that the company is under “hardship.” Apparently, it has not yet asked the bank for “forbearance,” a formal process by which the bank would suspend or reduce the mall’s mortgage payments for a specific period of time.

The mall, which shut down on 17 March, plans to reopen its doors on 1 June.

TFG says some of the mall’s tenants have stopped paying rent.

“If tenants don’t want to pay rent, my response is ‘I have got to pay a mortgage,’” said Don Germhazian, a TFG executive. “I borrowed money. I have got to pay back my lenders.”

If the federal government does not offer aid, many malls “will be headed into default because they won’t be able to make mortgage payments going forward,” he added.

TFG also owns the ill-fated American Dream Mall in New Jersey, which completed the second stage of its opening in early December. With just 8 percent of the three-million-square-foot mall open, more than 800,000 shoppers visited in its first three months. Now the water park and aquarium are idle and the shopping plazas empty.

Several malls have missed mortgage payments, according to Trepp, a research firm. The problem is particularly striking among mortgages that have been bundled into commercial mortgage-backed derivatives.

Among those mortgages, as of 18 May, 10 percent were 30 days or more overdue and 13.6 percent were in their grace period, meaning the due date had been missed but a payment could still be made in time to not be counted late, Trepp reported.

“We are starting to see forbearances come in,” said Manus Clancy, Trepp’s senior managing director.

Restaurant Chains Plead for Rent Relief

Rents and lease payments normally make up about 8 percent of restaurants’ expenses. Now, with social distancing enforced as restaurants reopen, eateries’ incomes will fall by half or more, meaning lease payments could take 20 percent or more of revenues.

As a result, many chains are pressing their landlords for lower base rents and other concessions. Some companies are offering to extend their leases in exchange for lower rents.

Several well-known brands have said they cannot continue with their present leases past June.

Starbucks, Shake Shack, and Chipotle’s Mexican Grill all are asking landlords to change the terms of their leases.

Applebee’s, Dunkin’ Brands Global, Ruth’s Hospitality Group, and Yum Brands – which owns KFC, Pizza Hut, and Taco Bell, among other chains – are negotiating

with landlords. Dunkin' executives even have become involved in negotiations on behalf of local franchisees.

Landlords' reactions have been mixed. Some have deferred rents or agreed to other changes. Others have spurned the requests, saying national chains have access to rich capital markets and can borrow or that other tenants are in worse condition than the chain stores are.

Landlords are reluctant to reduce or forgive rents because accounting rules allow them to still book rent as income if it is deferred.

TREND FORECAST: *Whether commercial or residential, as the "Greatest Depression" worsens, renters will be late on paying, will demand lower rents, or be evicted. Trends are born, they grow, mature, reach old age and die.*

The rental wars have just been born and will continue to grow for several years. Particularly hard hit will be malls, which were already in decline, and commercial real estate in large cities as more companies realign work procedures by having employees work at home.

Again, we forecast a sharply declining commercial real estate market. And, as we have long pointed out, as evidenced by the high levels of unrented space in the hottest sections of New York City prior the COVID Panic, the prices for rentals were too high and there was more supply than demand.

FED NOMINEE GOES FOR GOLD



Judy Shelton, U.S. director at the European Bank of Reconstruction and Development and President Trump's newest nominee to the Federal Reserve

System's board of governors, has repeated her call for a gold-backed currency, even a digital one.

Central banks are “not serving the private sector in providing that reliable unit of account... under the gold standard, you did have that stability... that’s what’s missing... it could be used in a very ‘cryptocurrency’ way,” she recently said in an interview.

Shelton added that a gold standard stands for “monetary discipline for its own sake. Money is supposed to be a unit of account, a reliable measure and a dependable store of value. It really shouldn’t be subject to who’s the chairman of the Federal Reserve.”

She also has argued that a gold-backed dollar would help sustain the dollar as the world’s primary international currency and “reset” the dollar after 50 years of Fed “distortions.”

“How can a dozen... people meeting eight times a year decide what the cost of capital should be versus some kind of organically, market-supply-determined rate?,” she also said recently.

Cryptocurrency advocates have a similar view, contending that a broad-based digital currency would prevent the currency’s value from being manipulated by a small group.

In the past, Shelton has referred to the Fed as “almost a rogue agency” and advocated closer control over the Fed by the presidency.

At this writing, the Senate has not scheduled a vote on her confirmation.

EUROPE



CEOs Say Economic Recovery Will Be Slow. Europe's recovery from the economic shutdown will take at least a year and as many as three, according to a majority of the 56 CEOs and board chairs belonging to the European Round Table for Industry.

About 53 percent expect recovery to take one to two years and 39 percent said two to three, according to a survey released last week.

The round table includes such companies as BASF, BMW, Daimler, Heineken, Nestle, and Nokia.

The officials rated their confidence in the current economy at 34 out of a possible 100 points, the same rating as their U.S. counterparts. Their confidence for the next six months ranked 48 to 50 for their industries and for the European economy overall.

Ratings below 50 signify pessimism.

"Business leaders almost unanimously provided the most negative assessment possible on present business conditions," said Bart van Ark, the Conference Board's chief economist.

U.K. Housing Market Crashes, Revives. The U.K.'s April home sales fell by 53 percent from a year previous and 46 percent below March's level, according to government figures.

The plunge followed a government order preventing shoppers and real estate agents from visiting properties for sale and buyers from moving into their new homes.

After the government lifted some restrictions on the real estate industry on 13 May, real estate agents reported a surge in interest, with some logging as much as 120 percent more traffic to their websites than in previous weeks.

The Knight Frank agency, however, with offices across Great Britain, is maintaining its earlier forecast of 526,000 fewer homes sold this year, with prices falling an average of 7 percent.

The agency expects perhaps half of those lost sales to return in 2021.

U.K. Sells Bond With Negative Yield. The U.K.'s government has made its first bond offering that carries a negative interest rate. The three-year bond's rate is - 0.003 percent.

The negative rate means the bonds' buyers will pay the government to hold its debt.

The bond offering heightened speculation that the Bank of England will lower its official interest rate from the current 0.1 percent into negative numbers to stimulate the economy.

The bank's chief economist, Andy Haldane, said in a 13 May interview that the bank was considering such a move.

The U.K.'s COVID pandemic was more severe than many other countries. The country is reopening more slowly, fanning expectations that the economic rebound will be slower than in other parts of Europe.

Speculation about a negative U.K. interest rate has weakened the pound, which has dropped 7 percent against the dollar so far this year.

Italy's Pool of Poverty Engulfs Middle Class. About 12 million Italians, more than half of the country's workforce, have applied for government assistance as a result of one of Europe's most severe economic shutdowns.

Unable to make a living, shopkeepers, restaurateurs, travel agents, and other middle-class Italians now must depend on welfare checks to survive.

Italy's national food bank has reported a 40-percent increase in requests.

