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11 August 2020

TRENDS ON THE ECONOMIC FRONT

U.S. MARKET FRONT

The streets are empty.

From Manhattan to Malibu, it's Ghost Town U.S.A.

No neon lights are shining bright on Broadway.

Theme parks and movie theaters are closed across the country.

No foreign tourists.

Restaurants and retail shops barely doing business.

Hotels going bust.

It comes as no surprise and was long forecasted: *"When people lose everything and have nothing left of lose, they lose it."* Along with unemployment, crime is rapidly rising.

Yesterday morning, hundreds took the streets in Chicago's "Magnificent Mile," smashing windows and looting stores in protest of a police shooting.

In response, city "officials" restricted access to downtown Chicago, raised bridges over the Chicago River, suspended CTA service and ordered street closures from Monday morning until this morning.

Once again, ignoring the hard data and true facts, equities keep rising.

Why?

According to *CNBC*, "The S&P 500 rose on Tuesday, putting it on the cusp of a fresh all-time high amid a rotation out of technology shares and into stocks that would benefit from a reopening of the economy and a vaccine, such as cruise lines and airlines."

The Dow spiked more than 300 points. But by the end of the trading day, it fell 104 points, snapping a seven-day winning streak.

TREND FORECAST: *The global economy has been devastated by the politically imposed lockdowns – draconian measures unprecedented in modern history.*

Yes, when a vaccine comes out, people will feel more confident – traveling more, taking a sea cruise, going out to eat, shopping etc. – but it will not bring back lost revenue and jobs… and, as a result of the financial devastation caused by the lockdowns, the economy will not return to pre-COVID levels.

In fact, while it will grow from time to time as a result of the flood of cheap money being poured into the economy by the Federal Reserve and Washington, we maintain our forecast that the "Greatest Depression" has begun.

On the fictional business news that happy days are here again because Washington will pump more cheap "stimulus" money into the failing system to prop it up, despite the dollar weakening, gold and silver prices plunged.

Gold fell 5.58 percent, closing at $1,906.20 and silver fell -3.84 percent, closing at $21.74.

TREND FORECAST: *Last week, gold was trading will above $2,000 per ounce and silver closing in on $30 per ounce. Considering today's sharp selloff of both precious metals, short term, there is a downside risk for each.*
The next week of trading will provide essential data needed to forecast downside risks for both gold and silver.

It should be noted that gold has risen by a third this year, driven by the economic shutdown, cheap dollars flooding the world, $20 trillion dollars' worth of governments' stimulus programs based on debt, and low bond yields.

The benchmark U.S. treasury bond now yields about 0.5 percent while many countries' central banks are holding interest rates below zero.

In July, investors poured $7.4 billion into exchange-traded gold funds, adding to the record $40 billion they put into the funds during the first half of this year, according to the World Gold Council.

Thus, the fundaments of the economy, as perceived my many, are not sound. Indeed, silver prices have gone up some 37 percent since we called its upward trend in June.

Again, the next several days will prove crucial in forecasting the downside risks of both gold and silver.

U.S. Federal Reserve policies have ensured that bond rates will remain low at least through March 2021. That, added to a slow, unsteady economic recovery and investors' general fears about the future, give gold prices more room to rise.

Prior to today's sell off, the Bank of America said gold could reach $3,000 by mid-2021.

FEDERAL RESERVE: WORLD'S CHEAP MONEY BARRON

From the beginning of the global economic shutdown until April, the U.S. Federal Reserve had loaned almost $500 billion to the central banks of other nations.

The Fed's goal was to prevent panic sales of dollar-denominated assets by countries desperate to raise cash to treat virus victims and prop up their economies. Fire sales would have crushed the value of those assets, including those held by U.S. investors, businesses, and the Fed itself.

The flood of dollars into the world's markets kept them calm and functioning relatively normally.

An estimated 88 percent of the $6.6 trillion in daily global currency trades involve dollars. The dollar is also the most commonly used currency in international trade.

Most of the loans were made as "dollar liquidity swap lines:" the Fed lends dollars to a foreign central bank in return accepting an equal value of that country's currency at market exchange rates. When the loan comes due, the country repays the loan, the Fed returns the currency at the original exchange rate, and collects interest.

As the global economy began to recover, countries started settling their Fed loans. By August, the total outstanding was just over $107 billion.

For countries without swap lines, the Fed began lending against those nations' holdings of U.S. treasury securities. By April, the Fed had loaned $449 billion to 170 countries through the program.

On 29 July, the Fed extended its foreign support programs through 21 March and promised to leave them in place "until we're confident they're no longer needed," said Fed chair Jerome Powell.

"The crisis and economic fallout from the pandemic are far from over," he added. "People have become more dependent on the dollar than on any other currency."

The euro and Chinese yuan had sought to challenge the dollar as the world's leading currency. Those efforts were unsuccessful, in part because nations have learned the Fed will use its machinery to maintain the dollar's value during uncertain times.

Although the dollar's value has weakened as digital greenbacks have multiplied around the globe, it remains near its level before the pandemic struck and above its long-term average.

When Powell testified before Congress in June, lawmakers did not ask a single question about the Fed's massive foreign lending program.

"Political support for the Fed to be aggressive" during the economic crisis "is widespread," said William Dudley, former president of the Federal Reserve Bank of New York.

TREND FORECAST*: As evidenced, much of the global economy and subsequently equity markets have been artificially propped up with digital dollars backed by nothing and printed on nothing.*

As goes the dollar, so goes gold. With the dollar at a two-year low, but rising a bit today, despite the sharp downturn in gold and silver prices today, we maintain our long term forecast that their prices will continue to rise.

Again, it is impossible to forecast when equity markets will crash, since governments and central banks will do all they can to artificially prop them up, Gregory Mannarino's article in this issue, "MARKET MELTDOWN: COMING SOON" provides valuable insights and projections on what to expect and what actions to consider.

FED'S RESCUE PROGRAM NOT WORKING, BUSINESSES SAY

Among the 15,000 members of the Association for Corporate Growth who tried to borrow money through the U.S. Federal Reserve's Main Street Lending Program, 81 percent were unable to, association officials told a Congressional hearing last week.

Under the program, which began this month, the Fed will buy 95 percent of a bank's loan to a qualifying business. New loans are made for at least $250,000 and additions to existing loans can run to $300 million.

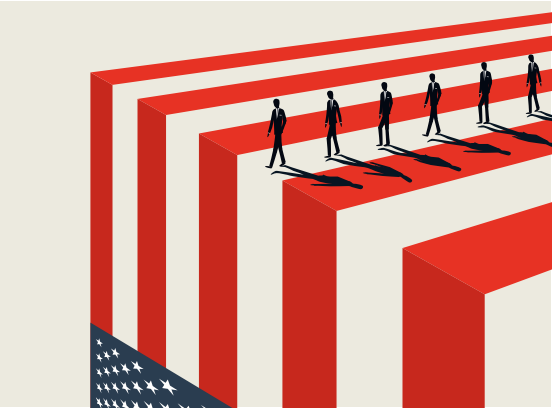
Mid-size companies – those with 500 to 15,000 workers – are having trouble enticing banks into making the loans, business executives said.

"This program is designed for a business that had a disruption in short-term credit, that was in good shape prior to the crisis and that, after the pandemic subsides, would be able to be a viable business as well," Eric Rosengren, President of the Federal Reserve Bank of Boston, told the Congressional committee. "There are businesses that fit [those] characteristics. We're seeing some of those businesses" succeeding in securing loans, he added.

"I wouldn't describe the program as a failure," said committee member French Hill (R-AR). "But clearly there are impediments" to enticing banks to take part.

TREND FORECAST: *All this money pumping provides just a temporary fix that will do nothing to improve the draconian economic blows launched by politicians who have severely damaged businesses across the nation… and around the world.*

JOBS MARKET SLOWS AMID CLOUDY FUTURE



The U.S. economy sprouted 1.76 million jobs in July, significantly fewer than the 4.79 million added in June but surpassing analysts' consensus expectation of 1.5 million.

The gain still leaves the economy 12.88 million jobs short of the number it supported in February, according to the U.S. labor department.

The unemployment rate dropped to 10.2 percent last month. Before the economic shutdown, U.S. unemployment was at a 50-year low of 3.5 percent.

The service sector added the most jobs. The leisure and hospitality sector added 528,000 spots, about a third of the economy's entire gain; retailers added 258,000 jobs. These were among the sectors the shutdown hit hardest.

Zip Recruiter, an online employment service, reported 7.4 percent more job postings in July than June.

Jobs in construction, mining, and manufacturing did not grow and, in some areas, declined further.

White, Asian, and Hispanic workers gained jobs while the unemployment for African-Americans did not fall.

The number of workers reporting being out of work because they were temporarily laid off declined, indicating that some workers are being recalled to their old jobs. The number of workers permanently let go stayed the same.

Workers laid off for at least 15 to 26 weeks shot up from 4.6 million in June to 6.5 million in July, signaling that the labor market is likely to be slow in reabsorbing workers.

The figure is the highest since 1948 and is almost twice the previous record, set in 2009 as the Great Recession was ending.

That number is ominous: statistics show the longer a person is out of work, the harder it is for them to find another job.

By August, fewer than half the jobs lost in the shutdown had been restored.

