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23 June 2020

COVID-19 SPECIAL REPORT

WEAR MASKS, GET SICK

As we have long noted, “Dumb Enough to Believe Bush’s Wars, Dumb Enough to Believe the COVID War.”

And “Dumb” they are. Wearing masks has become the new ABnormal.

Throughout the world, streets and stores are filled with masses wearing masks thinking it will keep them “healthy,” while, in fact, scientific evidence shows mask wearing can be dangerous.

Board-certified neurosurgeon Dr. Russell Blaylock, in reviewing 17 scientific studies, found evidence that wearing a face mask for an extended period of time has shown to cause serious health problems:

- “A recent careful examination of the literature, in which 17 of the best studies were analyzed, concluded that, ‘None of the studies established a conclusive relationship between mask/respirator use and protection against influenza infection. Keep in mind, no studies have been done to demonstrate that either a cloth mask or the N95 mask has any effect on transmission of the COVID-19 virus.”

- “The importance of these findings is that the wearing of a mask for prolonged periods of time often causes a drop in oxygen levels (hypoxia) and is associated with an impairment in immunity. Studies have shown that hypoxia can inhibit the type of main immune cells used to fight viral infections called the CD4+ T-lymphocyte. The studies also found an elevation in blood CO2 can cause a health condition called hypercapnia [carbon dioxide toxicity].”

- “There is another danger to wearing these masks on a daily basis, especially if worn for several hours. When a person is infected with a respiratory virus, they will expel some of the virus with each breath. If they are wearing a mask, especially an N95 mask or other tightly fitting mask, they will be constantly rebreathing the viruses, raising the concentration of the virus in the lungs and the nasal passages.”

- “Newer evidence suggests that in some cases the virus can enter the brain. In most instances it enters the brain by way of the olfactory nerves (smell nerves), which connect directly with the area of the brain dealing with recent memory and memory consolidation. By wearing a mask, the exhaled viruses will not be able to escape and will concentrate in the nasal passages, enter the olfactory nerves and travel into the brain.”

According to the National Institutes of Health (NIH), in some cases, mask wearing could be deadly because inhaling high levels of carbon dioxide may be life-threatening. This can also can cause headaches, vertigo, double vision, inability to concentrate, tinnitus (a ringing or buzzing in the ears), seizures, or suffocation due to displacement of air.

“Wearing a face mask makes the exhaled air go into the eyes,” wrote Dr. Antonio Lazzarino, an epidemiologist at University College London, regarding the side effects of face masks. “This generates an uncomfortable feeling and an impulse to touch your eyes. If your hands are contaminated, you are infecting yourself.”

Dr. Lazzarino also said, “Face masks make breathing more difficult. For people with COPD – that’s chronic obstructive pulmonary disease, which causes a decreased airflow – face masks are in fact intolerable to wear as they worsen their breathlessness. Moreover, a fraction of carbon dioxide previously exhaled is inhaled at each respiratory cycle. Those two phenomena increase breathing frequency and deepness, and hence they increase the amount of inhaled and exhaled air.”

According to the Centers for Disease Control and Prevention (CDC), masks “should be routinely washed depending on the frequency of use,” and "Individuals should be careful not to touch their eyes, nose, and mouth when removing their face covering and wash hands immediately after removing,” … which is doubtful most people do.

Hong Kong’s Center for Health Protection says masks should only be worn by those suffering respiratory infection when visiting clinics or hospitals or when taking care of an infected patient.

Dr. Jenny Harries, Deputy Chief Medical Officer for England, has stated, “For the average member of the public walking down a street, it is not a good idea… What tends to happen is people will have one mask. They won’t wear it all the time, they will take it off when they get home, they will put it down on a surface they haven’t cleaned.”

And Dr. Eli Perencevich, a professor of medicine and epidemiology at the University of Iowa’s College of Medicine, told *Forbes*, “The average healthy person does not need to have a mask, and they shouldn’t be wearing masks. There’s no evidence that wearing masks on healthy people will protect them.”

As noted by other health professionals, but absent the junkstream news hysteria, Perencevich said, “They wear them incorrectly, and they can increase the risk of infection because they’re touching their face more often.”

On 21 May, an article published in the New England Journal of Medicine by doctors and medical experts from Harvard Medical School; the Division of Infectious Diseases at Massachusetts General Hospital; Harvard Pilgrim Health Care Institute; and Brigham and Women’s Hospital in Boston, MA, stated:

> “We know that wearing a mask outside health care facilities offers little, if any, protection from infection. Public health authorities define a significant exposure to Covid-19 as face-to-face contact within 6 feet with a patient with

> symptomatic Covid-19 that is sustained for at least a few minutes (and some say more than 10 minutes or even 30 minutes). The chance of catching Covid-19 from a passing interaction in a public space is therefore minimal. In many cases, the desire for widespread masking is a reflexive reaction to anxiety over the pandemic."

While the article concedes that wearing a mask makes many people feel safer, "One might argue that fear and anxiety are better countered with data and education than with a marginally beneficial mask."

On 13 May, the State of California Department of Industrial Relations, Division of Occupational Safety & Health Publications Unit, published the following: "Cloth face covers are not protective equipment and do not protect the person wearing a cloth face cover from COVID-19."

The truth remains there are still many medical authorities advocating the public be required to wear masks in public in order to prevent further spread of the coronavirus.

But as readers of the **Trends Journal** know from the many "Trend Forecasting Lessons" we have published over the years, one must carefully read the language used to determine the deeper truth. Health advocate Peggy Hall analyzed the language in the seven research articles posted on the CDC website, which it claims supports wearing face masks.

Ms. Hall first points out there are no links to the studies provided by the CDC. This raised her suspicion about the strength of the articles. When she found them online, not one clearly confirmed that wearing masks slows the spread, but, instead, they used language such as "more research is needed," "requires further study," "results are unclear" and "pre-symptomatic or asymptomatic transmission modes have not been definitely documented for COVID-19."

Yet, despite no clear epidemiological evidence, as the media COVID Hysteria and political lockdowns accelerated, in early April, the CDC reversed its previous stance that only two groups of people needed to wear them: people who were showing symptoms and people who were taking care of someone who was sick.

FACE MASKS: DANGERS & THE DEMENTED

As we have been reporting continuously in the **Trends Journal** for months, there are no strong epidemiological studies or scientific evidence concluding that healthy people wearing face masks will significantly prevent the spread of the virus.

And the mainstream media, such as *CNN,* which began spreading the COVID Fear and Hysteria from the onset, even admitted (though buried deep in a COVID article on 9 April), that when "we combined the results of these trials that studied the effect of masks versus no masks in health-care workers and the general population, they did not show that wearing masks leads to any substantial reduction of influenza-like illness."

In fact, before they were pressured to bow down and suck up to political powers, just two months ago, the World Health Organization (WHO) "officially" stated, "There is currently no evidence that wearing a mask (whether medical or other types) by healthy persons in the wider community setting, including universal community masking, can prevent them from infection with respiratory viruses, including COVID-19."

The WHO recommends that only health-care workers working with people who have, or are suspected to have, COVID-19 wear special masks, such as the N95 or equivalent.

Dr. April Baller, a health specialist with the WHO stated, "If you do not have any respiratory symptoms such as fever, cough or runny nose, you do not need to wear a mask. Masks should only be used by health-care workers, caretakers or by people who are sick."

Dr. Mike Ryan, Executive Director of the WHO Health Emergencies Programme, said, “There is no specific evidence to suggest that wearing of masks by the mass population has any potential benefit. In fact, there’s some evidence to suggest the opposite in the misuse of wearing a mask properly or fitting it properly.”

In 2010, long before the COVID Fear and Hysteria began spreading, Cambridge University Press reported, “Influenza viruses circulate around the world every year.” They went on to note that “many national and international health agencies recommended the use of face masks during the 2009 influenza A (H1N1) pandemic,” and that “there [is] fewer data to support the use of masks or respirators to prevent becoming infected.”

Absent from all the mandatory mask-wearing rules are the scientific facts that flus and viruses can enter the eyes, travel to the nose, and then go into the respiratory system.

Primarily, we are being told to wear masks because an infected person who coughs, sings, or sneezes can spread the disease with respiratory droplets.

TRENDPOST: *To date, more than 50 nations and some 16 U.S. states mandate wearing masks in public. If the health agencies are recommending wearing masks to prevent catching the virus in a public setting, why is it that people, whether alone or with friends and companions, walking down empty streets or driving in cars with their windows rolled up are wearing masks?*

Why? Because most people listen only to the news channels and the politicians they believe in, swallow their sound bites, and are ignorant and/or closed-minded to the hard facts and data.

Another reason people wear masks is that psychologists say it makes them feel psychologically more protected.

MASKED BY MASKS

For those who remember the TV series “The Lone Ranger,” each episode ended with people saved by the heroic figure to utter, “Who was that masked man?”

There was a reason the Lone Ranger was always virtually “alone”: masks are mostly associated with not wanting to be recognized for who one really is… a bank robber’s favorite.

What else is mask-wearing robbing us of?

Aside from not knowing what a person’s face looks like, and the smile or frown hiding behind it, according to Kathleen Pike, Executive Director of Columbia University’s Global Mental Health Programs, the negative psychological effects of mass mask-wearing are substantial:

- “Joy, anger, fear, surprise, sadness, contempt, disgust. These basic building blocks of emotional experience are written all over our faces… We depend on facial expression to know and understand each other. With physical distancing, increased anxiety, and disrupted routines due to COVID-19, we are primed to seek emotional connection by simply seeing each other’s facial expressions.”

- **“**Masks block a lot more than COVID-19 droplets. We depend on non-verbal behavior, and particularly facial expression, to express ourselves and communicate to others. Those feelings above, and many more, get expressed on our faces. In some contexts, non-verbal communication accounts for the majority of what we understand in our social exchanges. With our faces half-covered, we lose key non-verbal information.”

- “Many young children burst into tears or recoil when someone wearing a mask approaches. It’s so common that some elementary schools prohibit masks at the school Halloween parade. One reason for this is that the development of facial recognition is relatively weak in young children.”

SCARING THE YOUNG, KILLING THE OLD

Little children, far too young to “Think for Themselves,” are now growing up with fear, anxiety, and mistrust of others as part of the new ABnormal. What will their lives be like, going to school, socially distanced from classmates, and interacting in a fear-based culture?

Those in charge are instilling fear among the young despite the odds of their being struck with the disease, or transmitting it, are rare.

In Italy, for example, where the COVID Hysteria first spread into the Western world, the fatality rate among just-born babies to 29-year-olds is zero. For those aged 30 to 39, it’s 0.3 percent; 0.4 percent for those aged 40 to 49; and just one percent for those aged 50 to 59.

Again, by the statistics, it is mostly the elderly and ill – not the young and healthy – who are dying from the virus. Of those aged 60 to 69, 3.5 percent died from the virus, with the numbers climbing to 12.8 percent for 70 to 79 year olds, and 20.2 percent of 80-plus dying from the virus.

In the U.S. according to the CDC, almost 80 percent who died from COVID were age 65 or older, and only 7 percent of deaths were those aged 54 or younger. And, to date, at least 40 percent of the 122,000 U.S. COVID-19 deaths have been elderly from nursing homes.

As we have reported, the percentage is more likely to mirror the estimated 50 percent as in Europe, since U.S. coronavirus death tallies from nursing homes mostly began in mid-May, and not all states and facilities have reported them.