The country is poorly equipped to manage the emergency.

Italy never fully recovered from the Great Recession, which was followed in 2012 by the Eurozone's debt crisis. The country emerged from that time carrying much more debt than previously, which it still has not cleared.

In addition, analysts expect Italy's economy to shrink by 9.5 percent this year, more than any other country's except Greece, and per-capita income to fall by more than 10 percent.

TREND FORECAST: *As we have noted, many of the nations that rely on tourism will not rebound under current air travel and other restrictions.*

In the U.K., for example, anyone traveling into the nation (except those from the Republic of Ireland, the Channel Islands, or the Isle of Man) must provide an address where they will be quarantined for 14 days. Anyone not filling out a “contact locator” form will be fined £100, and if they fail to self-isolate can be fined up to £1,000.

Italy’s economy never had recovered from the Panic of ’08.

And after being subjected since 9 March to one of the most restricted lockdown orders in the world – and now, deeper in debt and deeper into recession, the nation, with some 12 percent of its GDP tourism based, will sink deep in recession.

Yesterday, the Mussolini 2.0 in control of the nation said they would not allow travel between regions if people keep socializing in the streets.

“It may be human and understandable to want to go out after two months, but we mustn’t forget that we’re still in the midst of Covid-19 and so people fueling nightlife are betraying the sacrifices made by millions of Italians,” said Regional Affairs minister Francesco Boccia.

Ignored in the coverage is that the average age of the COVID-19 related deaths is 80 years old, and despite the rigorous lockdown, Italy had one of the highest virus death rates. There is also concern many of those who died had preexisting chronic health issues and may not have died from the virus.

Again, these type of travel restrictions and new “Laws of COVID Obedience” will discourage tourism and drive already diving economies deeper into financial ruin.

They will also spur the drive for nationalistic, anti-establishment political movements.

CHINA



In its bid to spread its economic tentacles around the globe, China has loaned at least \$520 billion to developing countries to boost their economies. The countries put up mines, airports, and other property as collateral for the loans.

The loans left China as the world's biggest lender, passing the World Bank and the International Monetary Fund.

Now those nations are telling China they can no longer make their loan payments. As a result, China faces a dilemma.

It can take over the property of countries already poor and be seen as hostile and cruel, destroying the good will the loans were meant to foster; or it can restructure the loans, appearing weak in the eyes of its' own people, who already are suffering under domestic economic weakness.

Either option leaves China with less global heft, not more as it had planned.

About \$350 billion of the loans are part of China's \$1-trillion Belt and Road Initiative, which has financed about 1,800 building projects in poor countries, in large measure so those nations have the infrastructure to boost their trade with China.

The loans have made "debt serfs" of several countries. Djibouti owes China the equivalent of 80 percent of its GDP, Kyrgyzstan 40 percent, and Ethiopia 20 percent.

This debt slavery is creating anti-China backlashes, especially after China seized a Sri Lankan airport recently when the tiny island nation was unable to make its payments.

China has dealt with the troubled countries individually to maintain its advantage in negotiations. Ethiopia, however, is assuming a role as lead negotiator with China on behalf of African debtors.

If China continues to refuse to loosen its loan terms, more debtor countries could unite in a “class action” to force China to restructure or forgive portions of the loans.

“It’s a reckoning for China,” said Scott Morris, senior fellow at the Center for Global Development.

TRENDPOST: *Considering the lack of trust for the Chinese government to release the hard data, it is well assumed that economic conditions have deteriorated much worse than is being reported.*

And, it is essential to note that the government is so unsure of the nation’s economic future, for the first time in decades, because of the “great uncertainty” caused by the virus, China will not estimate its 2020 GDP target.

EMERGING MARKETS



The global economic shutdown is ravaging the developing world with a humanitarian disaster unlikely to begin to abate until advanced economies have reopened, said World Bank president David Malpass.

The shutdown will cast 60 million more people into poverty, the bank says, defining poverty as living on \$1.90 or less a day. Hundreds of millions of others are at risk of losing their jobs, the bank predicts.

The shutdown is particularly hard on emerging nations because their economies are dependent on tourism and resource exports, both of which have come to a halt since February. These nations then have even less money to deploy to care for their own COVID patients and to service their already-high foreign debts.

The shutdown's human cost is "devastating," especially in the poorest countries, Malpass said, in part because the shutdown will have knock-on effects beyond the virus, ranging from reluctant foreign investors to malnutrition among children.

The bank foresees the global economy contracting by 5 percent this year, negating the past three years' progress in reducing the number of the world's poor.

More than 100 countries, holding 70 percent of the world's population, have applied to the World Bank's \$160-billion assistance fund but "more [money] is needed," Malpass said.

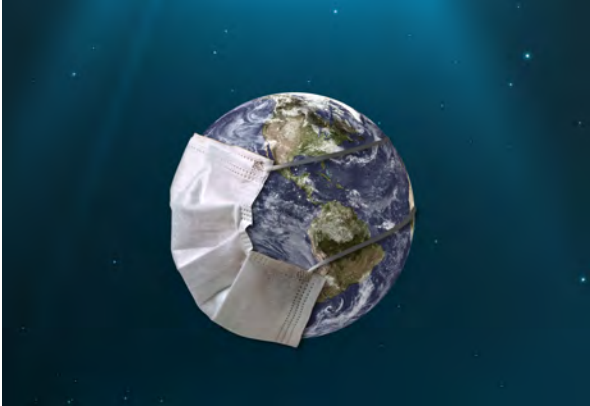
He expressed frustration that relatively few commercial lenders have heeded the G20 economic group's April call to suspend loan payments for 73 of the poorest countries.

Fourteen nations have asked for payment suspensions, 23 are preparing to do so, and 17 are considering it, he noted.

The countries may be hoping "that commercial credit markets will suddenly reopen in 2020" but "the likelihood is that the pandemic and economic shutdown in advanced economies will have long-lasting effects," he warned.

Malpass urged poor countries to adopt economic policies that will draw foreign investment, boost domestic investment, and attract remittances from expatriates.

WORLD



Oil Prices Rise with Returning Economic Activity. Oil prices are steadily, if slowly, rising again, due to fundamental market forces instead of speculation.

China's factories are back at work and its economy is gradually turning toward growth. Lockdowns in several nations are being cautiously lifted, putting more people back in their cars and more commercial trucks back on the road.

Demand for gasoline as a vehicle fuel rose 40 percent in the three weeks ending 8 May, and diesel use also is expanding, according to U.S. government data.

At the same time, oil producers have shut in millions of barrels a day of production around the world, shrinking the global ocean of unsold oil while not adding new reserves.

Saudi Arabia has said it will cut its oil production next month to the lowest level since 2002; the number of oil rigs drilling in the U.S. is at its lowest since 1991, according to the industry-standard Baker Hughes rig count.