Official figures report 16.3 million Americans unemployed as of 31 July, but labor department figures show more than 30 million people receiving some form of unemployment benefit.

Also, more layoffs are coming.

Announcements of future layoffs, which the federal government requires, show "plenty of layoffs are scheduled for August, September and October," said Julia Pollack, Zip Recruiter's labor economist. "Many companies are realizing now that the effects" of the shutdown "will be much longer than expected."

"The easy hiring that was done in May and June has been exhausted," noted Michelle Meyer, Bank of America's Chief U.S. Economist. "With many companies not running at full capacity, it becomes harder to get that incremental worker back in."

About 31 percent of laid-off workers who returned to their jobs were laid off a second time, according to a Cornell University study, adding evidence that the economic recovery will be bumpy.

"We're going to start to see a lot of small businesses fall by the wayside, a lot of people who are unemployed become chronically unemployed," said Kenneth Rogoff, a Harvard University economist who studies financial and economic crises. "We're in very, very dangerous territory."

THREE FACTORS SHAPING THE JOBS MARKET

With new claims for unemployment benefits topping one million for 20 weeks in a row, whether job growth continues robustly, weakly, or at all depends on three factors, analysts say.

First, 45 million working Americans have school-age children. If schools do not fully reopen, many parents will forego full-time work to remain at home to supervise their kids. So far, most U.S. school districts will reopen with fully remote or only part-time in-person classes; the only large school district to open buildings full-time is the Dallas School District in Texas. New York State is scheduled to reopen as well.

Second, Congress is deadlocked over renewing economic recovery spending. The federal $600 weekly unemployment bonus has ended; if Congress fails renew some level of household support, many of the 20 million individuals out of work will be forced to curtail spending, reducing demand for goods and, subsequently, the need to rehire workers.

Third, the resilient virus is leading state and local officials to mull renewing shutdown orders to some degree. Any new shutdowns, or continuation of previous ones, will hobble job growth.

AUTO LOANS RISK RISING DEFAULTS

Vehicle loans, which have almost doubled in number since 2010, face a rising likelihood of mass-scale defaults with millions unemployed, future federal unemployment bonuses in doubt, and banks less able, or less willing, to defer payments or negotiate lower balances.

During the current crisis, auto lenders offered to defer payments for many borrowers for as long as four months, a term now coming to an end.

When the economic shutdown struck, the total national balance on vehicle loans was a record $1.35 trillion, with average individual balances also at peak levels.

Early this year, 5.1 percent of vehicle loans were 90 or more days late, rivaling the 5.3-percent peak during the Great Recession.

During that earlier crisis, vehicle owners usually managed to make their car payments even if they defaulted on their mortgages. Banks decided that expanding their inventory of vehicle loans was a safe way to bump up their revenue in a time of low interest rates.

Many lenders also spread out auto loans over seven years instead of the usual five, lowering monthly payments and allowing more people, including those with weaker credit, to afford them.

Many of the loans have been “subprime,” made to people with low credit scores, and were bundled into investment vehicles that do not allow changes to the terms of the loans they contain.

A significant number of vehicle loans also are now “under water,” with borrowers owing more than the car is worth.

Currently, the average price difference between a new car and the same one three years old is about $16,000, compared to the $11,000 difference that was typical in the Great Recession, according to Edmunds, an online vehicle pricing service.

Still, lenders will be reluctant to step up repossessions; a wave of repossessed vehicles would flood the used-car market and drive prices down, probably below what lenders would need to realize from selling them.

For now, lenders and borrowers are looking to Washington.

“Our fingers are crossed that Congress will come through with something,” said Amy Martin at S&P Global Ratings. “I think it would be a very bad scenario for consumers if they don’t.”

TREND FORECAST: *The short term future on car loans will depend on how much free money the U.S. government will dole out to the deeply indebted unemployed. Long term, considering the damage inflicted on the economy by the lockdowns, defaults will rise and car sales will decline.*

SLIDING VALUE OF OFFICE SPACE HITS URBAN CENTERS

It’s old news to **Trends Journal** subscribers. We had forecast this back in March. But now it’s big news in the business media.

First hotels, then retail storefronts. Next, the value of office space, especially in urban centers, will shrink an average of 17.2 percent in 2020, says Moody’s Analytics REIS.

The value of retail storefronts already is down 19.2 percent this year and hotels are down 20.5 percent, the service has found.

As the economic shutdown has turned working at home from a trend to a widespread reality, companies are giving up leases or snagging bargain rents and shorter terms from landlords desperate to fill empty space.

Even a slight drop in occupancy can make an outsize hole in property owners' profits because electricity and other utilities must be left on throughout buildings only partially leased.

Owners of office space are facing a liquidity crisis, said James Shevlin, president of CW Capital, a real estate firm. Tenants are pressing for cheaper rents or abandoning their office space entirely, leaving landlords without the cash to pay their mortgages or property taxes.

During past recessions, a 10-percent drop in pretax net income dropped property values 12.2 percent, Moody's said, which impacts cities' income from property taxes.

Share prices of Boston Properties Group, SL Green Realty Corp., and Vornado Realty Trust have tumbled 37 to 50 percent this year.

"If we can't figure this out by the end of the year, then we're going to have some big problems," Shevlin said.

TREND FORECAST: *What is happening now is unprecedented in modern history. Never before when there was an economic downturn or the fear of a flu or virus have millions of people escaped densely populated, high-end cities to exurban areas. Again, we had accurately forecast this back in March, and now it is reality.*

Therefore, there will less commerce generated from urban centers, which will push commercial real estate prices sharply lower.

This may reverse somewhat with the mass acceptance of a vaccine. However, the fear factor of other viruses, flus, social unrest, etc., and the trend to working at home will continue to weigh long term on commercial real estate values.

NEW VIRUS VICTIM: HALLOWEEN

Allready dressed up with masks for Halloween and everyday life looking like a trip to the Mad House, with Al Hallow's Eve just nine weeks away, still fearful of the COVID Goblin, planned events are being canceled.

Universal Studios Hollywood's annual Halloween Horror Nights, which runs from mid-September past Halloween night, priced tickets last year from $67 and $102. This year's even has been canceled.

The Queen Mary cruise ship, now a floating luxury hotel docked at Long Beach, has deep-sixed its yearly Dark Harbor event, which fetched $34 a ticket last year.

The Oogie Boogie Bash, which the Disney California Adventure Park has put up every Halloween, also has been scrapped for this year. In 2019, the 20-night event charged $100 to $145 for a ticket. With state guidelines for events still unclear, there is no longer enough time to plan the bash, the company said.

The Hershey Co., which collects about 10 percent of its annual revenue from Halloween candy sales, will promote "treats for me," hoping families will buy goodies for themselves even if they expect no children to come to their door.

Halloween falls second only to Christmas in consumers' holiday spending and reached $8.8 billion in 2019. This year, however, manufacturers and retailers are expecting a scary sales season.

Americans would have spent $2.6 billion on candy, $3.2 billion on costumes, and $390 million on greeting cards this Halloween, according to a survey by the National Retail Federation.

TREND FORECAST: *Just as sports, theme parks, wedding, fairs, conventions, trade shows, music/entertainment events, graduation parties etc., have been cancelled across the nation and around the world, the lost income will not be recovered, and those who depend on them for employment will deeply suffer financially*.

TAILORED BRANDS GOES CASUAL

Tailored Brands, owner of Men's Wearhouse and Jos. A. Banks clothiers, is rebalancing its inventory from business attire to a new emphasis on casual chic as it works through Chapter 11 bankruptcy, filed on 2 August.

The company's revenues fell 5.6 percent over the last two years as business dress codes loosened, a trend institutionalized as office workers retreated to their homes.

Sales were down 60 percent year-on-year for the quarter ending 2 May.

Tailored Brands is forecasting revenue of $1.4 billion this year and $2.4 billion in 2021, compared to $2.9 billion in 2019.

The company plans to cut $630 million in costs, which could result in closing as many as 500 of its 1,400 North American stores and trimming 20 percent of its corporate staff.

TREND FORECAST: *With so many businesses in the hospitality sector closed and as people mask up, socially distance, and work at home, dressing up to go out and look good will not be in fashion for a sizable majority of young and old.*

This trend will only reverse when art and beauty are recognized as being essential elements to find the true meaning of the human spirit.

DISNEY REPORTS FIRST LOSS IN 19 YEARS

The Disney Co. lost $4.72 billion in the three months ending 27 June, its first losing quarter since 2001.

Its theme parks were closed, movie releases delayed, and sporting events that dotted its television broadcast schedule were canceled.

A year earlier, the company had posted $1.43 billion in profits.

Revenues fell 42 percent to $11.8 billion for the period, down from $20.3 billion a year previous.

The company estimates that the global economic shutdown cost its theme parks about $3.5 billion.

TRENDPOST: *Despite Disney's dismal numbers and a dismal future, due to its streaming service having gained 60 million viewers in nine months and the pending September release of its long-delayed "Mulan" blockbuster, Disney's share price rose 5 percent after the earnings figures were announced.*

BLACKSTONE BUYS ANCESTRY.COM

The Blackstone Group, one of the world's largest investment managers with $545 billion under management last year, has paid $4.7 billion for the majority ownership of Ancestry.com, the website that enables people to trace their family trees.