TRENDPOST: *Young people will continue to defy.*

According to University of Toronto psychologist Dr. Kang Lee, it is not until children are around 14 years old that they reach adult skill levels in recognizing faces. "Before then, kids tend to see individual facial features, rather than recognizing the person as a whole. By putting on masks, we take away information that makes it especially difficult for children to recognize others and read emotional signals, which is unsettling and disconcerting," he said.

Dr. Allan Detsky, Professor at the University of Toronto Institute of Health Policy and Department of Medicine, and Dr. Isaac Bogoch, Associate Professor, both noted, "We believe that mask wearing likely provides a very small health benefit, mostly in protecting healthy people from infected people. But a significant benefit of wearing any kind of mask in public is psychological – it gives people a sense of control over the uncontrollable. In that case, we think people should do whatever they want on this issue. If they want to wear a mask… they should do so. If they choose not to wear a mask – the same."

TRENDPOST: *In the must-wear-a-mask societies, there is no freedom to "choose not to wear a mask."*

Unite for Peace and To Restore Freedom Rally

It is the rapid loss of our liberties since the draconian COVID-19 lockdowns rules have been imposed on us that has motivated us to hold our "Unite for Peace and To Restore Freedom" 4th of July Rally in The Crown Garden at John and Crown Streets, in Kingston, New York, starting at 3:00 PM.

In violation of the Constitution and Bill of Rights, our freedoms have been stolen from us by ruling dictators who have made up regulations forcing us to wear masks, social distance, invade our bodies with temperature checks and tracking… and run our businesses to ruin in accordance with their COVID ABnormal mindset.

MAKE IT UP, THEY WILL BELIEVE IT

For four months, we've been fed the Fear to wash our hands often and thoroughly and to use sanitizers after opening doors, packages, and most everything we touch.

As the *Wall Street Journal* reported last week, however, there is now significant epidemiological evidence these measures aren't necessary: "It's not common to contract Covid-19 from a contaminated surface, scientists say."

Yet, this important fact is ignored, and the new ABnormal hand-scrubbing and sanitizer-wiping Fear persists.

Adding more Fear and Hysteria in the sanitizing craze, the Food and Drug Administration (FDA) warned that nine alcohol-based hand sanitizers manufactured by Eskbiochem SA de CV in Mexico contain a toxic substance that could result in death when absorbed through the skin or ingested.

"Consumers who have been exposed to hand sanitizer containing methanol should seek immediate treatment, which is critical for potential reversal of toxic effects of methanol poisoning," the FDA wrote on Friday.

Clearly more deadly to young people who are not dying from coronavirus, the FDA reported, "Substantial methanol exposure can result in nausea, vomiting, headache, blurred vision, permanent blindness, seizures, coma, permanent damage to the nervous system or death."

Going back to the *WSJ* article, it mentioned as well that fleeting encounters with people outdoors are unlikely to spread COVID.

Yet, in our new "United Soviet States of Amerika," We the Little People are banned from having weddings, funerals, parties, concerts, festivals, conventions, trade shows, etc.

It is "COVID Safe," however, to have massive, nationwide protests such as Black Live Matter and Juneteenth with people, including the politicians who banned social gatherings and enforce social distancing, such as Pennsylvania Governor Tom "Puppy Dog" Wolf, to march with them.

And, it is barely reported that following these large demonstrations, there have been no reported "surges" in coronavirus cases: "Virus Are Not Seen After Protests" – *WSJ,* 19 June 2020

But the citizens of Slavelandia must abide by the rules of mask wearing, social distancing, crowd limits, etc. imposed upon them by the dictators in charge.

In fact, most of the COVID-19 cases in New York City were from homebound, locked-down people. New York Governor Andrew "The Executive Order Commander" Cuomo admitted that 66 percent of those hit by the virus were at home before being admitted to the hospital.

The fact they were locked down and well beyond the official social distancing boundaries is also omitted from the daily "stay safe" and "flatten the curve" media scare barrage.

As for social distancing, numbers made up with no scientific data to support them and which are irrelevant outdoors as wind blows in all directions, Professors Carl Heneghan and Tom Jefferson at the University of Oxford advocated the ending of the British government's two meter social distancing dictates, which are crippling the economy.

On review of 172 studies cited in the medical journal *The Lancet*, Professors Heneghan and Jefferson published an article titled, "There's No Scientific Evidence for COVID Two-Metre Rule."

Their research shows that "only a handful of the articles actually studied COVID-19, and they showed proximity had no impact." They also concluded, "Much of the evidence in this current outbreak informing policy is poor quality."

British companies have been voicing concern to the Boris Johnson government to reduce the required social distance from two meters to one, which they say

would significantly help businesses that were forced to shut down to avoid expensive compliance measures when reopening.

Last Tuesday, British retail businesses reported a 41 percent drop in revenues compared to the previous year, and frustrated customers are forced stand and wait two meters apart in long lines outside shops.

MORE SELLING OF COVID FEAR: TINY NUMBERS, BIG DEAL

It was headline news last week. Front pages in newspapers and top Breaking News on TV: COVID-19 returned home to China.

Coronavirus: Beijing spike continues with 36 new cases

Another 36 cases were also recorded on Saturday. The city had previously seen no new cases in more than 50 days. – *BBC*, 15 June

China Reports 28 New Coronavirus Cases in Mainland

China reported 28 new coronavirus cases in the mainland as of end-June 17, 21 of which were in the capital of Beijing, the country's health commission said on Thursday. – *Reuters,* 17 June

China shuts schools and cancels flights as Beijing reports an 'extremely grave' surge in new coronavirus cases

China has imposed new restrictions by shutting schools and cancelling multiple flights after a surge of reported new COVID-19 cases, which has not yet been brought under control.

Beijing had reported no locally transmitted cases for 57 consecutive days until a flurry of cases emerged last week, according to the BBC.

Authorities said there were 31 new infections in Beijing by June 16, according to Reuters, taking the total number of cases in China's capital to 137, the city's worst total since the pandemic was initially brought under control in March. – *Business Insider*, 18 June

TRENDPOST: *As we illustrated on our 28 January 2020* ***Trends Journal*** *cover, at the onset of when the media started selling COVID Fear, we questioned why this was big news when just 106 people died in China with a population of 1.4 billion people.*

From the start of the Fear and Hysteria, we questioned why: why wasn't there mention of the fact that an estimated 1.8 million Chinese die from pollution every year, according the South China Morning Post?

Why is it major headline news of a mere 137 new cases and no virus deaths in heavily polluted Beijing, a city of 21.5 million people, which equals the grand total of 0.0006 percent?

Why are China COVID-19 cases being trumped up as a pandemic crisis when only 4,634 people, or just 0.00033 percent, of the population died from the virus this year?

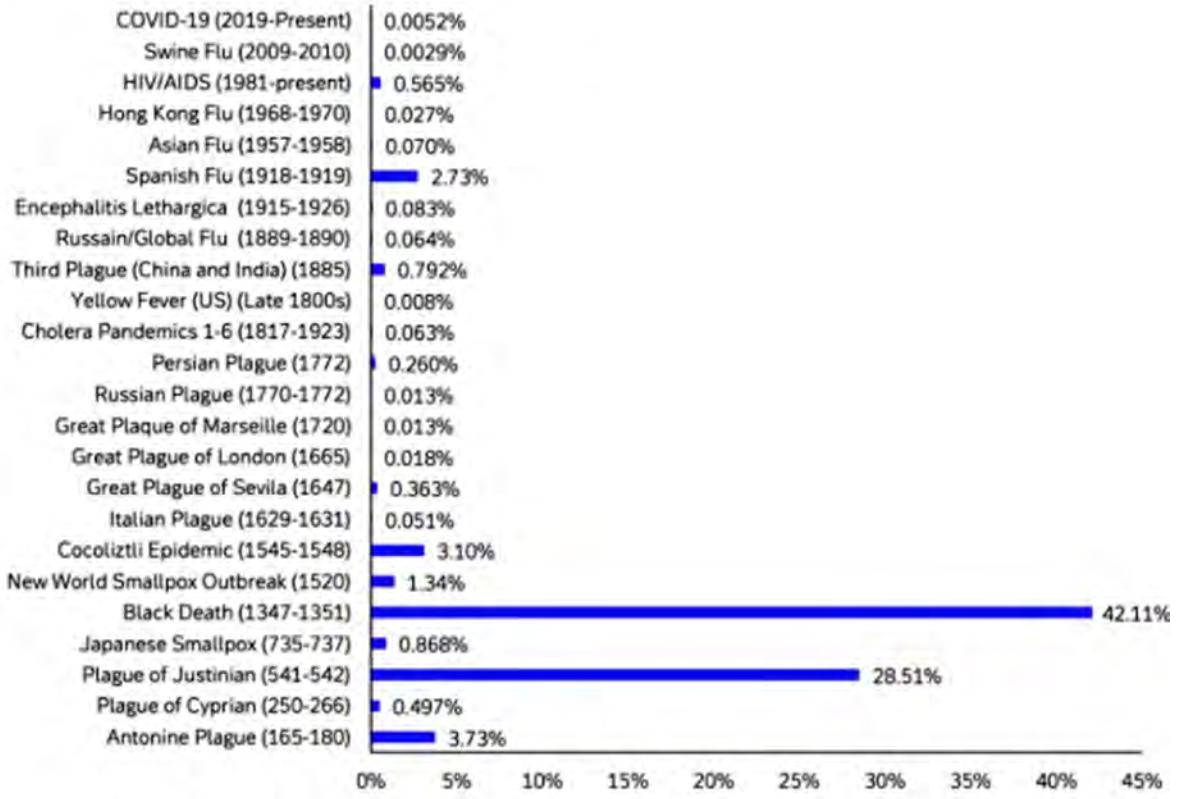
Following the China episode, now the big U.S. news is the spiking cases (not spiking death rate) of COVID-19 in some U.S. cities. It should be noted

Beyond the United States, totally absent in the hysteria coverage from the New York Times and other news sources was how they disparaged Belarus when the country did not lock down or close down businesses when the virus pandemonium broke out in early March.

To date, some 355 people died in Belarus of a population of 9.5 million, or 0.00369 percent. And, as with most cases, they were reportedly elderly, obese, Type 2 diabetics, and people suffering from other chronic illnesses.

Moreover, with all the COVID hype, ignored are the facts that when compared to other viruses and flus, COVID-19 has killed far less than other outbreaks. Yet, the global economy has been locked down and destroyed.

Figure 1: Estimated death toll of pandemics as a percentage of global population



Source : Deutsche Bank, Federal Reserve Bank of San Francisco, wikipedia.org/wiki/List_of_epidemics and various online references within, OurWorldinData
Updated through 8 June

FORGET THE FACTS: MAKE UP RULES

As we have continued to report, name the city, state, or nation – there are new rulebooks of Pandemic Behavior being made up as we go along by the rulers-in-charge.

Manila, Philippines: Restaurants are allowed to reopen – but only at 30 percent capacity. Restaurant owners must make sure all employees wear masks and have their temperature taken.

Making up their own social distancing rules, "Under the new normal, customers at a table must sit diagonally in order to observe physical distancing and the management should implement the 'no mask, no entry' policy."