As a result, some investors foresee a long-term uptrend in oil prices. Several hedge funds and other speculators have made more bets in recent days on higher oil prices than they have since September 2018.

Benchmark Brent crude's price fell into the low \$20s last month but has rallied and now is holding its ground above \$30. Brent's price rose 7.6 percent on 18 May to almost \$35 a barrel. U.S. prices plunged into the 'teens but since have stabilized above \$30.

Restarting the global economy will “help the oil price grind gradually higher,” said Rob Thummel, an energy asset manager at the investment firm Tortoise. “But we still have a long way to go.”

Central Banks Rolling Out Digital Currencies. Central banks in China, Sweden, Ukraine, and Venezuela have issued digital currencies in pilot projects designed to pave the way for national adoption.

Countries known to be researching or developing digital money include Australia, Canada, France, Germany, Iran, and the U.S.

With a digital currency, the cost and, in many cases, the time of processing financial transactions can be slashed. People without conventional bank accounts could still use banking services via smartphones or computers.

But regulatory processes have not yet confronted the implications of digital money or recast regulations to encompass them.

Conventional banks are nervous, wondering if digital currencies will leave them with a much smaller future. Also, central banks would be able to track each individual’s transactions, raising privacy concerns.

Almost 80 percent of the world’s central banks are in various stages of designing, testing, or pilot-testing national digital currencies, according to a 2020 Bank of International Settlements survey.

Tech Companies Say Working from Home Will Be Permanent. Companies that sent workers home to do their jobs during the pandemic are deciding to leave them there.

Facebook says half its workforce will be home-based within ten years. Twitter says working from home “at scale” has proven practical.

“Over the past several weeks, we’ve learned a lot about what it takes for people to effectively perform roles outside of an office, and we will continue to learn as we go,” a spokesperson for Square said. “Squares will be able to work from home permanently.”

Shopify will keep its offices shuttered through this year, reworking them to reflect the new reality that most of its workers will be at home. CEO Tobi Lutke said,

“Office centricity is over... The future of the office is to act as an on-ramp to the same digital workplace that you can access from [home or elsewhere].”

Letting employees work at home also widens the pool of job candidates, said Facebook co-founder Mark Zuckerberg.

“When you limit hiring to people who live in a small number of big cities, or who are willing to move there, that cuts out a lot of people who live in different communities, have different backgrounds, have different perspectives,” he said. The company is “aggressively opening up remote hiring,” he noted.

Facebook employees who work outside of high-cost areas such as San Francisco will see their salaries “adjusted” to reflect living costs where the employee is. Most of those employees will find their pay reduced.

Groupe PSA, the French company making Citroen, DS, Opel, Peugeot, and Vauxhall vehicles, also is redeploying its office staffs.

The company announced it will “strengthen teleworking and to make it the benchmark for activities not directly related to production” on factory floors.

PSA will relinquish an undetermined amount of its office space and redesign remaining offices as places for meetings and group collaborations when needed.

TREND FORECAST: As we have continually noted, with more businesses having people work at home, commercial real estate prices will be on a long down-trend.

On the investment up-trend, evolutionary new virtual reality and high-tech products that bring workers together remotely from around the world (as well as with online education) will, in many ways revolutionize how and where we work... and learn.

The COVID Crisis has truly accelerated a New Age of Work and Education.

NOTES FROM THE FRONT LINES



Major Bankruptcies Accelerating. Through 22 May, 90 major U.S. corporations have gone bankrupt, Bloomberg reported, including Hertz, J.C. Penney, and Neiman Marcus. The current pace would yield 233 major corporate bankruptcies this year, a pace 68 percent above last year's and 97 percent greater than in 2018.

The trend is young and accelerating, Bloomberg noted, indicating that 233 is likely to be a lower number than actually results.

Gamblers Switch Games. With casinos largely shut down and no live sporting events to bet on, gamblers are putting their chips into the U.S. stock market, according to the *Financial Times*.

When gaming houses and live sports resume, gamblers could return to their previous favorite venues. That could see a large amount of money drained quickly from American stock markets, implying a sudden plunge in overall stock prices.

Head of Canada's Central Bank Says Recovery on Track. Stephen Poloz, governor of the Bank of Canada, said the country's economy is performing in line with the bank's best-case recovery scenario, which still likely will take at least a year for growth to return to its pre-pandemic pace.

Citing lines of shoppers outside stores that have reopened, he said consumer confidence seems to be strong enough to buoy Canada's economy once lockdowns are lifted.

The bank has cut its interest rates three times since March to 0.25 percent and has begun a program to buy large amounts of government bonds.

Pier One Abandons Plan to Reopen. The import chain, founded in 1962, has given up its plan to reorganize under bankruptcy protection. The company will liquidate its remaining inventory and close all of its more than 500 stores.

The company closed almost half of its 940 shops when it filed for bankruptcy in February. The bankruptcy court gave the company permission to stop paying rent on its stores.

Pier One is accepting bids on its intellectual property until 1 July. The property will be auctioned off on 15 July.

Luke's Lobster Reopens. The chain of 26 eateries spread across the U.S. and South Korea has reopened some U.S. locations for takeout. The restaurant has taped X's on sidewalks showing customers where to stand as they queue in front of the Plexiglass-protected ordering window. Workers will be masked and gloved and must leave their cell phones in a basket by the door as they enter.

The chain reported bringing in \$5,000 to \$10,000 a day as it reopened, compared to its normal spring daily haul of \$100,000.

TRENDS-EYE VIEW

PARABOLIC DEBT: THE FED'S ANSWER



by Gregory Mannarino

The cries from members of Congress continue to get louder: “*More debt please!*”

With the U.S. economy remaining in this nonsensical, politically-motivated central bank “lockdown,” with almost no end in sight, the answer is emphatically, “Yes!” These Congressional numbskulls seem to believe that borrowing more from the Federal Reserve is the answer. Can they truly be that oblivious... or is this by design?

What we have are financially irresponsible sub-morons sitting in elected positions who are more worried about keeping their power than helping a single one of their constituents.

COVID-19 is a Federal Reserve **Black Ops PSYOP** utilized to bring the entire global economy to a standstill, kill the money velocity, and, therefore, allow the Fed to finally finish their century-long plan to be the lender, buyer, and Owner of the World.

The Federal Reserve is now on track to print more debt and buy more assets since the COVID-19 PSYOP than in the last 50 years combined. Parabolic debt...

On the other side, we have Fed Presidents themselves saying, “Yes, more debt is needed.” Understand, *nothing* possibly could make the Federal Reserve happier than members of Congress calling for, and even demanding, **more debt**.

Central banking revolves around a single premise: the more debt issued, the stronger they become. People who do not understand central banking find it difficult, if not impossible, to understand that we have a debt-based economic model. This debt-based system demands that debt be borrowed into existence in increasingly greater amounts – and the Fed is more than willing to oblige.