Ancestry.com also is the world's leading provider of DNA test kits that allow people to screen for genetic traits and illnesses.

GIC, Singapore's national wealth fund, will remain a minority stakeholder in Ancestry.

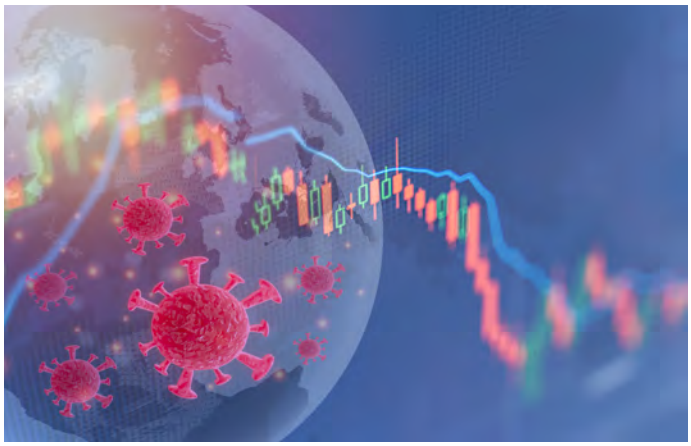
Ancestry has about three million clients in 30 countries and took in more than $1 billion in revenue last year.

Ancestry.com will continue to grow as people take greater interest in their heritage and in seeking early warnings of possible genetically-based health conditions, Blackstone said.

PUBLISHER'S NOTE: *DNA screening services have been known to sell results of DNA tests to third parties. Although the screening services attest that the data has been stripped of names and other individual identifiers, not everyone is, or should be, comfortable with the risk of giving control of their genetic profile to a profit-seeking enterprise.*

We note this acquisition because it clearly shows how investment funds, private equity groups, hedge funds, etc., something that did not exist until the late 20th century, have, and will continue to dominate the business world, pushing out or gobbling up small businesses.

GLOBAL ECONOMIC TRENDS



GERMAN INDUSTRIAL PRODUCTION BEGINS TO STIR. Several sectors of Germany's industrial economy are beginning to boost production, according to a survey by the ifo Institute.

The institute's production indicator, based on the outlook of manufacturing executives, rose from a feeble collective 4.4 points in June to 14.7 in July.

Among the most optimistic sectors:

- Germany's all-important auto industry's production index nudged from 49 last month to 51 in July.
- The clothing industry's marker shot from -33 to 12.
- The beverage industry's index rose from 19 points in June to 31 last month.
- Pharmaceuticals' number bounced from 12 to 23.
- Chemicals' index grew from 9 to 19.
- Foods' indicator went from 9 to 17.
- The mechanical engineering sector was only half as gloomy in July as it was in June, its score rising from -25 to -12. Metalworking businesses settled at -9 in July, up from -22 in June.

However, not all industries turned toward the positive.

The furniture index fell six points in July; for rubber and plastic makers, the number was down five and the shoe industry's index lost 10 points.

The German government will release June's industrial production figures this week.

Retail Rising?

On a somewhat bright note, Adidas, the German sports gear company, recorded a net loss of €295 million, or about $350 million, in this year's second quarter, compared with a €531 million profit a year earlier.

Revenue was down 35 percent to €3.58 billion compared to €5.51 billion during the second three months of 2019.

Online sales zoomed up 95 percent, but still not enough to offset the loss incurred by the closure of 70% of its stores at the height of the shutdown.

Sales fared worst in Latin America and other emerging markets, dropping more than 60 percent. North American sales fell 38 percent, Europe's 40 percent, but were flat for the quarter in China.

Adidas said revenues started to improve again toward the end of the second quarter, when about 83 percent of Adidas stores were open. Although traffic was lighter than before the shutdown, shoppers are spending more, the company said.

The company expects third-quarter operating profits to climb to €600 million and €700 million if the virus remains at bay and economies remain open.

Puma, another German sports equipment business, reported flat sales in July from June, a positive sign in contrast to April's 55-percent plunge.

Eurozone Retail

On the 19-nation European retail front, retail sales volume increased month-on-month by 5.7 percent in June, according to seasonally adjusted figures from Eurostat, following a record 20.3 percent jump in May. However, much of this was pent up demand and a large portion came from online sales.

Considering the new lockdowns in parts of Spain and parts of other nations, plus the sharp decline in tourism, we forecast these increases to be temporary.

TURKISH CURRENCY TANKS. On 6 August, Turkey's lira fell below a record low value set in May this year, dropping as far as 3.6 percent to trade under 7.31 to the dollar before ending the session at 7.23, barely above the previous low of 7.1988 on 6 May.

The lira has lost about 18 percent of its value so far this year.

For months, the country's central bank had been steadily borrowing foreign currency from domestic banks, selling it, and using the proceeds to buy the lira.

The effort drained $65 billion in foreign exchange out of the country so far this year, more than the $40 billion it withdrew in all of 2019, according to Goldman Sachs.

The currency crash followed two days of heavy selling after investors grew skittish about Turkey's dysfunctional money markets. Stock indexes fell 5 percent on the same day, the steepest slide since mid-March.

Domestic banks stood on the sidelines, unwilling to risk more of their resources to defend the lira when the central bank had already spent more than was wise.

The lira's woes pushed up the interest rate on Turkey's five-year, dollar-denominated bond to 7.01 percent from the 4.71 percent it carried when it was issued in February.

TRENDPOST: *Turkey's options for artificially maintaining its currency's value will run out. As we have noted in the Geopolitical section of this issue, should they ramp up war with Libya and face off against Egypt, it will severely worsen the already damaged economy, which in turn will drive the lira lower.*

Under demands from Turkish president Recep Erdoğan, beginning before the global lockdown, its central bank has lowered interest rates by 15.75 points.

While the government is offering cheap credit to businesses and individuals to revive the nation's economy, the lowered rates have fueled inflation, which topped 11 percent in July.

CHINA'S EXPORTS RISE. In July, China's export volume rose for a second consecutive month, gaining 7.2 percent from a year earlier and rising at the fastest rate this year, according to Chinese government data.

Much of the increase came from global demand for personal protective equipment and electronics needed by office workers relocated to their homes and by students learning remotely.

Shipments to southeast Asian nations, China's primary trading bloc, and to the U.S. grew by double digits while exports to the European Union, China's second-largest trading partner, fell.

In July, China's spending on imports declined 1.4 percent in July. Global commodity prices fell sharply even as China's purchases of foreign coal, oil, soybeans, and other items shot up.

As a result of growing export trade and lower import costs, China's trade surplus grew from $46.42 billion in June to $62.33 billion in July. Analysts had forecast a $42.5-billion surplus.

During the first half of this year, China was able to achieve only 23 percent of the amount of goods it had promised to purchase from the U.S. under the January trade deal between the two countries.

China's imports from the U.S. fell 3.5 percent during the first seven months of 2020, compared to the same period last year, but the rate of purchases has recently begun to increase.

TREND FORECAST: *Following the economic devastation when much of the world was locked down for some five months, with more nations relaxing restrictions, the uptick in trade is expected, and it will moderately continue.*

However, we forecast these up swings as temporary and will reverse as the world economy slides deep into the "Greatest Depression."

CHINA "A MODEL OF RECOVERY?" Several companies battered by the global shutdown have taken heart, and revenue, from China's reviving economy.

Quarterly sales for sneaker company Skechers USA fell 42 percent in this year's second quarter but was saved from being worse by an 11.5-percent sales bump in China.

Nike's China sales edged up 1 percent for the period even though global sales dropped 38 percent year-on-year.

LVMH Louis Vuitton Moët Hennessey saw total sales of its luxury brands fall 38 percent from April to June but logged a 65-percent gain in China as wealthy shoppers banned from foreign travel splurged at home.

Competitor Kering SA, which owns Gucci, reported sales in China rose 40 percent during the period, even as overall sales were off 43 percent year-on-year.

Sales in China were down 19 percent during the quarter for Starbucks and 11 percent for Yum China Holdings, which operates KFC restaurants in the country.

China's retail economy fell just 3.9 percent, compared to a year previous and to the 19-percent plunge that tanked the sector in this year's first quarter.

In contrast, U.S. retail sales slipped 8.3 percent in the second quarter, year-on-year, the U.S. census bureau reported.

TREND FORECAST: *China's jobless are finding work again, but most jobs being created are low-wage and temporary, flattening purchasing power and leaving a broader economic recovery precarious.*

Again, there will be temporary increases in China's GDP, industrial production, and retail sales. However, with much of the global economy weakened by the lockdowns and already in decline before the coronavirus struck, with near-term growth projected at best to modestly gain strength, China will be exporting and importing fewer goods and services.

CHINA EMBRACES COAL AS OTHERS SHUN IT. In the first half of 2020, the world retired more coal-fueled power capacity than it built.

Nations permanently shut down 21.2 gigawatts of coal power but commissioned only 18.3 in new coal-burning power plants. Vietnam and Bangladesh both abandoned plans for new coal-fired electricity generators.

The global economic shutdown curtailed power demand, making it easier and more economical to take coal-fired electric generating stations off-line and let renewable sources and cleaner-burning gas-powered plants take over.

China is fighting the trend; breaking ground on more new coal-fired plants than it has since 2016.

China is poor in oil and gas but has vast reserves of coal.