Like the other list of absurd and draconian regulations, customers are permitted to eat and drink with no mask but must put them back on when they stand.

To date, some 1,177 Philippines have died of the virus of a population of 109.6 million, or 0.00107 percent.

As with all the COVID Fear and Hysteria hype, never a mention of all the other ailments that are killing people around the world at much higher rates, such as air pollution, tuberculosis, smoking-related diseases, obesity, starvation, etc.

According to international aid agency Save the Children, which recently released a report titled "Lives Cut Short," more than 85 children die in the Philippines every day from starvation.

London, U.K.: The government is pressuring West End theaters to ban singing when England's "Broadway" district reopens. One of the world's most successful show composers, Britain's Lord Andrew Lloyd Webber, displayed his

ability for sarcasm when he said he was not impressed after speaking with government officials about rules for reopening including “one of which is a brilliant one for musicals, which is that you are not allowed to sing.”

Lord Andrew Lloyd Webber’s record-breaking show “The Phantom of the Opera” has been running in Seoul, South Korea with several hygiene practices in place. While theater goers’ temperatures are automatically taken by an infrared camera before entering, the seats are not socially-distanced apart, and, as Mr. Webber has tried to point out to London officials, there has been no indication that sitting in close proximity has caused any increase in spread of the virus.

The U.S. Food and Drug Administration has issued a new video recommending that owners of dogs and cats keep their pets at a required six-foot social distance. The video states, “Though it doesn't seem like animals can give you the virus, it appears you can give it to them. So, if you're sick, avoid direct contact with your pets. If possible, have someone else care for them until you’re well again.”

Selling Fear, the American Veterinary Medical Association issued a warning that dogs, cats, and some other animals can be infected with coronaviruses, including COVID-19.

Their fear mongering is “based on the limited information available to date, the risk of animals spreading COVID-19 to people is considered to be low.”

California: Gavin Newsom was the first governor to shut down the state’s economy. Now, movie theaters and gyms can reopen but with significant restrictions, and places of religious worship can only allow 25 percent capacity for any service or up to 100 people. Most of the state parks and campgrounds are still closed.

Governor Newsom is requiring all people to wear face masks in public because “simply put, we are seeing too many people with faces uncovered.”

There is good news, however: The Supreme Leader of CA is permitting restaurant customers to eat and drink without wearing masks… and children two years old and under are allowed, in the largest state in the “United Soviet States of Amerika,” to not have to wear a mask in public.

Ohio: Casinos are now open but are permitted no more than 50 percent capacity and no poker tables or live events are allowed.

At the “Hard Rock Casino Cincinnati,” all guests must have temperature checks before entering and must wear masks, thousands of slot machines will be turned off to help maintain social distancing, and plexiglass dividers will separate players at table games.

The National Football League Players Association issued a warning on Saturday against players training together during private workouts because some states have seen a rise in COVID-19 cases. (Note: according to WebMD, the recovery rate from the coronavirus is estimated to be between 97 to 99.75 percent)

TRENDPOST: One our Top Trends for 2020 was “New World Disorder.” *We had been reporting in the* ***Trends Journal*** *the months-long street protests in 2019, with tens of millions taking to the streets to demonstrate against government corruption, violence, crime, and lack of decent living standards.*

All that came to an abrupt halt when governments declared the COVID War and locked down their nations.

Health authorities (“government bureaucrats”) around the world legitimized the rhetoric of political leaders eager to shut down the protests, citing public health reasons.

As noted above, however, new testing data is revealing that there has been no evidence of a spike in virus contagion from mass gatherings.

For example, in U.S. cities where large protests took place after the police murder of George Floyd and demonstrators clearly broke the social distance orders, there wasn’t a sharp increase of virus cases.

In Minnesota, where Mr. Floyd was killed and large riots broke out, testing of those participating in demonstrations showed no indication it led to greater contagion.

“We’re delighted that we are not seeing a huge increase in cases,” noted Kris Ehresmann, director at the Minnesota Department of Health.

In New York City, the global epicenter of COVID-19 and site of massive protests over George Floyd’s death, the percentage of positive tests for the coronavirus has stayed below 3 percent since early June. Health authorities in Chicago and Seattle, scenes of large protests, have not reported any increase in COVID-19 cases.

It should also be noted that health authorities worldwide have been cautioning against group singing as it might spread the virus. Obviously, many of those protesting the murder of George Floyd were shouting loudly and frequently. And not all were wearing masks.

So, once again, what we are being told to do and why we should do it to fight the politicians' COVID War not only makes no sense, but by the facts and data proves contradictory… yet the draconian rules are still imposed upon us.

LONELINESS LOCKDOWN BLUES

As we have noted from the outset of the COVID War, the politicians, with their rules and regulations, have sucked the joy out of life.

And the people are feeling it.

Human beings are hard-wired through evolution to work in groups and socialize. Yet, in America, a loneliness trend has been growing recently. As reported by Erin Carson on c/net, research by health care insurer Cigna showed over half of 20,000 U.S. residents contacted were feeling lonely.

A year later, that number increased to over 60 percent. And the group hit hardest by the loneliness trend has been Generation Z when compared to Boomers, Gen X, and Millennials.

Loneliness is a serious health issue. In 2018, the medical journal *The Lancet,* commenting on the threats of feeling isolated, stated, "Imagine a condition that makes a person irritable, depressed and self-centered, and is associated with a 26 percent increase in the risk of premature mortality."

Now in the grip of a fear-driven coronavirus shutdown, with mainstream media pumping out scare-tactic scenarios despite lack of hard scientific evidence, the health consequences of loneliness in America are accelerating.

When isolated from group activities during particularly stressful times, such as now, people suffer more with sleep disorders and weight control.

With the COVID-19 pandemic and the unprecedented shutdown of the global economy and anxiety-ridden restrictions enforced by political leaders as they flounder with the task of reopening an entire society, loneliness is an even greater threat.

A study published on 14 March in *The Lancet* reviewed the psychological effect of extended quarantines during past viral outbreaks. "Most reviewed studies reported negative psychological effects including post-traumatic stress symptoms, confusion and anger. Stressors included longer quarantine duration, infection fears, frustration, boredom, inadequate supplies inadequate information and financial loss." The studies were conducted across ten countries.

Today, we are getting updated reports of the loneliness factor to include the current pandemic including the 14 May article in the *International Journal of Social Psychiatry,* "Social Isolation in COVID-19: The Impact of Loneliness."

Among some of the key points made by it authors, Drs. Debanjan Banerjee and Mayank Rai:

- "The timelines of this pandemic being uncertain, the isolation is compounded by mass panic and anxiety. Crisis often affects the human mind in crucial ways, enhancing threat arousal and snowballing the anxiety. Rational and logical decisions are replaced by biased and faulty decisions based on mere 'faith and belief.'"

- "This important social threat of a pandemic is largely neglected. Mass hysteria has acquired a frantic pace and people's hope and aspirations are taking a merciless beating."

- "Individuals are waking up every day wrapped in a freezing cauldron of social isolation, sheer boredom and a penetrating feeling of loneliness."

Unhappy Americans

According to a poll conducted by the National Opinion Research Center (NORC) released last week, Americans experience less happiness today than at any time over the past 50 years.

The number of Americans who feel lonely has doubled since the previous survey just two years ago.

The poll reveals only 14 percent of American adults say they're very happy, a dramatic drop from 31 percent in 2018.

The NORC poll was taken in May and includes research extending over the past five decades. The American public overall has lost all confidence that the basic standard of living will improve for the next generation.

Among the biggest concerns is lack of companionship. Twice as many reported being lonely and in need of companionship than in 2018.

The data keeps getting more and more troubling. According to a report from the Census Bureau published in late May, one out of every three Americans is experiencing clinical levels of anxiety and depression due to the coronavirus pandemic. Some of the findings:

- Almost 25 percent of respondents showed signs of "major depressive disorder."

- Severe symptoms of emotional distress were highest among young people, women, and low-income individuals. Among the 18 to 29-year-old age group, almost half reported symptoms of anxiety and depression.

TRENDPOST: *With most people dying from the virus in their late 70s and 80s, among young people, COVID is an "old people's problem" – not theirs.*

Gen Z and younger Millennials will be the rebels who will not be drafted to fight the COVID War. Advertisers selling products and services to this sector would be wise to understand their needs and emotions that are currently being neglected.

WELCOME TO “GENERATION LOCKDOWN”

Baby Boomers, Generation X, and Millennials all have had their stresses and challenges, but none had to come of age during an unprecedented global shutdown.

In Europe, the new generation born just before and after the year 2000 is now being referred to in some circles as “Generation Lockdown.”

While it’s well documented that over 40 percent of all COVID-19 deaths have been the elderly (in the U.K., around 75 percent of those who died have been over 75 years old), it’s the younger generation suffering the greatest economic pain.

Based on data provided by the International Labor Organization (ILO), more than one out of every six aged 18 to 29 are not working since COVID-19 hit this year. And even those who’ve kept their jobs have seen their hours drop by almost 25 percent. The situation for this generation is bleak around the world as data shows more than four in ten people in the 15-to-24 age group are currently employed in job sectors hit hard by the pandemic.

Countries in southern Europe have been hit the hardest. Youth unemployment in France, Spain, Italy, and Greece are all at levels higher than anywhere else on the continent. One reason is the importance of tourism.

The European Central Bank has issued an analysis predicting unemployment to surge to over 12 percent by 2021, which calculates to some seven million additional jobs lost.

Given the bleak economic situation caused by the shutdown, this young generation, already on the financial edge from the 2008 mortgage meltdown, is suffering from emotional issues, particularly depression.

The European research and public health institute Sciensano published a report last April showing the number of young people aged 16 to 24 feeling depressed has tripled for women and quadrupled for men. The study had over 44,000 respondents.

The lead director of the survey, Stefaan Demarest, said the depression levels also rose in other age categories. He said, “But they are most pronounced among young people. They went to school, saw friends or went out. This is now all coming to an abrupt end.” He referred to the rising levels of depression among young adults as “a gigantic upsurge.”

COVID DISCRIMINATION

According to a report by the CDC, African-Americans and Latinos have been dying from COVID-19 at significantly higher rates. While blacks comprise just 13.4 percent of the U.S. population, they represent 22 percent of overall infections.

Latinos comprise 18.3 percent of the total population, yet they represent 33 percent of infections.

White Americans make up 76.5 percent of the population, but represent only 36 percent of total infections.

Senator Kamala Harris responded to the data: “The disproportionate impact that COVID-19 has had on people of color is staggering.” She pointed to “disparities in access to health care, systemic barriers to affordable housing, an environmental injustice that existed long before the pandemic. The federal government must be proactive in righting these historical wrongs.”

TRENDPOST: *Totally absent from the junkstream media and politicians, such as Ms. Harris, in the four months of COVID Pandemonium is* ***any major discussion*** *of how health matters. By the data, people with strong immune systems are not the victims of the virus.*

As we have noted in the ***Trends Journal****, African Americans often live in low income, polluted areas and suffer from obesity and diabetes, which, according to the data, are chronic conditions highly susceptible to COVID-19.*

According to the U.S. Health and Human Services (HHS), African American women have the highest rates of obesity or being overweight compared to other groups in the United States. About four out of five African American women are overweight or obese.

HHS also notes that African American adults are 60 percent more likely than non-Hispanic white adults to have been diagnosed with diabetes, and they are twice as likely as non-Hispanic whites to die from diabetes.