Also, notice how the word “debt” is never mentioned by a single member of Congress or Fed President... their politically correct term is “more stimulus.”

More debt – or “stimulus” – certainly is not the answer. Fiscal responsibility is, but when you have a Congress of buffoons and a central bank more than willing to bury a nation and its citizens under parabolic debt, what we get is a “New America,” which is well on its way to becoming a fascist dictatorship.

Just look around... we are forced to live beneath their rules under the guise of COVID-19... and I will let you in on a bigger secret: soon, it is going to get much worse.

As the Federal Reserve gains more power (literally buying up the world, already they are the most powerful organization on Earth), they will steal away more of your freedoms and liberties. They use catch phrases such as, “We Are All in This Together,” the “New Normal,” and “Alone Together.” These are all in an attempt to lull us into a sense of acceptance.

Parabolic debt is the Federal Reserve’s way of bringing about their “final solution.” This final solution is the very reason why the Federal Reserve was created: to own the world via a debt-based economic model. Today, the Fed is disbursing trillions of dollars to central banks around the globe, and, with these dollars, they are buying assets. In a very real sense, the central banks are taking over.

Indeed, parabolic debt is allowing the Federal Reserve to fulfill its creation destiny. And, in doing so, they are creating slaves of nations... and mankind.

COVID-19: SPECIAL REPORT

SPREADING FEAR, IGNORING FACTS



Since January, citizens around the world have been subjected to fear-inducing headlines about COVID-19, the beginning of its spread outside China:

“New coronavirus may be much more contagious than initially thought”
– *New Scientist*, 27 January

“The COVID-19 Coronavirus Disease May Be Twice As Contagious
As We Thought” – *Forbes*, 7 April

“Coronavirus may still be spreading uncontrolled in 24 states”
– *Wall Street Journal*, 23 May

Yet, as has been reported in the **Trends Journal** since the beginning, the actual empirical data and carefully studied scientific evidence all point to one hard fact: COVID-19, while a dangerous, novel virus to some, has produced far fewer deaths than previously predicted.

For example, the wildly reported forecast on 16 March by the Imperial College London estimated that two million Americans would die from the virus.

With some 100,000 virus-related deaths reported to date in the United States, the Imperial College wizards were only 1,900,000 off their mark.

As we have been noting with hard facts, around the world, some 50 percent of COVID-19 deaths have been among elderly (average age 80 years old in Italy), those in nursing homes already suffering from chronic illnesses, while most of the other 50 percent were those suffering from high blood pressure, diabetes, obesity, heart conditions, respiratory ailments, etc.

Also, as we have been noting for months, in the *Associated Press* reporting of the virus, they often state: “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.”

To Touch or Not to Touch?

And now, with much of the world wearing rubber gloves to help protect oneself from getting the virus, last Thursday, the Centers for Disease Control and Prevention (CDC) confirmed COVID-19 does not spread in as frightening a way as presented by political leaders and magnified by the mainstream media.

In an about face, after warning that people can become infected by touching surfaces and physical items that have the virus on them, the CDC now claims the virus “does not spread easily” by touching surfaces such as door handles and mail order boxes.

When it comes to touching surfaces and objects, the CDC now states,

“COVID-19 is a new disease and we are still learning about how it spreads. It may be possible for COVID-19 to spread in other ways, but these are not thought to be the main ways the virus spreads.”

Commenting on the new CDC guidelines, Dr. John Whyte, Chief Medical Officer for WebMD writes,

“Many people were concerned that by simply touching an object they may get coronavirus, and that’s simply not the case. Even when a virus may stay on a surface, it doesn’t mean that it’s actually infectious.”

Dr. Whyte added this new information “allow[s] us to be practical and realistic as we try to return to a sense of normalcy.”

“It’s a Mess Out There”

According to new reports published last Thursday, there are at least seven states that likely have distorted their data on the spread of COVID-19, showing it to be more dangerous than it actually is.

Four of those states – Texas, Georgia, Virginia, and Vermont – mistakenly combined two different tests. One is the swab test, which determines if a person has the virus; the other is the antibody blood test, which measures whether a person had been exposed to COVID-19 but is now healthy.

The same day, another report came out showing that three states – Florida, Pennsylvania, and Maine – also combined the results of the two tests. In these instances, the states were following guidelines set by the CDC that were in error.

This botched data collection gives a false impression of how much testing actually has been done. By combining the two tests, instead of reporting them separately, it gives the impression states have done more testing than they actually did. The Director of the Harvard Global Health Institute, Ashish Jha, points out that by mixing the tests, which are done for different reasons, “It will drive down your positive rate in a very positive way.”

As reported numerous instances in the **Trends Journal**, significantly more people have contracted the virus than known because so many who get it have no symptoms or have symptoms so mild, they don’t report to a doctor or hospital. This means many more have contracted COVID-19 than has been

reported. Therefore, the rate of people dying from the virus is much lower than publicized.

Yet, this fact is being ignored. And, when the mainstream media and politicians suggest the infection rate may in fact be higher, they ramp up the fear game, while discounting the low death rate.

According to a new report from the University of Minnesota, in addition to mixing up tests, on a national scale, overall testing for COVID-19 is disorganized and unreliable. Mike Osterholm, who heads the university's Center for Infectious Disease Research and Policy, stated, "It's a mess out there. Testing is very, very important, but we're not doing the right testing."

COVID RULES & REGULATIONS: POLITICIANS MAKING THEM UP AS THEY GO



Finally, a medical expert has admitted what virtually all political leaders and the health officials they parade out to support their lockdowns try to hide.

Commenting on the proposal to continue banning large public gatherings well into the autumn, Dr. Hendrick Streeck, a renowned German epidemiologist, said, "We are all conducting experiments in our countries – no one knows how to do this right."

As political leaders continue to make up rules for re-opening their countries, states, and cities after months of lockdown, Dr. Streeck's observation becomes clearer every day.

Failing to provide empirical evidence, leaders are recommending that large events continue to be banned until after the fall, when the anticipated second wave of COVID-19 hits.

- In Britain, George Batchelor, Director of Edge Health, a data analysis firm working with a number of the country's health-care providers, said last Thursday that he thinks two soccer matches that were allowed to take place in March may have dramatically increased the spread of coronavirus. Mr. Batchelor said, "It would seem very unwise to allow for any such events anytime soon," yet he provided no data to show the link between the soccer events and an increase in COVID-19 hospitalizations.
- In Germany, in addition to the order that soccer matches only can take place without spectators, choral singing has been banned from religious services.

And, as leaders try to figure out how to reopen, the new word being used around the country is "offnungskiskussionsorgien," which translates as "reopening discussion orgies." The phrase has been used by Chancellor Angela Merkel to criticize the chaos created by people arguing over when to end the lockdown measures entirely.