The economic shutdown saw fossil fuel emissions plummet. To maintain that level of clean air, economic recovery plans must invest in green energy and steer the future away from coal and other fossil fuels, scientists warn.

TRENDPOST: *With COVID Hysteria grabbing the headlines, Climate Change, the media hot topic for the past two years, has been silenced. From burning coal to the increased use of plastics, the environment, and what's destroying it, are out of the news.*

LATIN AMERICA "HIT HARDEST OF ANY REGION IN THE WORLD". Latin America's collective economy will contract 9.4 percent this year, the region's worst one-year crash on record, according to the IMF.

Argentina, Brazil, and Mexico – Latin America's largest economies – will decline about 10 percent this year and Peru by 14 percent, the IMF has predicted.

In contrast, other developing economies around the world will shrink an average of 3 percent this year, with the Middle East slipping 4.7 percent and sub-Saharan Africa 3.2 percent.

In Mexico, which lost 12.5 million jobs in April alone, poverty could encompass 57 percent of the population, rising from 61 million in 2018 to 70 million because of the economic shutdown. Those in extreme poverty could rise from 21 million in 2018 to as many as 32 million in the months ahead, the IMF warned.

The crisis could wipe out more than a decade's progress in raising people out of poverty.

The number of poor throughout Latin America could grow by 45 million to a total of 230 million, with those in extreme poverty rising from 72 million to 96 million, according to the IMF.

Because many countries have weak or no social safety nets, the region could face a widespread hunger crisis, the United Nations said.

About 20 percent of Latin America's businesses, or roughly 2.7 million enterprises, will fail as a result of the global economic shutdown, destroying 8.5 million jobs, said Alicia Barcena, executive secretary of the United Nations' Economic Commission on Latin America and the Caribbean.

Regional airlines in Chile, Colombia, and Mexico have gone bankrupt. Argentina, renowned for its beef, is seeing its steakhouses close. Lacking tourists, shops in Caribbean beach havens are going out of business.

Cencosud, one of the continent's chief retail chains, is closing down its 11 Paris department stores in Peru. Techint, a major Argentinian engineering firm, laid off about 1,500 workers when building projects were suspended.

So far this year, six of the region's large corporations have defaulted on loans, the same number for all of 2019. Another 40 businesses in construction, oil and gas, and telecommunications are nearing default on $36 billion in debt, Fitch Ratings reported.

In the current crisis, "Latin America will be hit as a region hardest of any place in the world," said Luis Alberto Moreno, president of the Inter-American Development Bank.

TRENDPOST: *Among the region's nations, the average debt-to-GDP ratio is forecast to rise to at least 70 percent as countries lose both taxes and trade income. That loss is coupled with an estimated 30-percent decline in the money sent home from the region's citizens working in other countries.*

TREND FORECAST: *Millions of people will head to North America as Latin American nation's sink deeper into poverty and debt. Crime will rise and demonstrations, protests, and riots that had been going on before the lockdown will again heat up.*

This in turn will intensify anti-immigration movements and propel growth of political parties calling for closed borders.

Beyond the Americas, the anti-immigration movements will intensify among developed nations as millions from poverty stricken countries flee civil unrest, crime, government corruption, and violence.

ARGENTINA DEAL RATTLES INVESTORS. Argentina has struck a deal with BlackRock, Fidelity Management, and other investors to restructure $65 billion of its $323 billion in sovereign debt.

A stalemate in the negotiations was broken when the government of president Alberto Fernández agreed to make some bond payments sooner than planned.

The talks have settled the value of the bonds in question at about 55 cents on the dollar, close to the 60 cents the creditors demanded and well above the 40 cents the government had first offered.

If the talks had failed and Argentina had defaulted, the country could have been disqualified from receiving international financial aid for years.

Argentina already defaulted on a bond payment in May, the ninth default in its history.

The deal eases fiscal pressures on the country, which has long struggled with a debt load that the IMF has called "unsustainable," as well as a deep recession that was under way before the economic shutdown tanked the economy further.

Argentina will begin negotiations with the IMF soon over $44 billion in loans coming due in 2021 through 2023 that the nation owes the fund. The IMF could make concessions hinge on economic reforms that would risk public protests and political upheaval.

The latest restructuring plan unsettled investors with money in other Latin American countries, leading them to foresee demands to renegotiate terms, or outright defaults, among debtor nations.

On 2 August, Ecuador announced an agreement with creditors to restructure $17.4 billion in foreign debt.

TREND FORECAST: *The dollar has weakened in recent weeks, making it less valuable and giving debtor nations a better chance to keep up payments on their dollar-denominated loans.*

The dollar, however, has regained some strength lately, limiting the rise of commodity prices, a basic element of many Latin American economies.

In addition, the lingering effects of the economic shutdown and COVID fears have crippled tourism, another pillar of Latin American economies.

The implications of the COVID virus on Latin America will erase investors' hopes for a swift rebound in the southern hemisphere.

NEW VIRUS SURGE COULD PUSH EMERGING ECONOMIES INTO DEBT CRISIS

For the many economies that depend on tourism, remittances from relatives abroad, and exporting raw materials, a new global wave of the COVID virus could leave them even less able to service their already burdensome foreign debt, the IMF has warned.

These countries typically must import a range of necessities. The loss of income from a continuing weak global economy, coupled with the cost of caring for their own COVID victims, could cost many of the nations as much as 2 percent of GDP, the fund said.

Oil exporters such as Norway, Russia, and Saudi Arabia could lose up to 3 percent of GDP in foreign trade; the absence of tourists in nations such as Costa Rica, Morocco, and Portugal could wipe out 2 percent of GDP.

Egypt, Guatemala, Pakistan, and other countries relying on citizens sending money home from abroad also would be hit hard, the IMF said.

The new imbalances could push many precarious economies to default on foreign debt or beg help from the IMF and World Bank, the fund emphasized.

Canada, the U.K., and U.S. have outsized trade deficits, the fund noted; China and the Eurozone, particularly Germany, have large surpluses.

TREND FORECAST: *We forecast sharp increases of government control among nations that will sink deeper into financial distress, which will in turn ignite civil wars, which will in turn escalate into regional wars.*

COFFEE PRICES: A COLD BREW

The economic shutdown has cooled the price of coffee futures and split the market.

Futures prices for arabica coffee beans, the upscale variety popular in restaurants and cafés, are down about 9 percent during the shutdown, which closed eateries around the world and clouded their outlook.

The price for cheaper robustica coffee, mostly used in freeze-dried formulas and pods for countertop coffee makers, has slipped only about 3 percent.

The price of both could fall farther: restaurants are reopening, but with limited seating capacity, and customers are slow to return, tamping down prices for coffee futures. Also, Brazil's bumper coffee crop this year threatens to create a glut that will keep prices low.

GOING DOWN, GOING BUST, GOING OUT

Each week, in this section, we provide a global overview from various sectors of the economy to illustrate the depth and implications of the COVID lockdowns.

HSBC BANK'S PROFITS CRASH. Profits at the worldwide bank that focuses on Asia dove 96 percent in 2020's second quarter to $192 million year-on-year.

The bank set aside $3.83 billion as a reserve against bad loans, about seven times as much as in 2019's second quarter. About 40 percent of the reserve is earmarked for the bank's troubled U.K. division, which showed a loss for the quarter valued at $857 million.

The bank may inflate its loan-loss reserve to as much as $13 billion as 2020 progresses.

HSBC has drawn criticism for supporting China's restrictive securities law governing Hong Kong, then sparked ire from the Chinese government when it became involved in the U.S. legal case against China's Huawei Technologies Co. for violating sanctions against Iran.

HSBC's stock price has fallen more than 40 percent this year, a blow to its large base of its small-scale individual investors in Hong Kong.

NEW YORK CITY BUSINESSES CLOSING BY THE THOUSANDS. About 3,000 small businesses in New York City have permanently closed because of the economic shutdown, the website Yelp has reported. About a third of those have been restaurants.

The city's small businesses comprised 98 percent of New York's employers, providing work for about three million people. Thanks to the shutdown, those businesses have cut at least 520,000 jobs, according to city data.

Before the pandemic subsides, as many as a third of the city's 240,000 small businesses could permanently close, said a report by The Partnership for New York City, a nonprofit business group.

About half of the permanent closures so far have been in Manhattan, where commuters have disappeared, tourists have vanished, and wealthy residents decamped to second homes farther away.

The first wave of business failures was among coffee shops, newsstands, and other retailers that depended on those commuters.

Among New York's bars and restaurants, one the hardest-hit business sectors, 80 percent did not pay their full rent in June, the NYC Hospitality Alliance reported.

Restaurants were preparing to reopen indoor dining in July, with state permission. After ordering food and recalling staff, the eateries learned that the ban on indoor eating would continue when the state learned of surging virus caseloads in other states.

The wasted expense pushed more dining establishments closer to closing for good.

TREND FORECAST: *With much of the nation stuck in COVID Fear, there remains a general uneasiness to go shopping and dine out. And with strict regulations on bars and with entertainment venues locked down, there are few places to go out.*

This trend is national and will prove devastating to businesses large and small.

AIG LOSES $800 BILLION. The business insurance giant reported $674 billion in payouts, including $458 million related to the economic shutdown and $126 million due to protests in the wake of George Floyd's death at police hands.

A year earlier, the company posted $1.1 billion in profits.