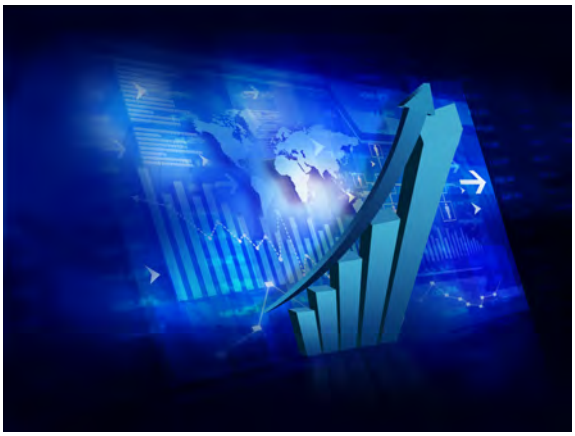
As for Hispanics, health also matters. For example, unlike the U.S. and Europe where most of the virus deaths are elder in nursing homes and people in their late 70s and 80s, in Mexico, nearly half of the virus deaths are between 45 and 65.

“Many of our middle-aged population develop health problems like diabetes far earlier, and that puts them at risk,” said Eduardo González-Pier, a former deputy health minster in Mexico who was quoted in the Wall Street Journal *article, “Virus Hits Younger People More in Poor Places.”*
They noted that four in ten people who died in Mexico from the virus had hypertension, some four out of ten were diabetics, and a quarter overweight.

Overall, 70 percent of Mexicans are overweight and 15 percent are diabetics.

ECONOMIC TRENDS UPDATE

U.S. MARKETS



As we have made abundantly clear in the **Trends Journal** with copious facts and figures, the rise in the equity markets on Wall Street have no correlation to the dire economic conditions that have hit Main Street.

We have been reporting since last year, when the Federal Reserve pumped some $7 trillion into the repo markets so trading houses could get cheap money to gamble, that by their deeds, the markets are rigged.

And now, in response to the destruction of the economy by the lockdowns, equities are being artificially propped up by Washington and the Feds with the zero interest rate policy, quantitative easing, and other money pumping schemes undreamed of that are anathema to capitalism.

The facts are clear. With the S&P 500's trailing price-to-earnings ratio at 21.61, the markets are extremely overvalued.

According to *CNBC*, the forward S&P 500 PE ratio, which is measured using earnings estimates for the next 12 months, has jumped to 22.18, near its highest levels in almost two decades.

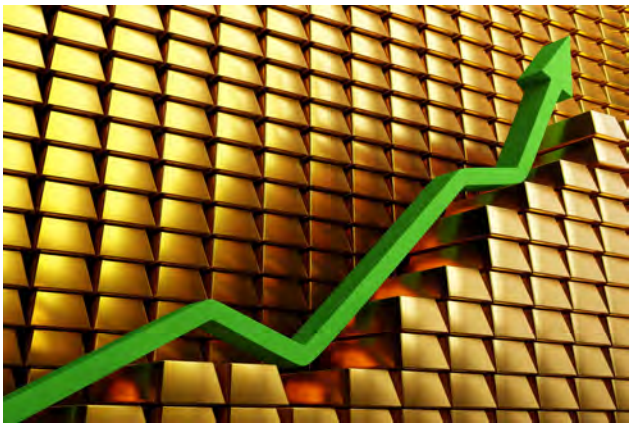
Yes, the S&P PE ratio trading near its highest levels in almost two decades at a time when businesses have been locked down and over 40 million Americans out of work. And now, with businesses being allowed to reopen with massive restrictions, i.e., capacity limits, social distancing, mask wearing, etc., it is unfathomable that equities are rising as profits are forecast to collapse.

Rarely, if ever, has the mainstream business news reported on the concerts, festivals, conventions, trade shows, etc. – and all those who make a living from them – that are now down and out.

Instead, they focus on the strength of tech stocks… and the markets keep hitting new highs.

Today, the Nasdaq hit another record high and the Dow climbed 131 points.

GOLD SHINES, DOLLAR DIVING



As **Trend Journal** subscribers well know, we were the first to call the "Gold Bull Run" a year ago when gold was trading at $1,332 per ounce.

Today, gold hit its highest level since October 2012, up $17, closing at $1,770 as the dollar descended.

After the U.S. government went some $3 trillion deeper in debt this year and with the Fed pumping tens of trillions of digital dollars backed by nothing and printed on nothing into equity markets and corporate bank accounts, it was only a matter of time before the dollar dive would accelerate.

In this issue, Gregory Mannarino's article, "U.S. Dollar to Fade Away" further articulates the why, when, and where the dollar is going.

TREND FORECAST: *Gold, now at $1,770, is solidifying well above our $1,740 per ounce breakout point. Thus, we maintain our forecast that gold will spike above $2,000 per ounce.*

When gold breaks above $2,000 per ounce, we forecast a sharp rise in silver prices as well as investors seek safe-haven assets.

For younger and more speculative investors, Bitcoin will remain their alternative to precious metals, thus pushing that price higher as well when it solidly breaks above the 10,000 mark.

As the dollar declines, other than big-time gamblers artificially beating another currency up, there are no alternatives to replace the dollar as a safe haven currency, since no country will be spared the "Greatest Depression" disaster.

The deeper economies fall, the more nations will do to artificially prop them up with both monetary and fiscal stimulus. Thus, the deeper countries go in debt, the further their currency will fall.

And, as per one of our recent forecasts, "Dragflation," as economies drag downward and currencies decline, inflation will rise. While prices of goods and services will not rise, as currencies fall, it will take more dollars, yen, yuan, euros, pesos, etc., to buy them.

***TRENDPOST:** Financial advisors to the world's top wealth-owners are urging them to put more assets into gold.*

The advice is based on the separation of U.S. stock markets from financial realities, the uncertain pace and future of a global economic recovery, and the impact of the deluge of cheap cash that central banks have poured into national economies.

Before the global lockdown, most advisors were telling rich clients to ignore gold.

Now financial stewards are redirecting as much as 10 percent of clients' wealth into gold as central banks' stimulus programs drive down bond yields and raise the risk of inflation in the medium to long term.

ON THE OIL FRONT

Brent Crude continues to climb above the $40 a barrel mark as the OPEC+ team and U.S. companies cut back on production while consumption is increasing.

U.S. oil production is likely to fall by 50 percent over the next 12 months, according to an 18 June analysis published by Oilprice.com.

The number of oil and gas drilling rigs in the U.S. fell to 165 in June, rivaling the lowest number in 20 years, and will continue to fall through the summer, the report predicted.

Part of the reason for the sharp drop-off in U.S. production is that shale wells account for most of the country's oil output. Shale wells' oil flow drops by an average of 27 percent per year. Therefore, 500 to 600 rigs need to be working full-time to replace that annual production decline, the Oilprice report calculated.

The time needed to contract for a drilling rig, move it into place, rig it up, drill a well, and get it ready to produce takes as long as 12 months, especially for shale wells that have dominated U.S. oil production for the last decade.

With a slow economic recovery and a lingering surplus of crude, there is little appetite or capital among oil companies to undertake new projects, especially risky exploration for new reserves.

The near-record low rig count and long lead times to a well's production "mean that production declines cannot be expected to reverse until well into 2021," the report said, but even that time frame is optimistic "because of constrained budgets and low oil prices."

The study forecasts that U.S. oil production will rebound to no more than about eight million barrels a day by mid-2021, about one-third less than its November 2019 peak.

“Assuming there was infinite capital available to add rigs and drill wells, it would take several years to increase rig count to levels needed to maintain 2019 output levels,” the study concluded.

TREND FORECAST: *Minus a wild card event, such as wars, or fears of them, in the Middle East, we forecast weak global economic growth will have Brent crude trading in a $50 per barrel range.*

Should war(s) break out in the Middle East and prices escalate beyond $80 per barrel, it will devastate the already sinking global economy.

JOB GROWTH WILL BE SLOW AND UNEVEN, FED CHAIR WARNS

The return of U.S. jobs will be slow to permeate all sectors of the economy and likely to leave low-wage workers to suffer longest if the shutdown lingers, warned Jerome Powell, chair of the U.S. Federal Reserve System, in 16 June testimony to Congress.

The shutdown cost jobs among African Americans, Hispanics, and women more than among white men, Powell noted. If that trend “is not contained and reversed, the downturn could further widen gaps in economic well-being that the long expansion had made some progress in closing,” he said.

The return of jobs to their pre-pandemic levels will take a long time, Powell emphasized.

“I think there are going to be an awful lot of unemployed people for some time,” he said. “Even if we start putting people back to work really fast… there are still going to be plenty of people who don’t have jobs and that may not have them for a while because there are no jobs in travel, accommodation,” and other areas especially damaged by the shutdown.

The economy added 2.5 million jobs in May, according to the U.S. Bureau of Labor Statistics, but by 20 June more than three million people filed new claims for unemployment in the month, according to the same agency’s figures.

A slow recovery will be especially damaging for small businesses, which already are at “acute risk” from the shutdown’s effects, he stressed.

A full economic recovery is unlikely until the public is convinced the COVID virus is contained, Powell said.

Breaking his habit of not endorsing specific legislative policies, Powell told Congress that any economic recovery might be jeopardized if lawmakers ended support payments to individuals and businesses abruptly.

“It would be a concern if Congress were to pull back” too quickly “from the support it’s providing,” he warned.

“I would say that there’s a reasonable probability that more” stimulus money “will be needed, both from you [meaning Congress] and the Fed,” he said.

Two former Fed chairs, three economists who served in presidential administrations, and more than 100 other economists have formally called on Congress to enact additional aid, saying it was needed if the economy is to recover expeditiously from the shutdown’s impact.

House Democrats are pressing for another round of stimulus spending while Senate Republicans are unable to agree on how such spending should be structured or whether it is needed at all.

Fed officials have said they expect to leave interest rates near zero through 2022; Powell has projected U.S. unemployment to still be at 9 or 10 percent by 2021.

TREND FORECAST: *We note that since the 1987 stock market crash, the Fed always has championed the “fundamentals of the economy are sound,” line to keep equity markets from falling.*

Thus, the Fed loudly warning of the economic dangers ahead signifies the reality of our forecast that the "Greatest Depression" has begun.

INVESTORS GOING BIG INTO CASH

While equity markets are hitting new highs, a lot of the big money players, fearful of the risks, are going into cash.

Assets in U.S. money market funds have reach $4.6 trillion, according to analysis firm Refinitiv Lipper, exceeding the $3.8-trillion level reached during the Great Recession.

About $1 trillion has been added this year alone.

Despite stock markets' meteoric recovery since the economic shutdown's early days, the number of investors in the market is among the lowest in ten years, according to Deutsche Bank.

Some investors fear stock markets have soared too far too fast and will correct; others are not playing the market but keeping ready cash to put into specific attractive buying opportunities, observers say.

Investors are flummoxed by stock markets' volatility; the S&P has zoomed up 40 percent from its March low, then sank almost 6 percent 18 June and bounced wildly on the following two trading days. It has been trading at close to 22 times expected earnings, a price-to-earnings gap reminiscent of the 1990s' dot-com bubble.

Also, markets' "irrational exuberance," as Alan Greenspan once called it, in the face of an economy sliding into depression gives investors pause.