- The British government is trying to get its citizens to stay indoors with a social media campaign highlighted by the image of a baked pie with the words "Stay Home" inscribed in the crust. Next to the pie is the advice, "Do some baking."
- In France, say goodbye to that kiss on the cheek. The friendly French traditional greeting known as "la bise" has vanished due to strict social distancing edicts. As recently as 5 March, over 90 percent of French men and women were greeting each other with "la bise," however, after the new rules were enforced, the greeting has declined to below 15 percent.

French President Emanuel Macron now greets colleagues and military personnel with a half-bow from four feet away.

- In Switzerland, officials have given approval for citizens under the age of ten to hug their grandparents, reversing its previous edict. Daniel Koch, head of the country's health ministry, stated he was influenced by the conclusion of scientists that children under ten were not transmitting coronavirus.

- In Austria, concerts with up to 1,000 in attendance will be allowed, but clubs and nighttime entertainment venues will continue to be forced shut.
- In America, as states cautiously allow some parts of their economies to reopen, a report issued by Imperial College London, the same Imperial College which grossly overestimated the prospective COVID-19 death rate in the U.S. last March, now declares the virus is not under control in the U.S. and warns that by not maintaining a strict lockdown, a huge spike in deaths is likely.

“What this shows is that the epidemic has not passed. The numbers have come down, and the efforts are showing results. But continuous efforts are needed,” warned a professor at the college.

Those same fears were stated in testimony to the Senate Committee on Health, Education, Labor, and Pensions on 12 May by Dr. Anthony Fauci, touted by Presstitutes and politicians as being “the nation’s top infectious disease expert.”

Dr. Fauci warned the U.S. could face even more “suffering and death” if states rush to reopen businesses too early. Fauci said, “There is a real risk that you will trigger an outbreak that you may not be able to control... it would almost turn the clock back rather than going forward. That is my major concern.” He claimed reopening too soon could hinder states “on the road to try to get back to an economic recovery.”

About-Face Fauci

In an abrupt about-face, contradicting what he had been selling for months and had testified to Congress on Tuesday, Dr. Fauci declared on Friday, “I don’t want people to think that any of us feel that staying locked down for a prolonged period of time is the way to go. We can’t stay locked down for such a considerable period of time that you might do irreparable damage and have unintended consequences including consequences for health.”

TRENDPOST: Completely ignored by the media and politicians who bow to Fraud Fauci are his flip-flop predictions.

On 26 January, Dr. Fauci proclaimed, “The American people should not be worried or frightened by coronavirus. This is a very, very low risk to the United States.”

On 29 February, appearing on NBC's Today show, he was asked by the host, "Dr. Fauci, Saturday morning in America people are waking up right now with real concerns about this. They want to go to malls and movies, maybe the gym. Should we be changing our habits? And if so, how?"

In response, Fauci said, "No, right now at this moment there is no need to change anything that you're doing on a day-by-day basis. Right now, the risk is still low."

TRENDPOST: *A careful reading of news reports reveal that none of the experts supporting the continued ban on public gatherings have offered empirical scientific evidence to support their "thinking."*

And, most of the media only provide one-sided "expert" opinion to support their narrative. Indeed, in a lengthy "Scientists Back Ban on Mass Gatherings" feature story in the 21 May Wall Street Journal, they quoted "some" experts supporting bans but none who were opposed.

REMOTE CONTROLLING THE PUBLIC



Ready for a new acronym?

"NCIT" stands for "non-contact infrared thermometer." This refers to remote thermal cameras that can detect body temperatures at a distance. Airports, retail establishments, stadiums, arenas, concerts, offices, mass transport, etc., are expressing high interest in setting up these remote cameras, so they can identify anyone with a fever.

The American Civil Liberties Union (ACLU) published a critical paper last week questioning both the effectiveness of this technology and its clear invasion of privacy rights. If a person is identified by one of these remote thermal cameras as having a fever, he/she can be stopped, subjected to further testing, and forced to leave the premises.

As we noted in last week's **Trends Journal**, when traveling via airports, passengers may well be quarantined or detained by government health authorities when temperature monitoring becomes enforced.

The ACLU states, "We don't want to wake up to a post-COVID world where companies and government agencies think they can gather temperature or other health data about people whenever they want."

The report cited data questioning the accuracy and effectiveness of these remote cameras. One of the most obvious problems is if a person is accurately measured to have a fever, it could be a symptom of a non-contagious disease.

Even the Food & Drug Administration (FDA), which has approved the technology, admits readings from remote cameras "can be disrupted by many factors, including head covers, environment and positioning on forehead."

The report also pointed out that some of the cameras have proven inaccurate and need to be recalibrated on a regular basis or the results get even further off.

Also, a discrepancy has been shown in the accuracy of the cameras. Cameras with the most reliable readings cost up to four times as much as less expensive versions. The ACLU report points out, "There is a veritable gold rush of companies scrambling to put 'fever detectors' on the market and cash in on the crisis. The result is accuracy levels that appear to be all over the map and a certain degree of snake oil."

According to the ACLU report, there are three major problems in using body temperature to protect against coronavirus:

1. These cameras, as with thermometer guns used by some security officers, do not measure the true core temperature but only surface heat. This means a measurement can be affected by sunburn, a few drinks of alcohol, or even sweat.

2. A fever does not mean a person has contracted COVID-19 – the reading could be the result of a non-contagious disease.
3. Most people who actually have the virus are asymptomatic and have no fever. Recent studies show that up to 25 percent of all people who contract COVID-19 do not have a fever. Therefore, a thermal camera reading is useless in many cases.

Jay Stanley, a senior policy analyst at ACLU, said, “Nobody should imagine that blanketing our public spaces with thermal sensors is going to serve as any kind of effective automated ‘COVID detection network’.”

“Smart” Helmets... or Another “Stupid” Idea?

Police at Rome’s Leonardo da Vinci airport, as well as security forces in China and Dubai, are using “Smart” surveillance helmets to scan the temperatures of passengers and pedestrians.

“Smart” helmets are being manufactured by the Chinese company KC Wearable and can be used up to a distance of just under seven feet. As with the NCIT cameras, these helmets will miss all of those with the virus who are asymptomatic and will cause problems for people with fevers from non-contagious ailments.

The data captured is recorded and stored in the helmet and can be used for facial recognition as well as taking body temperature.

According to Dr. Jie Guo, the manufacturer’s Global Head, “Government authorities and some private buyers are using the helmets. In China, local policemen, nurses, security guards, and people [staffing] checking points at metro stations are all using the helmets.”

In addition to China, Italy and Dubai already are using the helmets, and the Dutch government has ordered some for testing.

More COVID Gadgets

Other inventions being considered to address society’s fear of COVID contamination include:

- Hands-free door openers: Described as hygiene-friendly, these hooks help open potentially infected door handles without one's hands having to touch them. A manufacturer in London has put out the "Hygienehook," which can fit your pocket and is easy to clean.