The loss also was partly due to AIG's sale at a loss of most of its interests in Fortitude Group Holdings, an investment services business. The sale canceled the company's liabilities for products it no longer sells.

Many business insurers are being swamped by claims from hospitals whose workers contracted the COVID virus, from businesses seeking reimbursement for lost revenue, and concerts, sports games, and other events that had cancellation coverage.

CASINOS CRAP OUT. Wynn Resorts Ltd. saw 95 percent of its revenues raked off the table in the quarter ending 30 June and posted a loss of $523 million, compared to $219 million in operating income a year earlier.

Wynn reported debts of $12.8 billion and $3.8 billion cash on hand as of 30 June.

Previously, Las Vegas Sands Corp. reported quarterly revenue down 97 percent; MGM Resorts International said its intake was off 91 percent.

Casinos that reopened in May and June welcomed a surge of visitors expressing pent-up demand for entertainment and diversion. But a lasting recovery in Las Vegas depends on the return of conventions and big-spending tourists arriving on airplanes, two things unlikely to happen in the near future.

TREND FORECAST: *As the "Greatest Depression" worsens, with less people working, gambling revenue will continue its decline.*

And, with so many New ABnormal rules that have stifled a once freewheeling casino spirit, plus the lack of live entertainment, the gambling halls will lose customers looking to have a fun time.

Moreover, the loss of customers will cause deep economic pain to those employed by casinos and the businesses that service them.

In addition, with so many tradeshows and conventions cancelled in casino rich cities, that, too, will bring down gambling and hotel revenue.

As tourism and betting declines, so will real estate values.

CRUISE SHIPS TO STAY DOCKED. U.S. cruise lines have extended their shore leave until 1 November, the new date on which the luxury ships will set to sea again. The extension was announced by the Cruise Lines International Association and adds an additional month to the 1 October cruise date that had been allowed by the CDC.

BOOKING HOLDINGS CUTS BACK. The company that owns online travel agencies Agonda, Booking.com, Kayak, OpenTable, and Priceline will cut as many 4,000 jobs as the travel industry continues to languish.

Booking.com alone employs about 17,000 people and the travel crash "has hit, and will continue to hit, our business hard," said CEO Glenn Fogel.

The company is in talks with unions and workers' organizations to time the cuts and decide which workers to let go.

Competitor TripAdvisor previously moved to cut about 900 jobs, roughly a quarter of its workforce. Expedia Group reported last week its bookings had fallen 90 percent in this year's second quarter.

BROOKFIELD PARTNERS BOWS OUT. The international real estate firm had planned to redevelop an abandoned mall in Burlington, VT, into a residential and office combination.

After three years of work, the company had demolished the mall, prepared the site, and gathered needed permits. But after the economic shutdown, the project no longer will be able to meet the company's minimum rate of return, executives said.

Brookfield turned the project over to its local partner, Devonshire Investors.

The University of Vermont Medical Center had pledged to move into the new development.

Burlington's mayor called the abandonment "a breach of faith."

Brookfield has specialized in converting old malls into mixed-use centers and owned 122 U.S. retail properties as of 1 April.

SAUDI ARAMCO NET INCOME SLASHED IN HALF. Saudi Arabia's national oil company reported net income of $23.2 billion in this year's first half, slightly less than half of the amount it posted for the same period in 2019.

The company still will pay its second-quarter dividend, totaling $18.75 billion, in the third quarter this year.

Saudi Aramco now expects its capital expenditures for 2020 to be slightly above $25 billion, compared to $32.7 billion last year.

The global oil industry is reeling from a glutted market as the world's economic shutdown collapsed demand for oil for fuel and chemical feedstocks.

As a result, oil companies are drastically reducing the estimated value of their reserves and hundreds of smaller producers are on, or over, the edge of failure.

Yet, Saudi Aramco sees the barrel as half full. "We are seeing a partial recovery in the energy market as countries around the world take steps to ease restrictions and reboot their economies," said Amin Nasser, the company's CEO.

This year's earnings will suffer, he added.

TREND FORECAST: *Brent Crude prices have been hovering in the low to mid-$40 a-barrel range for several weeks.*

Today, on the news that the Washington was poised to inject yet another massive dose of monetary methadone to artificially prop up the world's second largest economy, crude oil prices spiked 2 percent.

But by the day's end, Brent Crude fell 1.16 percent, closing at $44.47 a barrel. We maintain our forecast that supply will continue to outpace demand despite injections by governments and central banks to artificially prop up economies.

MEDIA INDUSTRY CUT-BACKS

MEDIA OUTLETS CUT JOBS AS AD SALES FALL. As elections near in the U.S. and the COVID virus roams the world, more people are eager for news. But, as the cover of this **Trends Journal** articulates, most of what they consume is "junk news."

Even though ratings are going up, fewer advertisers can afford to support the habit: at least 36,000 workers in media have lost their jobs or taken pay cuts resulting from the economic shutdown, the *New York Times* reported.

The venerable British newspaper *The Guardian* is cutting 180 jobs. *The Economist* international weekly magazine is lopping 90 workers.

Condé Nast, which counts *Vogue, Wired*, and *The New Yorker* magazines among its stable, is turfing out 100 from its staff of 6,000.

Vox Media, publisher of *The Verge* and *New York* magazine, will bid goodbye to 72 employees.

Even the *New York Times* is not immune, laying of 68 salespeople.

Across the U.S., at least 50 local newspapers have shut down, according to the Poynter Institute for Media Studies.

In France, the assets of the regional daily paper *La Marseillaise* are being liquidated; the daily *Le Parisien* will dump 30 employees and end its regional editions.

Online, the Vice Media group will terminate 100 overseas staff and 55 stateside; Buzzfeed is cutting salaries by up to 25 percent and will no longer cover news in Britain, France, or Australia.

In the broadcasting world, the *BBC* will terminate 520 jobs, almost 9 percent of its staff. Journalists will cover fewer stories, the network has decided.

NBCUniversal has trimmed some executive salaries by 20 percent; *ViacomCBS* will get rid of about 3,500 of its 35,000 employees, *Bloomberg* reported.

TRENDPOST: *The news industry has been losing readers and ad dollars to online sites for more than a decade. The economic shutdown has accelerated that trend. While some local papers will survive, those that do are likely to be part of a larger business – for example, a newspaper company that also prints business directories and does commercial printing.*

By 2040, daily printed newspapers will be a rarity.

NEWS CORP LOSES EVEN MORE MONEY IN LATEST QUARTER. The media empire that owns *Fox News* and the *Wall Street Journal* reported losing more than half of its ad revenue in its most recent quarter.

Ad revenues slumped 57 percent to $332 million, virtually all of which the company attributed to the global economic shutdown.

News Corp also lost revenue due to the sale of its grocery-coupon business and to fluctuations in international currency values.

The company's overall loss of $397 million, or 67 cents a share, compounds the $51-million loss of 9 cents a share a year earlier.

Revenue slid 22 percent to $1.92 billion, compared to $2.47 billion year-on-year.

NEWSPAPERS: SUBSCRIPTIONS UP, AD SALES PLUNGE. Gannett, the U.S.'s largest newspaper chain with 261 papers in 46 states, reported a 31-percent increase in digital subscriptions in this year's second quarter, as revenue from print advertising fell 40 percent and digital ad sales 27 percent.

Advertising often is among the first expenses that businesses cut in hard times.

Gannett responded to the slump early by furloughing most of its 20,000 employees, then recalling most in early July. That, coupled to savings from travel expenses, saved the company $125 million in the second quarter.

Tribune Publishing Co., which owns the *Baltimore Sun, Chicago Tribune,* and more than 20 other papers, recorded a 40-percent gain in digital subscriptions year-on-year, ending the period with 419,000 online readers but a loss in ad revenues.

The company was able to cut operating expenses by 24 percent through employee buyouts early this year and, when the shutdown began, furloughing workers and cutting salaries.

NBCUNIVERSAL BEGINS LAYOFFS. Comcast's entertainment unit has begun long-expected layoffs as NBCU's second-quarter revenues dove 25 percent to $6.1 billion, due to television ad sales crashing, movie release delays, and theme parks being shuttered.

The company expects to hold layoffs to no more than 10 percent of its' 35,000-person workforce.

Television production has not resumed for the next season. When it does, costs will rise as new safety and virus testing protocols are enacted on sets.

NBCU's future also is clouded by an internal investigation following a news report detailing a toxic and misogynistic corporate culture there.

WarnerMedia, owned by AT&T, could begin laying off employees as early as this week, insiders say.

DISCOVERY SEES LOWER REVENUES. Discovery, Inc., owner of cable television networks The Food Network, HGTV, and TLC, saw revenue fall 12 percent to $2.54 billion during this year's second quarter, compared to $2.88

billion a year earlier, driven by a 21-percent year-on-year decline in ad sales to $1.27 billion.

Net income crumbled 71 percent to $271 million from $947 million during the same period in 2019.

The company will continue its $2-billion plan to buy back its stock and to launch a new service that would allow viewers to stream shows from all of Discovery's networks.

TRENDS IN THE MARKETS *by Gregory Mannarino*

MARKET MELTDOWN: COMING SOON

We are in the midst of an epic, engineered economic collapse, yet it appears as if the stock market is invincible.