TRENDPOST: *Another red flag: even as markets soar, hedge funds and other big speculators have been taking bearish positions on stocks at a rate not seen since 2016*.

U.S. BANK PROFITS FALL ALMOST 70 PERCENT IN FIRST QUARTER

With the Wall Street line and political hype of the economy rebounding, barely mentioned, and mostly hidden, is the fact that U.S. banks' profits in the aggregate fell 69.6 percent, down to $18.5 billion, from the quarter a year previous, the Federal Deposit Insurance Corporation reported.

Half of all banks reported falling profits and 7.3 percent of the institutions reported losing money.

The downtrend continues.

"Deteriorating economic activity" prompted banks to write off bad debts and set aside billions to offset possible additional losses in the months ahead, the F.D.I.C. noted, as millions of unemployed workers burn through savings and federal stimulus money and are left unable to pay bills.

Banks wrote off 15 percent more loans in the quarter than a year earlier, driven largely by an 87-percent increase in commercial and industrial loans that were scratched off.

TRENDPOST: *Across the pond, HSBC Holdings, parent company of the world's seventh largest bank, will trigger its plan announced in February to cut 35,000 jobs.*

The cuts were postponed in March as "all hands on deck" were needed to keep the company functioning during the global economic shutdown.

The company reaffirmed its plan to sell its French banking division and halve its U.S. investment banking business, including closing about 70 of its 229 U.S. offices.

The job cuts and change of focus were "always a question of not if, but when," CEO Noel Quinn wrote in a note to employees. "The measures we announced in February are even more necessary today."

HSBC's $1.79-billion first-quarter profit this year was 57 percent below that of a year earlier and resulted, in part, from a $3-billion reserve the bank set aside to cover loans that might have gone bad during the economic lockdown.

HSBC has supported China's new civil liberties restrictions on citizens of Hong Kong, which has created controversy in Europe and the U.S. China and Hong Kong are the bank's two main profit centers.

MORE THAN $100 MILLION IN LOANS GOING UNPAID

Americans have missed or skipped payments on more than $100 million in loans since 1 March.

About 106 million installment loans were enrolled in formal deferment, forbearance, or relief programs on 1 May, about triple the number on 1 April.

Roughly 79 million student loan payments went unmade on 1 May, up from 18 million a month earlier. Auto and personal loans in trouble doubled to 7.3 million and 1.3 million, respectively.

Capital One Financial Corp. reported that 2 percent of loan recipients were in formal payment deferment programs by 1 June, double the number in mid-April.

The federal bailout law passed in March allows student loans to go unpaid through September 2020 without penalty and homeowners to ask their mortgage lenders for permission to pause their payments for up to 12 months.

TREND FORECAST: *COVID Fear is still running very deep in the hearts of mask-wearing, crowd avoiding, hand washing, socially distancing Americans.*

Restaurants and retailers add to the Fear with warning signs of what to do and how to do it.

This is from a restaurant in New York that has recently reopened:

> "Waves are the new handshakes and hugs! While we've missed your hugs, we're adhering to the following guidelines to keep you and our staff safe and healthy:
>
> - Please wear your mask on entering and any time you leave your table.
> - Maintain 6 feet of social distancing.
> - Practice good hygiene – wash and sanitize hands.
> - If you're not feeling well, please do not come in – plan to visit us another time."

No hugs, no kisses, no handshakes, no socializing… no meeting new people. Thus, with countless new regulations in place and various reasons people go to

restaurants gone, profits will fall, pushing restaurants, in addition to many other service sectors, out of business.

Again, clearly, Wall Street's equity markets rise has no correlation to the realities on Main Street.

HOUSING WOES

More than 52 percent of U.S. homeowners currently worry about their ability to continue making mortgage payments, and 47 percent have considered selling their homes because they might be unable to afford mortgage payments in the future, according to a survey of 2,000 households conducted by OnePoll and the National Association of Realtors.

About 81 percent responding said they had suffered unexpected financial distress resulting from the economic shutdown and 56 percent admitted reducing spending in other areas so they could continue to pay their mortgages.

Among the cuts, 71 percent of people spent less on clothes, 66 percent cut down on take-out meals, and 45 percent reduced their outlay for groceries.

Also, 47 percent of people surveyed said they have explored alternative ways to make money, 66 percent started side projects for extra income, and 53 percent have sold valuables to raise cash.

About four million U.S. homeowners, holding 7.54 percent of outstanding mortgages, have entered formal programs to delay or reduce their payments.

In the aftermath of the economic shutdown, the number of mortgages in arrears will surpass that reached during the Great Recession, according to an Oxford

Economics analysis. The firm has forecast a coming “tidal wave” of mortgage defaults.

Home Sales Crater

U.S. home sales dropped in May at an annualized rate of 26.6 percent, the biggest drop since 1982 and the slowest sales pace since October 2010 during the Great Recession.

Single-family home sales dropped 9.4 percent from April’s volume; condominiums were off 12.8 percent month-to-month.

From April to May, sales fell 8 percent in the South, 10 percent in the Midwest, 11 percent in the West, and 13 percent in the Northeast.

Sales were hobbled not only by the millions of jobs the economy lost but also from uncertainty about the future on the part of both buyers and potential sellers.

The number of houses for sale across the country numbered 18.8 percent fewer compared to May 2019.

Sales were brisk among lower-priced homes but slowed the farther up the price scale the properties were.

The median price of homes sold in May was $284,600, up 2.3 percent from May 2019 but the smallest annual rise since February 2012.

Manhattan Rentals Falling

Apartment rents in Manhattan are falling in parallel those in the San Francisco Bay area.

As companies allow white-collar employees to work from home, workers are abandoning pricey urban apartments for cheaper digs farther from downtown. Landlords, in turn, are cutting rents as they scramble to fill their empty flats.

Manhattan’s apartment vacancies stand at a 14-year high and new renters are negotiating monthly payments more than 8 percent below the asking price, according to RealPage, which makes property management software.

At the same time, sales of suburban homes close to the New York City metro area are brisk.

Other high-growth economic hubs, including Atlanta, Charlotte, Nashville, and Orlando, are seeing apartment vacancies above 5 percent.

In 11 of 27 other high-growth urban centers, rents have declined in the last month. In Seattle, Austin, and other areas where apartments are hard to come by, the pace of rent growth has eased.

TREND FORECAST: *The* ***Trends Journal*** *was the first source to warn of declining real estate prices and rentals when the U.S. lockdowns began.*

Major cities, such as Manhattan, are a shadow of themselves, and with more people working at home and fear of human contact still engrained in the minds of the masses, we forecast dramatic falls in real estate prices.

The big Gen Z and Millennial trend, "FOMO" (Fear of Missing Out) has now been replaced by "FOHC" (Fear of Human Contact).

Moreover, with tourism all but dead, less foreigners investing in U.S. real estate… more people working at home and others leaving densely populated big cities for small ones (a trend we had forecast four months ago), big cities will shrink in population and real estate prices will sharply decline.

Crime will also rise. As Gerald Celente has long said, "When people lose everything and have nothing left to lose, they lose it."

SAN FRAN OFFICE SPACE BEGGING FOR TENANTS

Again, as we had forecast, it is now reality. About 56 percent fewer tenants are seeking office space in San Francisco, and 32 percent fewer in neighboring Silicon Valley, from February through May this year compared to last, said CBRE, a commercial real estate firm.

The economic shutdown has forced companies to trim their budgets and seek cheaper rents farther away from downtown. Also, the shutdown relocated many workers to their homes, leading companies such as Google and Facebook to discover that the arrangement would work well permanently.

Uber, Airbnb, and some other Bay-area tech darlings that had been fast-growing have now announced major layoffs, which means shuttering office space.

About 30 percent of San Francisco's office space is now being offered to sublet, according to research firm CoStar, the highest rate of available subleasing space in the U.S.

Also, Juul Labs, the e-cigarette maker, has announced plans to quit the city and PG&E Corp., the region's chief energy provider, is moving to Oakland after a century in San Francisco.

"It's likely [more] sublease space will continue to hit the market in the year ahead," CoStar noted in a recent report.

SMALL BUSINESS CITY BLUES

New York City's small businesses, 62 percent of which employ five or fewer workers, account for more than three million jobs, city data says.

Neither the city nor state, however, has proposed a plan to help these businesses recover from the economic shutdown.

The greatest problem for most of the businesses is an inability to pay back rent. About 64 percent of ground-floor retail tenants missed their May rent payments, a recent survey of landlords found.

Those delinquent include 46 percent of Brooklyn's businesses, a Brooklyn Chamber of Commerce survey found; another survey showed that 87 percent of bars and restaurants failed to pay rent last month.

A slow recovery, with mandated social distancing inside stores and restaurants, could mean the businesses would never generate enough income to pay off their back rent, utility bills, taxes, and other fixed costs.

"The scale of this crisis simply requires the resources of the federal government," said Jonnel Doris, commissioner of the city's Department of Small Business Services, at a recent City Council hearing.

New York's state government has offered no formal aid program specifically targeting the city's small businesses.

The mayor's office brought in some $65 million in aid in relief money from private donors and non-profits, but it's estimated the city's small businesses will need at least $1.5 billion in help to survive.

"We are definitely going to lose a lot of them, regardless of how much we do, because some were on thin ice during an era of prosperity," said Kathryn Wylde, CEO of Partnership for New York City, a business lobby. "They are not going to survive, no matter what anybody does."

TRENDPOST: *Once again, what is now being confirmed by the politicians, business groups, and the general public was forecast in the* ***Trends Journal*** *at the onset of the lockdowns. It is important to also note that at this time, most of society is still living in Fear of dying from COVID-19. Thus, their vision of the future is blinded by their insecurities and lack of hard facts and scientific data.*

HOME-BUYING FRENZY GRIPS SUBURBS

You read it first in the **Trends Journal**. Now it's mainstream business news. And it's happening right here, at the home of the Trends Research Institute, in New York's Hudson Valley.

Four exurban regions around New York City showed increased demand for homes relative to supply from March through May compared to a year previous, reports UrbanDigs Analytics, a real estate research firm.

Home buyers are snapping up houses in NYC's far suburbs, with homes selling – sometimes unseen – within days, and sometimes hours, after coming onto the market.

Over eight recent weeks, Catskill Farms, a home builder in the region, sold six homes before they were built. The company normally completes 12 to 18 homes a year. Owner Chuck Petersheim reports now getting five or six calls a day from prospective buyers instead of the usual one.

The barrage of interest has come from people concerned about a second COVID wave and looking for a place outside of urban centers, analysts say; they have moved up their planned purchases in case politicians impose new lockdowns later this year, preventing people from shopping for or moving into new homes.

Other buyers who have been interested in second homes in the exurbs have been spurred by the pandemic to secure places to shelter away from the city if the virus returns.

Last month, searches for homes in the ‘burbs rose 13 percent, doubling the search rate in urban areas, according to Realtor.com, a national home search site.

TREND FORECAST: *According to media reports, at the same time people are fleeing New York City, analysts being quoted are saying demand for homes there remain steady despite many companies now permitting employees to work at home.*

Trends are born, they grow, mature, reach old age, and die.

The leaving big city trend was born before the COVID Panic struck, as many people could no longer afford the high prices and/or were leaving cites that were losing their luster.