Note: the latest research by the CDC, as cited in our ["SPREADING FEAR, IGNORING FACTS"](#) article in this issue, states COVID-19 does not spread easily from door handles and other surfaces.

- The Seattle-based company Slightly Robot has developed a wristband that sets off a buzzer every time the user's hand goes near his or her face. It also goes off when the user bites his/her nails or touches his/her hair.
- A Chinese architect proposed a design for a body shield called "Be a Batman," which is installed with an ultra-violet light for self-sterilization. The shield is shaped to resemble bat wings and can be worn the same way as a backpack.

POLLUTION VS. CORONAVIRUS: WHO CARES?



While political leaders stumble around trying to figure out how to reopen the economies they shut down, they virtually ignore a health issue far more serious than coronavirus.

In last week's **Trends Journal**, we noted how spiking COVID-19 casualties, as evidenced in Lombardy, Italy, where the virus first hit the West, came from highly polluted areas.

Last week, the *Times* reported how the Marathon Petroleum refinery, located in the city of Detroit, released toxic gas so potent that nearby residents were told to stay indoors.

In Detroit, in addition to the Marathon refinery, there is a steel mill, two power stations, and a sewage treatment plant within five miles. The ozone gases released from these facilities, which frequently exceed federal limits, lead to higher levels of lung disease and other ailments.

The county in which Detroit is located has suffered over 2,000 deaths from COVID-19. This is just one example of an environmental nightmare affecting low-income residents, mostly African-Americans and Hispanics, living in polluted cities and towns in many states.

Often noted in the **Trends Journal** is that people with chronic lung disease are among those most at risk of dying from COVID-19. Research conducted at Harvard confirms that minorities living in neighborhoods with toxic air and water are dying from coronavirus at higher rates than other demographics.

“Houston, We Have a Problem”

In neighborhoods located outside of the Houston Ship Channel refineries, residents are suffering from COVID-19 at much higher rates than average. According to the American Lung Association, Houston is one of the most polluted cities in the country.

The Houston area reports more than 9,000 cases of coronavirus, with almost 67 percent of the deaths being among minorities.

The Houston irony: The large group of oil refineries surrounding the city have been generating raw materials used to create needed anti-virus medical gear, such as masks and disposable plastic gowns. In addition to the pollution spewed into the air from the refineries, some of the medical protection wear being produced is being incinerated in waste facilities also located outside Houston. This adds even more toxic pollutants spreading into nearby, low-income neighborhoods.

As one resident put it, “Hospitals need the masks, the gloves, but communities are breathing in the toxins that industry says is necessary for the safety of other people.”

Forever Chemicals

In New York State, while New York City has received much publicity as the world's epicenter of the COVID-19 pandemic, little attention is being paid to a small city in upstate New York.

In the city of Cohoes, population 16,000, it was discovered that over two million pounds of toxic polyfluoroalkyl (PFAS) were shipped to a nearby industrial incinerator and burned over the past year and a half.

There are major health concerns among the residents over the massive burning of what are known as "forever chemicals," called that because the toxic danger can last for decades and have been shown to accumulate in the body.

As we have reported in the **Trends Journal**, water contamination from PFAS firefighting foam, which the U.S. military has been using at bases for decades, is a major health concern across the nation. And now, there are additional health concerns about its persistence in the air after being burned.

In low-income neighborhoods across the city, buildings have black soot on windows and there is a dark residue on cars.

The mayor of Cohoes, Bill Keeler, stated, "It seems to me that Cohoes is at the epicenter of a national and maybe international questions of what to do with these PFAS and forever chemicals... it's scary to think about it."

TRENDPOST: *Absent in the mainstream media coverage, over twice as many Americans, over 200,000, have died last year of air pollution-related diseases than the 100,000 that have died to date from COVID-19.*

As for the rest of the world, according to the World Health Organization, some 91 percent of the world's population lives in places where poor air quality exceeds their guidelines. According to the United Nations, air pollution kills seven million people annually.

Yet, these facts and figures are "nonessential" in this season of COVID Hysteria and, instead, as evidenced by the Times, a.k.a. "the Toilet Paper of Record," in Sunday's "special" Memorial Day edition, they ran this entire front page of propaganda of victims who have died from the virus:

EARLY EDITION

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TRENDPOST: Absent in the NYT “death squad” sensationalism are the facts that COVID-19 is less dangerous than constantly advertised.

Political proponents of the extended shutdowns, who continue to insist on limiting public activities, cite the danger of spread from asymptomatic carriers. As consistently reported in the **Trends Journal**, most people who contact COVID-19 are asymptomatic.

In fact, according to the government of Massachusetts, where some 6,375 people died of COVID-19 in a population of nearly seven million, underlying conditions were present in 98.2 percent of deaths and the average age was 82 years old.

A 13 May study published in the National Library of Medicine concluded that asymptomatic carriers, in fact, may not be contagious. Four hundred fifty-five subjects were exposed to asymptomatic carriers, which included patients, family members, and hospital staff. The median contact period was between four and five days. The results: “All CT images showed no sign of COVID-19 infection.

And, last week, the CDC estimate dramatically reduced the death rate estimate to be as low as 0.26 percent. The reason given for the continual decline in death estimates over the past few months are large scale serology tests, which consistently reveal that many more people have been infected with COVID-19 but show no signs or very weak symptoms, thereby lowering the percentage of those who are dying from it.

Again, forgotten is how fear was spread by previous estimates, such as February’s report from the Imperial College London, predicting one percent of those contracting the virus would die... used by political leaders to justify the strict lockdowns.

GEOPOLITICAL

U.S. MILITARY AGAINST IRAN AND VENEZUELA?



Venezuela and Iran have something in common: both are suffering from plunging economies due in large part to harsh economic sanctions imposed on them by the United States.

The two countries are seeking to help each other through a deal to trade gas for gold. Five Iranian tankers are currently heading east over the Atlantic toward Venezuela with what has been estimated by analysts to be some 60 million gallons of Iranian gas purchased with Venezuelan gold.

Despite Venezuela's huge reserves of oil, it doesn't have the capacity for refining. Previously, it had counted on an arrangement with Rosneft, the largest petroleum company in Russia, which involved exchanging crude for refined gasoline.

But, last February and March, the Trump administration imposed heavy sanctions against Rosneft leading to the company announcing it would no longer deal with Venezuela.

Thus, with Venezuela in a dire oil emergency and long lines of customers waiting to fill up their gas tanks, the government reached out to Iran to supply them with refined product.

In response to the deal, the U.S. special representative to Venezuela appointed by President Trump, indicted war criminal Elliot Abrams, called it a deal between "two pariah states."

An unnamed government official quoted in the mainstream media said, "The U.S. has been looking at measures that can be taken."