Over the past few weeks, we have seen the NASDAQ make several all-time record highs, a trend that will continue… until it doesn't.

What is the main driver of the market today?

It's the ballooning Federal Reserve balance sheet – the largest debt expansion cycle the world has ever seen. By this mechanism alone, the stock market is making all-time record highs as the economy is in collapse.

The Fed, along with the major Wall Street investment banks (which own the Fed) are directly buying stocks. Yes, the Federal Reserve Bank of New York has their

own trading desk that they use to “maintain market stability.” In other words, to prop up the stock market.

Below is an excerpt taken directly from the Fed’s website:

> **Open market operations**
>
> Open market operations (OMOs)--the purchase and sale of securities in the open market by a central bank--are a key tool used by the Federal Reserve in the implementation of monetary policy. The short-term objective for open market operations is specified by the Federal Open Market Committee (FOMC). OMOs are conducted by the Trading Desk at the Federal Reserve Bank of New York. The range of securities that the Federal Reserve is authorized to purchase and sell is relatively limited. The authority to conduct OMOs is found in section 14 of the Federal Reserve Act.
>
> The Federal Reserve Bank of New York publishes a detailed explanation of OMOs each year in its Annual Report.

For more than a decade, the Fed has been deliberately and profoundly involved in rigging the debt market by artificially suppressing rates. The mechanism of artificially suppressing rates creates an environment of risk that directly pushes cash into risk assets – the stock market. It also creates massive “malinvestment.” Malinvestment is the process by which cash, that should be going into certain assets, does not.

Instead, the cash makes its way into assets it should not be going into, thereby inflating asset bubbles. In turn, this inflates a stock market mega-bubble.

So, what happens when the mechanism of artificially suppressed rates, which has manifested itself in The Mother Bubble of Them All, corrects to fair value?

Meltdown Mania

There will come a time in the near future when an uncontrolled sell-off in the debt market will occur. This will cause a rapid spike in rates, which will, in turn, put a massive amount of pressure on the stock market and cause it to drop extremely rapidly in an uncontrolled fashion.

In other words, the Market Meltdown.

We will do all we can to give a heads up to **Trends Journal** subscribers before it is underway.

by Gregory Mannarino, traderschoice.net

TRENDS IN SURVIVALISM *by Bradley J. Steiner*

EDUCATION FOR SURVIVALISTS

Education (*real* education, not mere "schooling") is as important to the goal of survival as mastering firearms; acquiring survival food and supplies; and learning how to secure your privacy, remain anonymous, master self-defense, and provide for a measure of financial security.

Those who can think clearly and logically, who can analyze, discern, and make informed choices; who understand history, government, and who can tell when they are being conned/lied to are the ones who will be able to make the most and

the best of all other skills and crafts. They will be the ones who will be able to raise children who will not be slaves of the world's manipulators and power-lusters.

Please do not get the idea from that which I have said about the importance of education to be anything resembling an endorsement of the public school system. Nor is it even a slight suggestion that there is value in attending college today. In my opinion, those avenues, more often than not, can lead to miseducation, producing propagandized fools who tout the party line and promulgate the current socialist B.S.

So long as it remains legal to do so, my recommendation is to home school your children. Keep their young, impressionable minds and growing bodies away from the public school system and the incompetent sludges who run it and work as "teachers" within it.

Granted, there are some good teachers in the system. Every now and again, a stellar administrator like Joe Louis Clark, the former principal of Eastside High School in Patterson, N.J., comes along to turn a public school "prison" into an institution of learning. But, they don't last and aren't encouraged. (After literally saving the high school and setting hundreds of teenagers on the right path in life, Principal Clark was fired.)

With the exception for those who can't afford it, my belief is that schools – like other businesses and services – should be in the private sector, run privately by administrators and teachers who must compete in the free market and convince parents and their children they are offering services of merit.

Instead, public schools operate by coercion. The law says a child must attend public school. Teachers who are genuinely worthy of the name depend on attracting students and keeping them by being *good teachers* – not by keeping children imprisoned and forcing them to listen to the teachers' babbling, performing the tasks those teachers demand, and passing tests and requirements those teachers require.

Education is of critical importance for the maintenance of a free society

Except for certain professions that require hands on learning in selected fields, getting degrees in history, gender studies, social sciences etc., to me, is a 100 percent waste of time, energy, and money.

As forecast in the **Trends Journal** at beginning of the COVID-19 outbreak when schools across the globe were shut down, it signaled the onset of a 21st century online learning system, which, back in 1996, Gerald Celente had forecast as "Interactive U" in his book, *Trends 2000.*

"Interactive U" has just been born. The new education system that will replace the current one, which was invented by the Prussians at the onset of the Industrial Revolution, will offer great investment rewards to existing and start-up companies which create the new learning systems and continue to update them.

In this digital world of internet connections, an Alexandrian Library card for all the information any heart can desire, and/or bookstores combined with a self-directed program of reading and learning, self-learning is the new education model.

Additionally, being out in the workaday world will help to nurture and refine one's intellectual capacity. It will make a person sophisticated in the real ways of the world and enhance the ability to understand and cope with the society in which you live.

Again, going to college makes sense only if a college degree is required for the career you intend to enter, as you cannot get into medical or dental school unless you've acquired a bachelors degree. Law schools demand a four-year degree. A great racket when you think about it!

Those "teaching" at the undergraduate level are guaranteed jobs and income because, even though students may have no use for the crap getting stuffed into them, unless they assimilate the garbage and regurgitate it back in a blizzard of irrelevant examinations, the students will never be accepted into the post-graduate school programs they need to attend.

A general (or, if you prefer a more substantial term, a "liberal arts") education is of inestimable value and importance because it cultivates overall understanding of the world we live in, the societies that exist, your ability to reason and evaluate, and your ability to communicate effectively and clearly in both speech and in the written word. You learn the history of civilization (and perhaps of civilizations other than your own) and philosophy and its significance, and you develop a host of other important attributes and characteristics.

However, one need not attend a college or undergraduate university program in order to gain such an education. With Interactive U, It can be done on one's own if

one has the incentive. Those who lack incentive cannot be helped by any formal degree-granting institution.

I would like to recommend a book I found immensely valuable since reading it many years ago: *How to Read A Book* by the philosopher Mortimer J. Adler. The book has gone through many editions. I believe the best is the first edition, released in January 1940.

Remember: Your general education can be acquired, and should be acquired, by **your efforts on your own**. You can learn every subject, including foreign languages*, science, mathematics, or you-name-it through disciplined, regular self-study. You don't need to spend tens or hundreds of thousands of dollars and subject yourself to schedules and examinations imposed by others. Not to mention, what very well may be a huge financial debt on graduation.

** I suggest two sources for learning foreign languages: Linguaphone, and Assimil. And one piece of advice: Keep your mastery of any foreign language to yourself. You never know when having the ability to hear and understand what others are saying, while they think they are speaking privately, might be useful.*

Two of my self-defense/close combat students are self-taught on just about everything there is to know about computers, programming, cyber-security, and a host of other things that leave me cross-eyed with confusion. Each operate their own business and, last I heard, make a small fortune each year.

In your quest for personal education, I strongly suggest that in your efforts to homeschool your children, make it a habit to purchase and keep the many good books, DVDs, and pamphlets you acquire. Many works espousing liberty and teaching the real and true history of America and the Founding Fathers are sure to be banned one day. You don't want to be without these… for your grandchildren and for their children.

If you have a hard time believing that books readily available for purchase in America may be banned, consider this: In Soviet Russia, *How to Win Friends and Influence People* by Dale Carnegie was restricted/top secret and unavailable to the public. It was used in training KGB and GRU officers (the foreign military intelligence agency of the General Staff of the Armed Forces of the Russian Federation) in how to manipulate human beings.

Yet, in the U.S., you can still send a ten-year-old to Barnes & Noble and have him pick up a copy of that book for a few dollars.

Don't assume what happened in Russia cannot happen here!

by Bradley J. Steiner

2020 COVID-19 TREND REPORT

LOCKDOWNS UNCONSTITUTIONAL

Across the globe, from Communist Democratic Dictatorships, their Prime Ministers, Presidents, Chancellors, Governors, and Mayors have issued Executive Orders telling the citizens what they must do to fight the COVID War.

As we have noted, and as Judge Andrew Napolitano expressed at our "Unite for Peace and Restore Freedom" 4th of July Rally, in the United States, as with most nations, these orders are unconstitutional.

With few exceptions, that issue is ignored by the media and politicians.

Indeed, buried in the *New York Times* last Thursday was this small headline from a one-paragraph story: "**Unconstitutional Quarantine.**"

On 30 July, Portugal's Constitutional Court ruled the government of its Azores Islands violated the constitution by imposing a two-week quarantine on all arriving air passengers… whether or not they had any COVID-19 symptoms.

Confining them to hotels, for which those arriving after 8 May had to pay, they were isolated in their rooms and forced to buy food and water that was brought to them.

The court stated government authorities treated people as if they were serving a prison sentence.

TRENDPOST: *Again, totally void from mainstream media around the world is the unconstitutionality of individual actions taken by politicians that have locked down entire nations, destroyed millions of businesses, and caused financial and mental suffering of hundreds of millions.*

Moreover, as the research shows, in most nations, the majority of citizens simply obey the orders imposed on them and do not challenge either the legality of the orders or the lack of scientific data to support their politicians' commands.