Thus, the big city exodus will accelerate as economic conditions deteriorate, unemployment rises, business close down and others relocate to cheaper regions with lower taxes… and crime escalates.

HOTEL SHUTDOWNS COSTLY

More than just jobs are being lost as a result of the U.S. lockdown. State and local governments will collect $16.8 billion less in taxes this year because hotels were closed during the shutdown, according to a report by Oxford Economics.

But the tax dollar loss is indeed much greater. The study does not consider tax revenue lost from other local spending by hotel guests, such as at restaurants, tourist attractions, and shops.

California will lose $1.9 billion, New York and Florida $1.3 billion each, Nevada $1.1 billion, and Texas will be out $940 million, the study said.

The shutdown laid off about 70 percent of the lodging industry's workforce, more than 5.5 million workers, the American Hotel & Lodging Association said, and has made 2020 the worst year on record for hotel occupancy.

The lodging industry accounts for about 8.3 million jobs, or about 4 percent of the U.S. workforce, the American Hotel & Lodging Association reported.

The association has proposed a "Roadmap to Recovery" for the lodging industry, including various tax credits, tax deductions, government aid, and mortgage relief.

Hotels will not return to their 2019 occupancy and revenue levels until at least 2022, industry analysts predict.

TRENDPOST: *The hotel industry collapse has just begun.*

Hilton Worldwide Holdings, parent company of the hotel chain, will cut 22 percent of its corporate staff, about 2,100 jobs, and maintain salary reductions, shortened hours, and temporary layoffs for up to three more months.

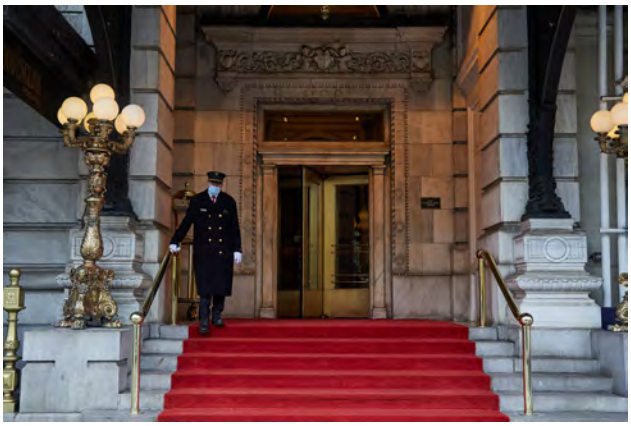
"Never in Hilton's 101-year history has our industry faced a global crisis that brings travel to a virtual standstill," said CEO Christopher Nassetta.

Marriott International is extending its temporary furloughs through at least 2 October and is offering buyouts to employees who choose to "pursue other opportunities."

The industry predicts that hotel occupancy rates are unlikely to return to pre-COVID Scare levels until at least 2022.

In the meantime, absent in the mainstream media is the extent of the economic damage that has been inflicted on not only the employees, mostly lower income, but the supply chains, cities, and nations that will suffer great economic losses over the years as a result of the lockdowns and reopening restrictions.

NYC TO PERMANENTLY LOSE 20 PERCENT OF ITS HOTEL ROOMS



As New York City's hotels begin to reopen after being shut for more than three months, about 25,000 rooms – roughly 20 percent or one in five – will never see another guest, according to interviews with hotel owners and a consensus among analysts.

The 17-floor Blakely New York hotel had filed papers with the state in January, warning it might close this year; the Hilton Times Square may see a loss of as much as $8 billion this year and owner Sunstone Hotel Investors has said the hotel might enter receivership.

Hotel-night prices in the city had been falling due to competition sparked by an oversupply of rooms, foreshadowing a shakeout even before travel bans and the economic shutdown were imposed.

New York added 15,000 hotel rooms since 2015, with 4,000 more in development this year and another 6,000 that had been planned for 2021.

The city's hotel industry is likely to take years to recover its 2019 levels of trade, analysts say. Broadway theaters may remain closed until 2021, international travelers are expected to be cautious in resuming trips, and business travel has been curtailed by the damaged economy.

The city's room occupancy rate was 47.1 percent during the week ending 6 June, barely half of the 90 percent of rooms in use a year earlier but far above the 19.6-percent rate in early April.

U.S. TRAVEL SPENDING TO FALL 40 PERCENT IN 2020

With COVID Fear still running rampant among the general population and media spreading pandemonium of increasing virus cases and a second wave to hit, travel and tourism sectors, we forecast, will be hit harder than what the business media's "experts" predict.

To date, it is estimated that people will take about 30 percent fewer trips within the U.S. this year, roughly 1.6 billion compared to almost 2.3 billion last year, according to a new study by research firm Tourism Economics.

As a result, travel spending within the U.S. will decline more than 40 percent in 2020, from 2019's $972 billion to about $583 billion.

Travel-related businesses such as airlines and tourist attractions will take in $505 billion less this year than in 2019, with revenues falling to about $622 billion from last year's record amount of more than $1.1 trillion.

In 2021, travel spending within the U.S. should climb 37.5 percent above this year's total, to about $855 billion, the study says. But that is still 24 percent less than in 2019. The report sees a continued, but slower, recovery in travel spending in 2022 and 2023: 14.2 percent more and then a 7.4-percent increase, respectively.

If the forecast is accurate, in 2023, travel industry revenues would once again top $1 trillion.

Spending by travelers arriving from other countries will plummet from $155 billion last year to $39 billion this year, a plunge of about 75 percent, the forecast warns.

Travelers to the U.S. from Canada and Mexico will number 59.6 percent and 55.1 percent less, respectively, compared to last year, excluding students, migrant workers, and persons traveling to receive medical care. The total number of foreign visitors to the U.S. will shrink by 69.2 percent.

The study was released as the domestic tourism industry blitzes Washington lawmakers this week to plead for rescue, with measures including:

- Expanding the Paycheck Protection Program to cover "destination marketing organizations," such as government travel promotion offices or chambers of commerce, which are currently ineligible because they are not-for-profit or government agencies.

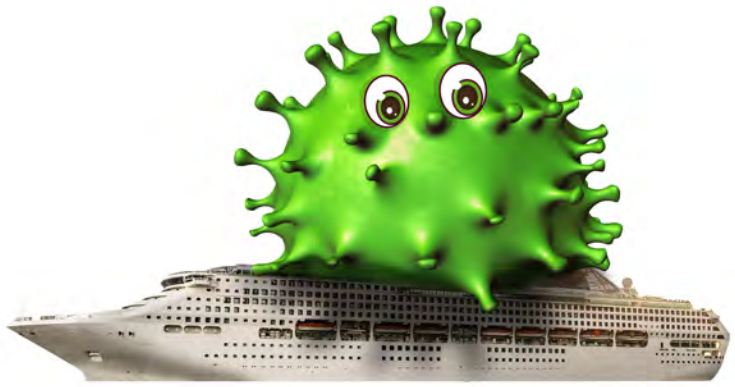
- Creating a temporary travel tax credit, giving federal aid to the meetings and events industry, and offering tax credits covering businesses' costs for personal protective equipment and sterilizing facilities.

- Protection from COVID liability lawsuits.

- Setting up a federal fund to backstop COVID risk insurance policies, modeled after the Terrorism Risk Insurance Act passed into law after the September 11, 2001, terrorist attacks.

TRENDPOST: *The Trump administration reportedly is considering offering families a $4,000 tax credit for vacation spending. If implemented, unless the psyche of COVID Fear permeating society ends, be it through the invention of a vaccine or a series of other socioeconomic or geopolitical events pushing it out of the daily news streams, the tax credits will do little to boost tourism.*

CARNIVAL CRUISES REPORT RECORD LOSS



To further illustrate the sharp decline in tourism and why, with COVID-Fear ingrained in people, it will not rebound quickly.

Carnival Corp., with 27 ships and nine brands of cruise lines, reported a record preliminary loss of $4.37 billion for its quarter ending 31 May, compared to a profit of $451 million during the same period a year earlier.

The Carnival cruise line will leave most of its cruises suspended through the end of this year and said the loss of revenue may force it to violate the terms of a loan agreement. It has not canceled plans to resume eight cruises starting 1 August.

When cruises were canceled in March under government shutdown orders, only about half of passengers holding reservations took advantage of Carnival's offer of credits toward future trips; the other half wanted their cash deposits back, further draining the company's reserves.

The cancellations have been forced, in part, by the Canadian government's order that cruise ships carrying more than 100 passengers remain docked through October. That order also has led Royal Caribbean Cruises Ltd. and Norwegian Cruise Line Holdings to cancel all cruises until at least November.

To remain solvent, Carnival is shrinking its fleet by six older ships and may sell more as well as divesting other non-seagoing assets, the company said.
It also hopes to refinance $2.4 billion in debt, half of which matures this year.

The company has roughly $7.6 billion in liquidity but is spending about $650 billion every month on fixed costs, it reported.

TRENDPOST: *Cruise ships – where the first COVID Pandemonium struck – will see their revenue stream continuing to sink lower for the foreseeable future, as passengers are less likely to mingle or feel safe with thousands of other passengers. We forecast a series of bankruptcies and no return to pre-COVID Crisis passenger levels for the foreseeable future.*

Moreover, as the "Greatest Depression" sweeps the globe, more people will have less money to spend in the leisure, hospitality, and tourism sectors.

U.S. AD SPENDING TO DROP 13 PERCENT

When businesses go down, ad spending drops.

In the U.S. advertisers will spend 13 percent less than they did in 2019 levels this year to $207.9 billion, predicts GroupM, a division of WPP PLC, the world's largest ad buyer.

Spending on television ads will decline 11 percent, the company expects, and 3 percent in digital advertising. Print ads will see a plunge of 26 percent, a loss that has been in progress for well more than a decade and has been accelerated by the economic shutdown, analysts say.

The overall figure excludes political advertising. If political ad budgets are factored in, that will add 5 percent to the bottom line and ad spending will be off only 8 percent this year.

As 2020 began, GroupM was forecasting a 4-percent increase in ad buys this year, with television advertising to be flat and digital ads up 13 percent.

Advertising is often an early casualty of hard times as companies trim what they regard as less essential spending.

The ad industry, however, has been buoyed through the shutdown by continued strong advertising from consumer goods, insurance, pharmaceutical, and technology companies.

GroupM sees U.S. ad budgets rising 4 percent next year, led by strong expansions in digital advertising, which will capitalize on the online habits many people developed during work furloughs forced by the shutdown.

MoffettNathanson, another ad industry research firm, sees an even stronger 2021, with ad spending rising 9 percent overall and digital ads shooting up 20 percent as companies are able to deliver increasingly targeted messages online.

And, now, even the advertising revenue of tech giant Google will decline this year, for the first time since 2008, when it began modeling itself an e-Marketer.

TREND FORECAST: *In this instantly created new COVID Age, advertising ways, means, and messages from the not-too-distant past will no longer resonate in the minds and spirits of a locked down, obediently fearful society.*
We will be further studying this trend to identify the most cost effective and productive means to reach various demographic market sectors. For Trends Research Insitute, consulting services, please visit the "Consulting" page of our website (https://trendsresearch.com/corporate-private-consulting-services-2/)

AMC THEATER CHAIN TO REOPEN MOST MOVIE HOUSES BY AUGUST

AMC Entertainment Holdings, the world's largest movie theater chain, plans to reopen almost all of its U.S. venues by 24 July, in time for the planned release of movie studios' postponed summer films.