Ramping up pressure on the Iran/Venezuela oil deal, on 18 May, Admiral Craig Faller, Head of the U.S. Southern Command in the Caribbean, stated that Iran's deal with Venezuela was meant to "gain a positional advantage in our neighborhood as a way to counter U.S. interests."

The Admiral did not say U.S. Caribbean naval forces would physically block the Iranian tankers from the Venezuelan coast, adding, "With respect to Venezuela, our focus has been to share intelligence, trying to figure out what Maduro and his cronies are up to."

In response to Faller's statement, Iran's Foreign Ministry spokesperson, Abbas Mousavi, said any attempt by the U.S. to stop its ships would be an act of "piracy" and promised a "decisive response" if its tankers are confronted.

Last Wednesday, Vladimir Padrino, Venezuela's Defense Minister, said his country's military would escort the Iranian tankers, raising concerns for a potential military confrontation with the U.S. naval presence.

As stated on Friday in an editorial on oilprice.com:

"Millions of dollars of fuel are at stake and a geopolitical crisis for which a response against Iran is likely to be real this time around because it comes against the backdrop of global chaos, a US president in trouble ahead of November elections, and a renewed attempt to bring Maduro down."

"Fortune" Arrives

On Sunday, after a week of threats and counter threats, the first of five Iranian tankers entered the territorial water of Venezuela transporting over a million gallons of fuel. The tanker, named "Fortune," was escorted by Venezuelan naval and air force support. Venezuela's oil minister, Tareck El Aissami, officially confirmed the arrival: "The ships of the sister Islamic Republic of Iran are in our exclusive economic zone."

In response to the arrival of the first tanker, Venezuelan President Nicolás Maduro addressed the nation stating, "Venezuela and Iran both want peace... We have the right to trade freely."

The official response from the U.S. came from State Department spokesperson Morgan Ortagus: "Venezuelans need free and fair presidential elections leading

to democracy and economic recovery, not Maduro's expensive deals with another pariah state.”

TRENDPOST: *With America and much of the world bombarded with COVID Hysteria, the rising tensions between President Trump and his two international arch enemies, Iran and Venezuela, is out of the news and out of the minds of the general public.*

Although oil prices are down some 40 percent this year, a military conflict between the U.S. and Iran may well spike Brent Crude prices well above their current mid-\$30 per barrel range.

Should oil shoot above \$80 a barrel, it will dramatically worsen the already diving global economy, its cash-strapped consumers... and crash the overvalued equity markets.

TRENDPOST: *Preparing for “measures that can be taken,” on 1 April, President Trump ordered a fleet of destroyers and military planes to patrol near the Venezuelan coast under the guise of monitoring drug trafficking from Venezuela.*

*And, as reported in the **Trends Journal**, on 26 March, the U.S. officially offered a \$15 million bounty for evidence leading to the arrest of Venezuelan president Nicolás Maduro. who it charged with narco-terrorism.*

*Long forgotten, just a few weeks ago, as reported in the **Trends Journal**, two former U.S. Green Berets and some 60 Venezuelans attempted to kidnap President Maduro and commandeer him to the U.S., so they could collect the bounty.*

The plot failed. Maduro’s forces killed eight Venezuelans and arrested the rest of the team. Blaming Washington for the coup attempt, Maduro said, “We knew everything. What they talked about. What they ate and drank. Who financed them.”

President Trump denied there was any official U.S. government involvement. Secretary of State Mike Pompeo stated, “[If] we’d have been involved, it would have gone differently.”

TRENDPOST: *Unquestioned and readily accepted by Presstitutes, who get paid to put out by their corporate pimps and Washington whoremasters, is Admiral*

Faller's contention that Iran is doing the deal to "gain a positional advantage in our neighborhood as a way to counter U.S. interests."

"Our neighborhood?"

Venezuela is some 2,800 miles from the United States!

It is no more "our neighborhood" than the Iranian neighborhood 7,240 miles from the U.S. shores, which the American military threatens, surrounds, and patrols.

Washington's decades of never-ending murderous, criminal policies of foreign entanglements and regime change is supported by the mainstream media and easily sold to the general public, who pay for the wars with their money and their lives.

*Indeed, as the cover of our 28 April **Trends Journal** clearly reads, "DUMB ENOUGH TO BELIEVE BUSH'S WAR – DUMB ENOUGH TO BELIEVE THE COVID WAR.*

It is not only Americans! Name the wars, name the times, name the place; the masses march to Mussolini, salute Stalin, Heil Hitler... and hailed Caesar.

TRENDPOST: *Ramping up tensions against Iran, the U.S. is now holding live-fire training operations in the Persian Gulf near Iran. As reported in the website Anti-War.com:*

"Officials touted it as a chance to demonstrate the 'awesome firepower' of US weapons... This comes following President Trump's talk of shooting down Iranian ships that get too close, and a more recent Navy admonishment that they'd consider any boat that gets close an act of aggression."

ISRAEL, LEBANON, IRAN: WAR DRUMS BEATING



In the year 2000, newly elected Israeli Prime Minister Ehud Barak fulfilled a campaign pledge and withdrew Israeli troops out of the section of southern Lebanon near the border between the two countries.

That move ended the protracted conflict between the Israeli-backed South Lebanon Army (SLA) and the Lebanese guerillas led by Iranian-backed Hezbollah.

For the most part, since the year 2000, as Hezbollah maintained control, the border with Israel remained relatively quiet.

Until now.

Last Wednesday, Israeli Colonel Israel Friedler, who is in charge of war exercises against Hezbollah in northern Lebanon, stated, “We are preparing seriously for the next war. We’re not taking any shortcuts because we understand we have to be extremely strong to defeat the enemy.”

As reported last week in the Trends Journal, Israel ordered aerial attacks in Syria and is appearing to prepare for another invasion into Lebanon.

Shortly after Israeli jets attacked targets in Syria, Secretary of State Mike Pompeo made a trip to Israel for the stated reason of reviewing U.S.-Israeli common interests, which reports say included the subject of Iran’s precision-guided missile program (PGM) set up in both Syria and Lebanon.

Hezbollah has reacted to these recent events by strengthening their military force at the Lebanese-Israeli border.

As a nation, the Lebanese economy is in collapse. As reported in the Trends Journal, since the riots erupted last October, demonstrators have taken to the streets in protest of the lack of basic living standards, high unemployment, and government corruption.

The protests were subdued for a few months when politicians locked down the nation in response to the coronavirus, which killed just 26 people in a nation of nearly seven million... but now they have resumed.

Hezbollah, in addition to having military control in Lebanon, also maintains political dominance within the Lebanese parliament and with current Prime Minister Hassan Diab.

As noted by Hilal Khashan, a political science professor at the American University in Beirut, “Domestically, Hezbollah has emerged to become the preponderant force in Lebanon. Yet, the position of Hezbollah is ‘precarious’ as a result of Israeli pressure, domestic chaos from the plunging economy and Iran’s own internal financial problems.”