GOVERNMENT'S LOCKDOWN LAWLESSNESS

In the U.S., a number of legal scholars, including Bradley Moss, a Washington, D.C. lawyer with particular expertise on security issues, said, "It is unclear, absent congressional approval or every state in the union collectively agreeing to it, how any president would have the authority to impose a federal or national quarantine."

Polly J. Price, Professor of Law and Professor of Global Health at Emory Law School, however, cited a Supreme Court ruling a century ago that gave states the right to limit travel during one of the yellow fever epidemics. In that decision, Professor Price said the court "suggested that states can do so and can impose quarantines on incoming travelers, 'so long as it's for a valid public health measure.'"

Courts have intervened when a quarantine was deemed either unfair or based on racial prejudice. In the article, "Covid-19 – The Law and Limits of Quarantine,"

published in the *New England Journal of Medicine,* jurisprudence experts stated that courts ruled against the city of San Francisco in 1900 when they tried to vaccinate and quarantine Chinese residents.

The authors said, "Quarantines and travel bans are often the first response against new infectious diseases. However, these old tools are usually of limited utility for highly transmissible diseases, and if imposed with too heavy a hand, or in too haphazard a manner, they can be counterproductive. With a virus such as SARS-CoV-2, they cannot provide a sufficient response."

On 14 March, Kentucky police in Nelson County surrounded the home of a man who had tested positive for COVID-19 but refused to self-isolate. Governor Andy Beshear proclaimed at the time, "It's a step I hoped I would never have to take, but we can't allow one person who we know has this virus to refuse to protect their neighbors."

Lawrence Gostin, a Georgetown University law professor, when asked to comment on the situation, stated, "If you have a lawful quarantine order for somebody who is known to pose a risk to the public, it should be enforceable by law, by the civil penalty, criminal penalty or literally police presence and not allow you to leave your home. What isn't justified necessarily is to do that en masse, to have a complete lockdown."

TRENDPOST: *According to the National Constitution Center, "But under the Constitution, individuals have rights in quarantine and isolation conditions. Under the 5th and 14th Amendment's rights of Due Process and Equal Protection, public health regulations used to impose such conditions can't be 'arbitrary, oppressive and unreasonable.'"*

As evidenced by rules such as being allowed to eat without a mask when sitting down at a table but forced to wear one when standing up, social distancing ranging from one to four meters depending on the country, face mask dictates, etc., these rules are "arbitrary, oppressive and unreasonable."

Moreover, as we have documented in the ***Trends Journal*** *since the COVID War began, not only has the efficacy of the rules imposed been challenged by numerous professionals and health organizations, there is factual evidence they are unhealthy and harmful.*

MORE MELBOURNE MADNESS

The once bustling city of Melbourne, which accounts for some 25 percent of the nation's GDP, was locked down last Sunday and will stay locked down until at least 13 September.

Prohibiting people to frequent retail shops, restaurants, entertainment venues, etc., police and military personnel dressed in camouflage fatigues patrol the streets enforcing the dictatorial rules.

Home Prisons

Among the new Melbourne regulations – again, as with other nations, lacking scientific data – only one person per household can leave to go shopping for "essential" items.

People are allowed to exercise for one hour a day as long as they remain within a 5-kilometer (3.1 mile) radius of their homes and apartments.

Thus, adding to what Victorian Premier Daniel Andrews calls "common sense" in classrooms, teachers in close proximity to students don't have to wear masks, yet, the children must wear them. But both teachers and students have to wear masks on their way to and from school.

The reason given for the extensive lockdown was the state of Victoria had 735 coronavirus cases last Wednesday. When this new, harsher lockdown was announced last week, the entire state of Victoria had experienced 147 deaths since March out of a population of over 6.3 million or 0.002 percent.

Yet, last Tuesday, the *New York Times* described the situation in Victoria this way: "Australia's second-largest city, Melbourne, is grappling with a spiraling coronavirus outbreak that has led to a lockdown with some of the toughest restrictions in the world – offering a preview of what many urban dwellers elsewhere could confront in coming weeks and months."

TRENDPOST: "*Ignore the facts, sell the fear" is the mainstream media way.*

The "Horror Headline" trend kept pace last Saturday with this from Bloomberg News: "Australia Reports 17 Coronavirus Fatalities in Deadliest Day."

It should be noted, as with other nations, the infirm elderly and those suffering from pre-existing chronic conditions are the victims of the virus.

Indeed, 10 of the 17 virus deaths reported last Saturday were from elder care centers.

In fact, it's the same sad story that the mainstream media worldwide, particularly in America, and a junk news-addicted population avoids: "Who is dying from the virus and why?"

According the Australia's Health Minister, 68 percent of all virus deaths in the nation were related to aged care facilities.

As the scientific facts confirm, and we have been reporting, people suffering from obesity, Type 2 diabetes, heart disease, and respiratory ailments are the primary death victims of COVID-19.

When the virus hysteria first broke out, as we have continually noted in the ***Trends Journal****, this is what was included in most Associated Press COVID-19 stories: "For most people, the coronavirus causes mild or moderate symptoms. For some, it can cause severe illness such as pneumonia, or even death."*

Rarely, if ever, does the mainstream media mention, "For most people, the coronavirus causes mild or moderate symptoms." Instead, as is now evident by the headlines, they pump up the fear factor by reporting on the number "cases" and concentrate on the "for some" who die.

STRICTER LOCKDOWN LAWS

Manila, the capital of the Philippines; New York City; and the state of New Jersey all had something in common last week: they are re-instituting stricter lockdowns despite small percentages of COVID-19 deaths.

In Manila, city officials forced the cancellation of most domestic flights and imposed a night curfew. Police established road checkpoints to restrict all vehicular traffic. President Rodrigo Duterte returned the city to lockdown based on 106,000 people known to be infected and some 2,100 deaths. The Philippines has a population of 109 million or a 0.002 percent death rate from the virus.

The 4 August headline in the Health & Environment section of the *South China Morning Post* read, "Hong Kong Third Wave: Growing COVID-19 clusters at two wet markets spark fears of wider outbreaks as city records 80 new cases and four deaths."

Note the anxiety-provoking language. Hong Kong has a population of 7.5 million, thus, four new deaths is barely a trickle and hardly a "Third Wave." It should also be noted that to date, since the virus hit China in mid-January, there are a grand total of 51 deaths or 0.0007 percent of the population.

New Way to Educate, New York Style

As if Ghost Town NYC hasn't been devastated enough by the economic shutdown (see our article from last week, "NEW YORK STATE OF MIND: SINKING"), Mayor Bill de Blasio announced on 5 August that checkpoints will be set up at tunnels and bridges to force quarantines on all people who have come

into the city from states with high rates of the virus. Violators can be fined up to $10,000.

What is this new law that has taxpayers funding goon squads to target violators? Declared Joseph Fucito, Head of the Office of Sheriff of the City of New York, “In fact, what we’re looking to do is educate people who’ve spent time in COVID-19 hot spots regardless of their residence.”

Jersey Jolted by Knuckleheads

Not to be outdone by his neighboring state, New Jersey Governor Philip Murphy tightened the lockdown in his state last week. Included in the new rules: a limit to 25 percent capacity on indoor gatherings with a maximum of 25 people (down from 100). The governor clarified that “for purposes of determining this limit, any private residence or residential unit shall be treated as a single room.”

He later added, “The actions of a few knuckleheads leave us no choice.”

On 3 August, *NBC* news posted this headline on its website: “N.J. sees spike in COVID-19 cases as residents slack off on masks and social distancing.” Note the “spike” description referred to the fact that from 20 July through 2 August, there were 134 deaths… in a state of some 9 million people. Neither the ages of those who died from the virus were reported and/or if they were suffering from pre-existing chronic illnesses.

BLACK LIVES MATTER: NO VACCINE

A new survey conducted by Northeastern, Harvard, Northwestern, and Rutgers found that if and when a COVID-19 vaccine becomes available, some 66 percent American say they'll get vaccinated.

While 77 percent of U.S. residents of Asian origin, 71 percent of Hispanics, and 67 percent of whites said they were likely to get the vaccine, only 52 percent of Black respondents said they would.

Black Americans, due to poor health, limited access to public health services, and lower socioeconomic conditions are about twice as likely to die from COVID-19 than whites. According to the CDC, Blacks who have been hospitalized after contracting the virus are at a rate almost five times higher than whites, and while they comprise only 13 percent of the U.S. population, they have suffered almost 25 percent of the deaths.

Dark History

Why are Blacks resistant to vaccinations despite being more vulnerable to the virus?

There is a deep-seated mistrust among Black American communities based on prior disasters with vaccination programs. The most infamous in over the last hundred years was the 40-year "Tuskegee Study of Untreated Syphilis in the Negro Male."

When the study began in 1932, there was no cure for syphilis. Six hundred black men, some with syphilis and others in a "control group," were never told they were being studied for syphilis. Enticed by promises of medical care and survivors' insurance, the uninformed participants, all poor sharecroppers in the Macon, Alabama area, were injected with syphilis over a period of decades.

Not until 1972, when whistleblower Peter Buxtun, a former employee of the U.S. Public Health Service, broke the story did it become known that for over 40 years, dozens of black participants had died and their wives, children, and untold others had been infected with syphilis as part of the study.