About 450 of the company's 600-plus American theaters will open on 17 July, followed by another 150 on 24 July, after the theaters were shut down in mid-March by government order.

When they open, theaters will allow only 30 percent of seats to be occupied. That number will gradually increase; the company hopes to allow full seating by December, although that will depend on local regulations.

The chain will abide by those regulations, requiring patrons to wear masks if local governments require doing so and only suggesting masks where they are not mandated. Employees at all theaters will be masked and concession stands will accept debit or credit cards but not cash.

AMC reported losing $2.2 billion during this year's first quarter, although the theaters' shutdown was in effect for only the quarter's last two weeks. The company took on $500 million in new debt to pay bills during the forced hiatus.

Regal Entertainment Group, the U.S.'s second largest theater chain, plans to have its theaters open by the end of this month.

Cinemark Holdings, the nation's third-ranked chain of movie houses, has opened three theaters in Texas as a pilot test, then by 4 July will unlock theaters in California, Ohio, Pennsylvania, and several other states.

The chains have tried to balance their reopenings to meet dates for new movie releases against local and state shutdown orders.

TREND FORECAST: *Eating popcorn, hot dogs, and candy with masks on and with limited seating capacity, temperature checks, and social distancing… movie chains will fail to attract attendance that will keep them from going bankrupt.*

Again, this will not change until a "born to be free" mindset replaces the locked down mentality that generally persists.

CAR SALES CRASH

In the U.S., Tesla has seen California registrations for its new cars topple 16 percent in April and 70 percent in May compared to a year earlier.

Industry-wide car registrations in the state were down 52 percent over the same period.

Across 24 states tracked by research firm Dominion Enterprises, registrations of new Teslas were down 33 percent, compared to the broader industry's 43 percent drop.

In the Netherlands, Tesla's third-largest market after China and the U.S., registrations fell 57 percent during April and the first half of May. Deliveries there could be off 31 percent by the end of the quarter, some analysts say.

Tesla faces stiffer competition from gas buggies now that gas prices have dropped to around $2 a gallon in the U.S. and Detroit is offering buyers incentives of $5,000 or more.

Acknowledging its sagging sales, Tesla cut prices by $2,000 to $5,000 on 27 May.

The company reported record sales in China last month, helping to propel Tesla's share price to a record $1,013 on 16 June.

In April, new auto sales across the European Union (EU) fell 76 percent below their total in April 2019.

The sales collapse was worst in Italy, where sales were off 97.6 percent. U.K. sales tumbled 97.3 percent and Spain's were down 96.5 percent. New car purchases dropped 88.8 percent in France and 61.1 percent in Germany, according to the European Automobile Manufacturers Association.

Now European auto plants have started making vehicles again, sending more inventory into car dealers' lots already crammed with unsold cars.

The number of unsold cars on dealers' hands is almost a third more than usual, some analysts calculate; German dealers alone are sitting on about $17 billion worth of cars.

France and Germany are trying to boost sales by offering billions of euros' worth of government incentives. Germany's incentives, as well as its manufacturing, are focusing on electric vehicles, which currently do not suffer from an inventory glut in Europe.

Auto industry executives and analysts fear that Germany's concentration on EVs is aggravating the glut of internal combustion vehicles clogging dealers' showrooms.

Electric vehicles made up only 7 percent of European car sales during 2020's first quarter.

The EU's auto industry is taking what hope it can from May sales figures, which show the year-on-year decline slowing to 57 percent, compared to April's 76-percent fall.

It also finds encouragement in China, where new car sales rose 6 percent in May. Analysts also see signs that the U.S. car market is gaining strength.

***TREND FORECAST**: As we have been reporting in the **Trends Journal** since last year, car sales in China, India, and Europe were already in steep decline.*

And, as we had forecast since politicians began the global lockdown in March, auto sales, while rebounding to some extent, will continue to decline during the Greatest Depression as wages sink and unemployment grows.

CONSUMER SPENDING SPIKES IN MAY

As stores reopened across the country in May, shoppers flocked to restock needed items and to splurge on indulgences to celebrate softened restrictions.

Although May's monthly sales spiked up 17.7 percent from April's, the largest month-to-month jump on record, sales were still 8 percent below February's and 62 percent less than those in May 2019.

Sales of clothing and accessories soared 188 percent in May; furniture and home furnishings jumped 90 percent.

The May spurt helped recoup a portion of April's 14.7-percent tumble in consumer spending and the 8.3-percent decline in March.

However, analysts are not reading May's numbers as the start of a V-shaped recovery. Many think the spending was fueled in some significant measure by the federal $1,200 stimulus checks that are by no means certain to be repeated.

"A lot of it is lockdown fatigue," said Beth Ann Bovino, S&P Global's chief U.S. economist. "I would caution against being fooled by this large gain. We still have a long way to go in repairing the economy."

TREND FORECAST: *As we had forecast, there will be sudden consumer spending spikes after being locked down for four months and with restaurants and other non-essential businesses permitted to open.*

As economies decline, however, and unemployment rises, wages fall, and inflation spikes, retail sales will decline over the long term. And as for "Black Friday" Christmas sales, considering that overstocked, cash hungry retailers are offering deep discounts now, Black Friday has already arrived.

EUROPE

UNEMPLOYMENT AND DESPAIR RISING AMONG EUROPE'S YOUNG ADULTS. Italy's unemployment rate sloped down from 8 percent in March to 6.3 percent in April. The decline came not from the country's economy adding jobs but from people, especially young adults, who have stopped looking for work. Even before the pandemic, 27.8 percent of Italians ages 20 to 34 were neither working nor in school or career training. The economic shutdown made a bad situation acutely worse.

The problem is being repeated across Europe, especially in southern countries that depend more on tourism and low-skill personal services than on manufacturing.

In Spain, of the 834,000 people who were sacked in April, more than half were under the age of 35.

Across the European Union, 159,000 people age 24 and under lost their jobs, an unemployment rate of 40 percent among that group.

In France and Spain, the number of job postings on the Indeed search site was half of what it was a year earlier.

About “800,000 young people enter the French labor force each year and we risk half of them not finding jobs this time,” said Patrick Artus, chief economist at Nataxis, adding a recent survey found that half of French companies have frozen hiring.

Even in Germany, Europe’s economic powerhouse, there were 37 percent fewer jobs advertised for young professionals through March and April.

Many young people “tell us about loneliness” and have “major existential or financial concerns” because they are unable to find work or see a future at the end of their educations, said Sylvia Kobus, an official at a student support center in Frankfurt, Germany.

SHUTDOWN WIDENS GAP BETWEEN U.K.’S RICH AND POOR. Twice as many low- and middle-income British households than upper-income households have taken on debt to cope with the effects of the economic shutdown, a study by the Resolution Foundation has found.

In May, workers turned out of their jobs had an average of £1,900 in savings; people with skills to keep working at home already had average savings of £4,700.

In the U.K., as elsewhere, lower-income workers lost their jobs in larger numbers than upper-income employees with more sophisticated skills.

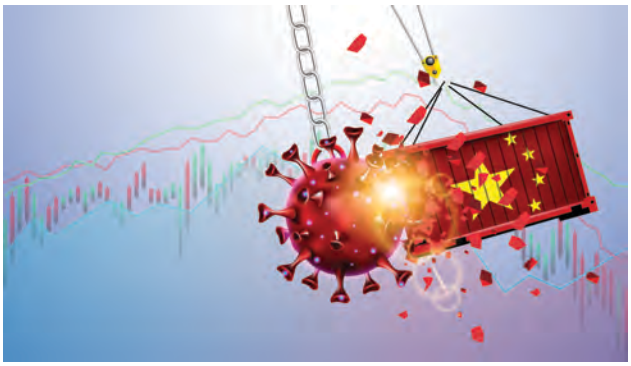
As a result, laid-off workers delved into their savings to pay bills while those able to keep their jobs grew their savings because the economic shutdown did not allow them to spend the money they were continuing to make on restaurant meals and other usual items.

This created “enforced savings” for those who continued to work through the shutdown, with more than a third of Britain’s richest 20 percent adding to their savings during March and April, the foundation reported.

The average financial distance between the U.K.’s poorest and richest 10 percent widened by £370,000 over ten years to £1.4 million by 2018, according to figures the foundation developed. The economic lockdown has worsened the disparity, the foundation warned.

“The impact of coronavirus crisis will be with families for many years to come,” the report’s authors warned.

CHINA



HONG KONG BANKRUPTCIES WORST SINCE 2003 SARS EPIDEMIC. From February through April, personal bankruptcies in Hong Kong rose 12.5 percent compared to the same period in 2019, with analysts saying the number will continue to climb.

Personal bankruptcies in the city shot up from just six in April to 2,079 the following month, while business bankruptcies in China’s quasi-independent business hub rose from one in April to 68 in May.

The number of businesses going bust was up 62 percent from the same period last year; personal surrenders to debt tripled.

The hardest-hit industries, and employees, include those in hospitality, manufacturing, retail, and restaurants.

From March through May, Hong Kong’s jobless rate climbed to 5.9 percent, the highest level in 15 years and topped the rate logged during the Great Recession.

China’s strict internal and external travel ban imposed as part of the economic shutdown helped to cripple Hong Kong’s economy, which already had been damaged by weeks of turmoil and street protests following China’s imposition of new civil liberties restrictions.

The number of business and personal bankruptcies will continue to rise through the summer, predicted Derek Lai Kar-yan, Vice-Chairman of Deloitte China, and ultimately exceed the number registered during 2003’s SARS epidemic; people

will use up all other resources before publicly enduring the shame of bankruptcy and the current crisis is far worse than that of SARS, he noted.

“This is just the beginning,” he said.

JAPAN

JAPAN GRAPPLES WITH DEFLATION. Japan, which in the 1990s became the first modern economy to struggle with deflation, is facing falling prices again.

In May, consumer prices fell at their fastest pace in more than four years and the rate of inflation struck a 14-month low.

On 16 June, the Bank of Japan said that prices are likely to continue to fall for some time, adding the nation’s economy is “in an extremely severe situation.”

The country’s consumer spending shrank as the world economy began to contract in March. In response, Japanese businesses cut prices, as they have often done in past recessions.

In a deflating economy, prices fall due to a lack of demand. That gives retailers less revenue, so they buy less from factories. As factories’ revenues shrink, they have less capital to invest in new plants and equipment and in wages. Employers feel forced to cut workers’ pay or lay off employees, giving consumers less money to spend and thus reducing demand for goods even more. In that way, deflation can become a self-powering tailspin.

The Bank of Japan has been buying government bonds to keep markets flush with cash and the government has given $1,000 to every adult and tens of thousands of dollars to most businesses to help avoid deflation.

However, deflation may strengthen later this year as corporations trim or eliminate employee bonuses to reflect the economy's damage from the global economic shutdown, analysts warn.

BANK OF JAPAN ADDS $1 TRILLION TO BAILOUT FUND. Japan's central bank pledged the equivalent of an additional $1 trillion in yen to keep the nation's economy functioning, about a 45-percent increase in the size of the bank's bailout fund.

Businesses remain "under severe cash flow stress," said Haruhiko Kuroda, governor of the Bank of Japan, in explaining the additional funds.

The Bank of Japan's rescue fund makes interest-free loans to banks if the banks then lend that money to customers.