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Cyber Attacks Target Iran

On 19 May, a strategically important Iranian port located on the Strait of Hormuz, Bandar Abbas, lost computer power due to a cyber attack, affecting Iranian shipping activity.

While no one publicly has taken responsibility for the attack, the Washington Post reported that unnamed sources confirmed it was Israel, in retaliation for an earlier cyber attack attempt by Iran. That attempt, aimed at disrupting Israeli water systems last April, was detected in time to prevent any damage, according to an Israeli official.

This Land is My Land

Yesterday, Israeli Prime Minister Benjamin Netanyahu said that in the coming months, he would annex parts of the occupied West Bank. Having built over half a million Israeli housing developments in the occupied territory, Israel is in violation of Article 49 of the Fourth Geneva Convention and United Nations Security Council resolutions.

TREND FORECAST: Should war break out in the Middle East between the Lebanon/Syria/Iran alliance and Israel, it will ignite the first wave of World War III.

Also, long forgotten by the general public is the 3 January U.S. assassination of Iranian General Qasem Soleimani, which ignited tensions throughout the region and spiked Brent Crude to \$70 a barrel.

As we continue to note, should oil prices rise to those levels while the global economy is in rapid decline, it will greatly worsen current and future economic conditions while dramatically escalating geopolitical tensions and civil unrest.

GLOBAL ROUNDUP



HONG KONG: Pro-democracy leaders harshly criticized a new security law set to be enacted, which they say will weaken the semi-autonomous status of the city with the mainland government. One of the leaders of the activist movement behind the months-long protest last year, Joshua Wong, posted on social media, “After this law is passed, what will happen to Hong Kong? How many people will be prosecuted? How many organizations will be banned?”

In the midst of the COVID-19 pandemic, which started on the mainland last November, Chinese officials have escalated threatening rhetoric against any resumption of massive street protests.

On Sunday, thousands of protesters, in violation of shutdown restrictions limiting public gatherings to no more than eight, occupied the streets of the city to show unity against the new security law. Police used tear gas and water cannons to disperse crowds, and a number of demonstrators hurled objects at the police. As they had for months before the COVID-19 pandemic, protesters smashed traffic lights and lit fires.

Police report close to 200 arrests for disorderly conduct and violating the ban on public assembly by more than eight people. Ten people required hospitalization.

The protests expanded around the city shortly after it was reported that China’s Vice-Premier, Han Zheng, confirmed to the national legislature that Beijing was

committed to the new national security law intended to tighten control over Hong Kong.

Pro-democracy groups view this new law as a violation of the principle of “one country-two systems,” established in 1997, granting Hong Kong a degree of autonomy from the mainland. Dennis Kwok, a pro-democracy attorney, said of Beijing’s new sedition law, “They are completely destroying Hong Kong.”

TREND FORECAST: *While China restricted using military force to quell the Hong Kong protests last year, with the world now glued to the COVID Crisis, its clamping down on them now will gain less media coverage and international condemnation.*

We forecast Hong Kong, the Asian banking hub, will steadily lose business to Singapore as violence, riots, and civil unrest escalates between Beijing and Hong Kong pro-democracy citizenry.

SPAIN: Thousands of Spaniards in a Madrid district have been protesting the ongoing, months-long shutdown by banging pots and pans every evening at 9:00 P.M. One of the protest’s leaders, Blanca Carrillo de Albornoz, said, “This government has to resign now. They are governing by decree, and you can’t govern a country by decree.”

TREND FORECAST: *Nationalist movements and civil unrest in Spain and throughout much of Europe will escalate as their economies decline into recession and depression. Movements calling for the breakup of the Eurozone and a return to their national currencies will severely diminish the strength of establishment parties, and may well result in the dissolution of the European Union within the decade.*

UNITED STATES: The Trump administration has extended an order, published by the CDC, that rejects any migrant from crossing a border into the states and refuses access to the asylum system under the guise the person could spread COVID.

Medical professionals, immigrant advocates, and a number of Democratic members of Congress criticized the extension, and over 30 public health officials published a letter stating, “The nation’s public health laws should not be used as a pretext for overriding humanitarian laws and treaties that provide lifesaving protections to refugees seeking asylum and unaccompanied children.”

TREND FORECAST: *As a result of COVID-19, whether in the U.S. or any of the developed nations, open borders and immigration will not be a major political issue. Politicians will use the virus as both a reason to keep borders closed to stop infections from coming in and/or to keep refugees out, who they cannot afford to take in and care for.*

Bye, Bye, Baby

Based on recently published data, U.S. birth rates fell to a record low last year. Birth rates started declining during the 2008 recession, and the numbers stayed down even after the recovery due to Millennials being less financially solvent than the generations ahead of them. The most pronounced decline was among teenagers. Since the early 1970s, teenage births have plunged some 73 percent.

TREND FORECAST: *As the “Greatest Depression” spreads across the nation, both birth and marriage rates will continue to decline in the United States. Among the implications, more adults will be living with parents and, with fewer partners and fewer children, home ownership rates will continue to decline.*

PRESIDENTIAL REALITY SHOW

CELENTE: POLLS WRONG. TRUMP TO BEAT BIDEN



At this time in 2016, while all of the media and political experts predicted Hillary Clinton the clear winner in the race for the White House, **Trends Journal** publisher Gerald Celente called Trump the winner.

Sticking to his “2020 Top Trend” forecast (predicted in December 2019), “[ELECTION 2020: TRUMP BY DEFAULT](#),” Celente, once again against the media

and “expert” odds, forecast that minus a wild card, Trump would win his second term.

According to an Oxford Economics model touted last week by the media, President Trump would lose this November in a landslide, suffering an “historic defeat” due to economic recession from COVID-19.

“It would take nothing short of an economic miracle for pocketbooks to favor Trump,” they wrote in their report.

According to an aggregate of recent polls compiled by Real Clear Politics in key swing states Michigan, Wisconsin, Pennsylvania, and Florida, which Trump must win, they showed Biden several points ahead.

And, last Thursday, all over the mainstream news was the pronouncement from James Carville, Democratic henchman/strategist and Bill Clinton’s former campaign manager, who said Trump is “a big fat loser, alright. This guy hasn't seen his dick since 1988, he's so fat.” Carville predicts Trump is “gonna get his fat ass beat” in the November elections.

While the polls and Carville claim the sinking economy will sink Trump’s chances to win the White House, we disagree.

For example, Wisconsin, Michigan, and Pennsylvania, three key battleground states for the 2020 presidential election, are headed by Democratic governors. While the polls show Trump will lose to Biden, Celente says Trump will win them. As Celente continues to note, “It’s the economy, stupid.”

Trump will blame the Democratic governors for destroying the economy because they locked down their states, putting people out of work and forcing businesses to go bankrupt.