

Grand Manipulation



REUTERS / Gary Cameron

The US Federal Reserve pushed interest rates into negative territory — which means the government charges you for the privilege of purchasing its bonds.

THE FORECAST: *What we are experiencing is not a repeat of the past. The ability or, rather, audacity of the US government to manipulate the major financial markets is new. Can this trend continue?*

Governments and economists take their hats off to free markets. Yet, the markets are rigged, not free. How long can stocks stay up in a lackluster or declining economy? How long can bonds pay negative real-interest rates when debt and money are rising? How long can bullion prices be manipulated down when the world's demand for gold exceeds the annual production?

The government's deception of the public relies on the public's self-deception. If this self-deception survives the year 2015, economic collapse and war will be the most likely results.

UPDATE: Rigging the markets to rake in profits and pump them up when in decline are not “conspiracy theories.” They are fact. And the facts show that our declaration of the Grand Manipulation as a Top Trend of 2015 well deserves its ranking.



Newspapers have been equipping journalists with smartphones to shoot video bites of news events.

REUTERS / Hannibal Hanschke

Selfie Journalism

THE FORECAST: *In the year ahead, the era of selfie journalism fully takes root. As print-driven journalism fades, robust coverage of communities, and the issues that drive life in those areas, suffers. General news coverage provided by dominant media outlets fades. And that encour-*

ages upstart media outlets to fill the coverage gaps — and local advertising gaps, too. Family owned operations, satisfied with reasonable profit margins, can increase their relevance and importance to the communities they serve.

On the larger scale, the big chains, now independent from other profit centers, still see potential sizable profits by cutting expenses even more as they acquire other properties and consolidate operations.

UPDATE: This trend is tracking exactly as forecast. Gannett Co., Inc. recently separated its publishing and digital/broadcast divisions. The New Media Investment Group, which freed community newspaper company GateHouse Media from bankruptcy and manages its assets, is well on track to meet its goal of \$1 billion in acquisitions, integrating daily newspaper/media operations across the country into its expanding operation. The other major publishing companies — Tribune Co., Scripps Howard, News Corp., etc. — also have separated their publishing divisions from other assets and continue to streamline news-gathering and other resources. Bottom line: local coverage continues to shrink.

The institute is forecasting that 2015 will see the final transition of making digital strategic/business

The operative word for this new frontier is consolidation.

In February, the US Justice Department began investigating some 10 major banks for allegedly rigging precious-metals prices. In March, the Federal Deposit Insurance Corp. sued 16 of the world's largest banks, accusing them of manipulating the Libor interest rates (London Interbank Offered Rate). In May, five of the world's largest banks, including JPMorgan Chase and Citigroup, pleaded guilty to felony charges for rigging the \$5.3-trillion-a-day foreign-exchange markets. And UBS AG, besides paying a fine for foreign-exchange rigging, also agreed to plead guilty to manipulating the Libor and other benchmark interest rates, paying a \$203 million criminal penalty.

Despite what the US attorney general termed "brazenly illegal behavior" on a "massive scale," and their "breathtaking flagrancy" of stealing billions, the government, in case after case, gently hits banks with a slap-on-the-wrist fine — and not one top banker is sent to jail.

In China, to rescue the equity markets' sharp selloff

TRENDPOST

We are frequently asked: When will the global market bubble — pumped up with tens of trillions in quantitative easing, low-interest-rate policy and overtly manipulated by governments and central banks — finally burst? There is no firm timetable. In this era of the Grand Manipulation, in which there is no correlation among sound investment principles, free markets and price-discovery mechanism in asset prices, equity markets will crash when the worldwide Ponzi scheme can no longer sell its lies, sustain its thievery and/or a wild-card event rattles the market.

that began in mid June, the government announced a series of schemes undreamed of. They include-making short-selling illegal and pumping billions in "abundant" liquidity to brokers and instructing them and pension funds to buy stocks — while barring large shareholders from selling stocks for several months. And, in an attempt to stop the market plunge, nearly half of companies listed on the exchanges suspended trading.

TRENDPOST

Key points to expect:

» *Some chains, especially those like New Media Investment Group with the cash to buy, will show healthy returns in the next few years — as long as they can acquire "fat" properties and consolidate/absorb operations into their corporate machinery to slash spending. But the failure to produce genuine news-driven strategies will be their eventual undoing. At some point, with fewer properties to acquire, the model breaks down.*

» *Layoffs in newsrooms continue at an alarming rate. One casualty is the loss of traditional beat reporters. On the local-reporting level, beat reporters — from politics and crime, to education and government — are rapidly being replaced by multimedia journalists whose work is assessed by the number of followers they have on social media rather than quality reporting. In communities around the globe, local news operations simply*

can't stay on top of the news as they once did. Essential topics and issues are going uncovered, leaving the door open for community groups, upstarts and weekly publications to tackle and take ownership of reporting beats once "owned" by the dominant local newspaper.

» *Family and individually owned media operations, satisfied with reasonable profit margins, will succeed and continue community-driven business and news-coverage models that show print journalism isn't quite dead. A reasonable balance between digital- and print-strategic modeling maximizes the potential in individual markets. But that cannot work on the large corporate scale. Since more and more communities are now served by a chain-media-owned outlet, depth, consistency and relevance of coverage become secondary to consolidation-driven strategies that drive revenue and cut costs for the entire company.*

models primary for traditional newspaper operations. While print advertising and circulation revenue will continue to be critically important, a series of new platforms — and the news-gathering strategies to support those platforms — will essentially be built, tested and launched.

The operative word for this new frontier is con-

solidation. The chains have the reach via the number of outlets they own to share the same content and advertising to maximize revenue potential. With publishing assets isolated from other more profitable assets, like broadcast, these operations will have to answer to shareholders. If not profitable, it's do-or-die time.