The bank also did not change interest rates from their current -0.1 percent and left 10-year bond yields at about zero percent.

"Whether it's fiscal year 2021 or 2022, we're a long way from a situation where interest rates can go up," Kuroda noted, adding it would be difficult for his bank to raise interest rates until the U.S. Federal Reserve does.

The world's already distressed economy is at risk of a second COVID virus wave later this year, Kuroda said. He indicated the bank expected any economic recovery to be long and arduous but that Japan's economy should return to growth later this year.

TRENDPOST: The amount of monetary methadone injections into failing economies to prop them up is unprecedented in world history. Thus, the rise in gold, silver, and bitcoin as those who want to protect what savings they have in cash, are fearful of their nation's currencies collapsing…or as we had written, they go from "DIRTY CASH TO DIGITAL TRASH."

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MORE ON THE ECONOMIC FRONT LINES

BORROWERS QUEUE FOR AID FROM U.K. AND EUROPEAN CENTRAL BANKS. Borrowers have claimed about €1.3 trillion, or $1.5 trillion, of the European Central Bank's pool of loans available for economic recovery, a record amount.

At the same time, the Bank of England has added another £100 billion to its budget for buying government bonds, raising the total to £745 billion.
The two moves signal that Europe's economy has not yet begun to rebound and any hopes for a V-shaped recovery are unrealistic.

HUNDREDS OF PPP LOANS FOUND TO HAVE BEEN MISDIRECTED. The Paycheck Protection Program, part of Congress's economic rescue plan, set aside $349 billion as loans to be made to small businesses, defined as those with fewer than 500 workers, to keep workers on the payroll.

If at least 75 percent of the loaned funds are used to pay wages, the loans need not be repaid.

Several loans, however, have been made to companies with more than 500 employees, as well as to publicly-traded companies holding sizeable credit lines with major banks and shell companies trading on NASDAQ, according to an investigation by *Wall Street on Parade.*

When news reports showed large companies had asked for and gotten PPP loans, the Small Business Administration (SBA) overseeing the program issued the statement: "Borrowers must also take into account their ability to access other sources of liquidity sufficient to support their ongoing operations in a manner that is not significantly detrimental to the business. For example, it is considered unlikely that a public company with substantial market value and

access to capital markets will be able to make the required certification in good faith."

Organizations that had grabbed PPP money early, ranging from the Shake Shack fast-food chain to the National Basketball League, were publicly shamed into returning the funds.

Other companies were less susceptible to shaming.

Retailer Christopher & Banks Corp. was granted a $10-million PPP loan despite having access to $60 million in credit from banks, placing it in violation of the SBA's guidance. In its defense, the company noted it had pledged "substantially all of its assets" to secure the $60 million in credit. That means that taxpayers have no collateral for their loan.

Senseonics Holdings Inc., which makes glucose sensors for people with diabetes, has access to $20 million in commercial credit, according to its filings with the U.S. Securities and Exchange Commission (SEC). However, it also applied for, and was granted, $5.8 million in PPP funds.

At least 438 publicly-traded companies have thus far reported in SEC filings they have received PPP loans.

Despite promising to publicly release the names of businesses that receive PPP loans, treasury secretary Steve Mnuchin is now refusing to do so.

Treasury Department attorneys have advised him that the department is not required to give government oversight agencies information about businesses that have received PPP loans.

Although not required to keep the names secret, Mnuchin so far has decided to renege on his promise and cloak the identities of loan recipients, perhaps in an attempt to hide the program's abject lack of responsible stewardship of $349 billion in taxpayer funds.

BRIGGS & STRATTON MISSES INTEREST PAYMENT, REWARDS EXECUTIVES. Briggs & Stratton (B&S), the 110-year-old Wisconsin company that is the world's largest maker of small engines for lawnmowers and similar appliances, failed to make a $6.7-million interest payment due last week.

The company is unlikely to be able to make the payment within the 30-day grace period that began when the payment was missed, S&P Global Ratings said.

B&S is toting $600 million in debt, including $195 million in bonds that will come due later this year. Those bonds recently traded at about 30 cents on the dollar.

First-quarter sales dropped 18 percent year-on-year to $473 million, forcing the company to report a $144-million loss for the period, compared with $8 million in income a year earlier.

April sales were down about 30 percent year-on-year, in part because Sears stores have closed, CEO Todd Teske said. Sears was a major outlet for machinery equipped with B&S engines.

During the week in which the company skipped its interest payment, its board restored the salaries, reduced in April, of Teske and three other top executives. In addition, Teske was awarded a $1.2-million retention bonus. The other three executives will share retention bonuses totaling $3.9 million.

Retention bonuses often are awarded to executives just before a company declares bankruptcy. The bonuses, which, by law, cannot be awarded after bankruptcy is filed, are designed to keep leaders in place to guide a company as it negotiates with creditors and restructures its finances.

TRENDS-EYE VIEW

U.S. DOLLAR TO FADE AWAY

by Gregory Mannarino, www.TradersChoice.net

The world is well on its way to a new paradigm: no dollars.

For years, many, including myself, have explained to their audiences that a new 100 percent digital system is going to be the future of transactions.

Already, just go to the website of the Federal Reserve. There exists on Earth only $1.7 trillion of actual *printed* dollars… the rest is all digital. So, it is not hard to see we are already 99 percent into a cashless system.

Why a completely cashless system? It is two-fold.

#1: So every possible transaction can be tracked. But… it is much bigger that that.

#2. The current dollar-based system is being phased out. How do we know this? Observe what the Fed is doing right now. Never before in the history of the world has a central bank, especially one that holds the world's reserve currency, been involved in a debt expansion and asset acquisition cycle like they are doing now.

Nothing even comes close.

Also, the Fed is distributing trillions of dollars to other central banks around the world, which, in turn, are buying assets.

Being that 99 percent of transactions already are devoid of using any kind of currency, we should expect the rollout of a new system in short order.

Control

It is all about control. Today, the Federal Reserve has become the central bank of the world. Why? Because they hold the world reserve currency: the U.S. Dollar. The power of a central bank to issue and control a world reserve currency is enormous. The ability to dictate how transactions are enacted, and being able track them down to the cent, gives an issuing central bank power over the world and every citizen therein.

The move to a 100 percent cashless system is going to vault the Federal Reserve into not just the central bank of the world – it will put the entire planet under their direct influence, much more so than what they have today.

As the world is locked in mainstream media propaganda, political division, a so-called killer virus, and riots, the Fed is finishing their final solution: to be the lender and buyer of last resort. Via this mechanism, they are literally buying the world.

They are buying the world with the old system and increasing their stranglehold on nations and individual citizens by creating, out of thin air, slaves to debt, and, therefore, slaves to them.

Take Back Control

If you are familiar with my work, you also know I have explained that in order to beat a debt-based system, *you need to become your own central bank and bet against the debt.*

The Fed's New World Order System will be 100 percent debt based. How do we know? Because that is how central banks keep their power, control, and influence. There will *not* be a move to a commodity-backed, wealth-based system.

We have fought wars *for* the Federal Reserve in order that they could establish the current debt-based system and the petrodollar. The only chance We the People have is to do what central banks do: hold physical gold and silver. By holding physical gold and silver, we are betting against mass debt expansion and any new debt-based system.

As I see it, physical gold and silver, as well as non-central bank issued currencies, will skyrocket in value as the dollar is "phased out."

Start preparing for a new, 100-percent debt-based, cashless system because… it's nearly here.

GEOPOLITICAL

DANGER ZONE: INDIA/CHINA BORDER DISPUTE HEATING UP

For decades, there have been ongoing border disputes between India and China in the remote Himalayan region that stretches 2,200 miles. What is referred to as the “Line of Actual Control” has never officially been agreed on.

Escalation of military conflict between China and India in this region has been a global concern for many years, as troops from both countries face each other across a number of points along the disputed border. The tension stretches back to the 1962 Sino-Indian War over this dispute, which was won by China.

In May, tensions started rising as reports of fistfights between Chinese and Indian troops became known, followed by a buildup of military forces by both sides. Despite an agreement to tone down the confrontation in early June, the situation escalated out of control in the late evening of 15 June, with dozens of Indian and Chinese dead after a confrontation in the area known as the Galwan Valley.

Both sides contested the other’s account, and few details are known given the remoteness of the region. Both India and China confirmed no bullets or weapon firing of any kind took place. The battle was fought with rocks and clubs, and reports surfaced that Chinese soldiers had beaten the Indian victims to death.

The Indian army confirmed 20 of its troops were either killed in the battle or died of wounds soon after with another 70 injured. China has not given an account of casualties, but some reports indicated about 40 soldiers were killed.

It should be noted that not only are these the two most populated nations in the world, they are both nuclear powers.

Zhao Lijian, Deputy Director of the Chinese Ministry of Foreign Affairs Information Department, stated last Tuesday that Indian troops had provoked the deadly conflict by crossing the border on two occasions. On Wednesday, Chinese Foreign Minister Wang Yi issued the statement, “The Indian side must not misjudge the current situation and must not underestimate China's firm will to safeguard territorial sovereignty.”

Indian Prime Minister Narendra Modi responded last Wednesday, “We never provoke anyone. There should be no doubt that India wants peace, but if provoked, India will provide an appropriate response.”

On Friday, U.S. Secretary of State Mike Pompeo made the U.S. position clear when he blamed China for the escalating border tension: “The PLA (China's People's Liberation Army) has escalated border tensions – we see it today in India... and we watch as it militarizes the South China Sea and illegally claims more territory there.”

Last Saturday, both countries continued claiming it was the other side that provoked the conflict by crossing the border. India’s foreign ministry official Anurag Srivastava denied any breach of the agreement by his country.

Countering India’s remarks, Chinese minister Zhao tweeted that the Galwan Valley, where the conflict took place, is on the Chinese side, and he accused India of building roads and bridges there that clearly violated China’s territory.

Adding to the geopolitical tension, China is an ally of Pakistan, which has had a long-heated dispute with India over the Kashmir region. As reported by AntiWar.com, although Pakistan was not involved in the bloodshed last week, it could be drawn in. Pakistan is also a nuclear power.

TRENDPOST: *One of the key underlying issues here is China’s Belt & Road Initiative, a multi trillion-dollar investment to establish a global trading network, which we have written about in a number of* ***Trends Journal*** *articles.*

India has refused to recognize the Belt & Road Initiative’s legitimacy over concerns it would signal weakness in its dispute with China and Pakistan over heated territorial issues such as the one witnessed last week in the Himalayan Galwan Valley.

TREND FORECAST: *When all else fails, they take you to war.*

India's economy is long failing. As we have reported in the ***Trends Journal****, in 2019, auto sales plunged and over one million workers in the auto industry were laid off. And, again, prior to the COVID War, India's GDP had declined for seven straight quarters.*

According to the Centre for Monitoring Indian Economy, India's unemployment skyrocketed to more than 25 percent due to the lockdown.

Also, as a result of the lockdown, according to IHS Markit's Purchasing Managers Index, India's services sector collapsed from 49.3 in March to 5.4 in April. (Any number under 50 signals decline.)

Considering the scale of the global lockdown and the slow phased reopening of businesses with a vast array of restrictions, we forecast India's economy and its currency will continue to decline, sinking into depression.

As a result, civil unrest, which had been tamped down with the lockdown, will again escalate.