Despite changes in U.S. law, which now require informed consent and open reporting of test results, Black Americans, many stuck in poor, unhealthy neighborhoods and lacking adequate medical care, remain suspicious of any government mandated health project.

This was proven clearly in late April when COVID-19 researchers from the CDC were attempting to get blood samples from residents in Georgia in order to study coronavirus antibodies. When they knocked on doors in predominantly black neighborhoods, they were met with strong resistance. Less than one in four households were willing to give blood.

"Nobody Trusts the Pharmaceutical Companies"

Sandra Quinn, a public health professor at the University of Maryland, stated in an article published on 28 May, "We know that because of the history of segregation, discrimination and racism there are reasons Black people don't trust the government. The government doesn't always have their best interests at heart."

In May, Professor Quinn, collaborating with fellow public health experts at the University of Maryland, studied the level of trust in various institutions including drug companies, government, and healthcare providers. They found sharp dividing lines. One of the researchers, Amelia Jamison, said after the study, "Nobody trusts the pharmaceutical companies. But white people were generally more trusting of the government."

TRENDPOST: *According to data reported in a study of lobbying efforts by pharmaceutical companies published by the Journal of the American Medical Association in March:*

> *"From 1999 to 2018, the pharmaceutical and health product industry spent $4.7 billion, an average of $233 million per year, on lobbying the US federal government; $414 million on contributions to presidential and congressional electoral candidates, national party committees, and outside spending groups; and $877 million on contributions to state candidates and committees.*
>
> *"Contributions were targeted at senior legislators in Congress involved in drafting health care laws and state committees that opposed or supported key referenda on drug pricing and regulation."*

TRENDPOST: *The Vaccination War has begun. Those opposed to being vaccinated will continue to be silenced by the social media monopolies as "conspiracy theorists" and be denounced by mainstream media, politicians, government institutions, entertainment sectors, and the educational system.*

As the polls show, the more the COVID Fear and Hysteria spreads, the greater the masses line up to be shot… in the arm and through their body with a vaccination.

Go back to May when an AP-NORC poll found that only 49 percent of Americans said they would seek vaccination and only 25 percent of Blacks said they would.

With the fear being peddled non-stop – and the facts constantly ignored as to who is dying from the virus and why – as noted, the polls now show 66 percent of Americans say they will get a COVID vaccination and 52 percent of Blacks.

As we have forecast, "Anti-vaccination" will become a major platform on newly forming "Freedom of Choice" political parties.

FLORIDA FREAK-OUT

Absent in the reporting of daily cases and the non-stop spreading of COVID Fear by the mainstream media, as we have been reporting for months, on a global scale, some 50 percent of all deaths from COVID-19 are in elder care facilities.

Remember, when the virus first struck the U.S in March, the vast majority of victims were from nursing homes in Kirkland, WA.

It's a trend. This past week, federal data showed COVID-19 deaths are again on the rise in U.S. nursing homes, with a 14 percent increase the week ending 26 July and a 24 percent increase from the first week of July.

The actual data of elder care deaths from the virus in fact may be much worse. Many nursing home numbers are not representative of the true amount of deaths

that may have occurred because there are gaps in reporting, inconsistency of data submitted before late May, and many elder care homes have not reported deaths before May. Yet, even with a data shortage, according to the *Wall Street Journal*, Florida's eldercare facilities, as with the rest of the nation on average, account for at least 42 percent of all virus deaths.

Also, with the virus most deadly for the elder population, Florida, with one in five of its residents age 65, has one the highest percentages of senior citizens of any state.

According to the 17 July CDC report, "COVID-19 mortality is higher in persons with underlying medical conditions" and "a majority were aged ≥65 years."

Since March, there have been an estimated 3,155 deaths among the elderly in Florida nursing homes. Subtracted from the 7,526 total deaths in Florida as of last week, it equals 4,371 people outside nursing homes that died in the entire state of 21.4 million people or the grand total 0.0203 percent of the population.

Despite Florida being one of the first states to put extra protection in elder facilities, which has been credited for saving many lives, the mainstream media and political opposition blame the recent rise of infections (a seven-day average of 56 deaths) on incompetent governing.

King Cuomo

When comparing Florida's deaths with New York's, Governor Andrew Cuomo is lauded by the press and public for his handling of the virus despite his removing elderly people stricken with COVID from hospitals and sending them to nursing homes, thus spiking the eldercare death rate.

To date, New York has recorded 32,847 coronavirus deaths, or 0.168 of 19.5 million residents, compared to 8,277 in Florida, a state of 21.5 million.

When looking at the states with the highest percentage of death rates, New York is second behind New Jersey, which also has a high eldercare death rate, while Florida is much better off (18th overall), despite the higher population of senior citizens.

TRENDPOST: *While the media keep blasting out "new cases," nationally, the virus infections have not been leading to deaths as they were at the beginning of the*

coronavirus outbreak. According to "COVID Tracking Project," there were a total of 25,295 deaths in July compared to 54,000 in April.

TRENDPOST: *Again, as we have been reporting since the virus outbreak hit the U.S. in March, both then and now, virus deaths persist in nursing homes.*

For example, in New Hampshire, nursing homes account for 82 percent of total deaths; Kentucky, 63 percent; Indiana and Ohio, 54 percent.

On average, more than 60 percent of the COVID-19 reported deaths in Connecticut, Delaware, Maine, Massachusetts, Minnesota, North Dakota, Pennsylvania, and Rhode Island were in nursing homes.

Yet, despite these facts, the vast majority of the Americans, as with many from other nations, live in fear and misery that they will be targeted as virus victims.

Regardless of these facts of who is dying from the virus and why, countries continue to lock down, destroying business and livelihoods.

FROM BOLIVIA TO KENYA: SCHOOL'S OUT

Governments in a number of countries are adding a new core element to general education. Along with Reading, Writing, and Arithmetic they are adding a new subject: Fear.

Last week, both Bolivia and Kenya announced cancellation of the entire school year… two countries with large populations of children from poor families.

Indeed, not only do the numbers not add, up, it makes no sense as to why they are closing down the schools. Kenya, with nearly 54 million people and a poverty rate of 36.1 percent, has registered just 492 coronavirus deaths or 0.00091 percent of its population.

Yet, the government has shut down its school system until at least January to stop the spread of the virus that has barely spread.

In Kenya in 2017, 21,584 people died of pneumonia,17,553 from malaria, 16,953 to cancer, and 8,758 to HIV/AIDS… and they didn't lock down the nation and close the schools.

The mass closure affects more than 18 million students from pre-primary to high school, in addition to 150,000 students in refugee camps.

Universities are also off limits for all students. Those students with the computer capability will be able to continue virtual classes, however, Jackline Nyerere, Senior Lecturer of Educational Leadership and Policy at Kenya's Kenyatta University, stated in an article on 12 May:

> "Unfortunately, Kenya's public universities aren't ready to fully adopt e-learning. I found that some of the major challenges include instructors who don't have the skills to teach; scarce electronic content; a lack of internet connectivity; limited access to computers; students with limited computer literacy, and frequent electricity blackouts."

Brainless Education

In Bolivia, interim president Jeanine Áñez announced the cancellation of the next school year entirely. Despite the lack of virtual classroom technology and availability to a large portion of the population, Ms. Anez said all students will graduate to the next grade anyway.

Bolivia has been trumpeted by the media as one of Latin America's countries with the highest death rates from COVID.

To date, there have been 3,200 virus fatalities in a country of 11 million people or 0.0316 percent of its population.

Unmentioned in the media is the population-to-virus ratio compared to more "advanced" nations of equal size, such as Belgium, where schools have re-opened despite having registered nearly three times as many coronavirus deaths.

TRENDPOST: *Protests and demonstrations have again broken out across Bolivia, blockading some of the country's main roads in rebuke of the interim government of Jeanine Áñez's decision to again postpone the presidential election until October and economic devastation caused by the lockdown.*

In the ***Trends Journal****, we have written extensively about the political disturbances and protests in Bolivia following the forced resignation of former president Evo Morales last year in the following articles:*

- *POLITICAL INTRIGUE*
- *LOOTING THE LITHIUM*
- *CIVIL WAR LOOMING?*
- *COUNTRY IN CHAOS*
- *MORE OF THE SAME, DIFFERENT LEADER*
- *WHEN IS "ENOUGH" ENOUGH?*

It is the same with Kenya and other nations across the globe where people were rioting last year in protest of the lack of basic living standards, government corruption, crime, and violence. (See our 2020 Top Trend, "NEW WORLD DISORDER.")

Starting with Beijing, which locked down the Hong Kong protests following the outbreak of the virus in January – that they were unable to do prior to the "outbreak," which has killed under 5,000 Chinese to date – so, too, have other nations across the globe used the virus to stop the protests.

Bolivia's struggle with reopening its schools is being seen throughout most of Latin America, from Argentina up to Mexico. Governments cite the 200,000 deaths from COVID-19 throughout the region. (Note: Those 200,000 deaths, when compared to the huge Latin American population of over 655 million, amounts to a death rate of 0.03 percent.)

TRENDPOST: *A look at the hard data coming from Denmark, Austria, and Germany, which reopened schools back in April and May, shows no substantial increase in new virus cases.*

The Fear had been that although children and young teens who contracted the virus have little chance of getting sick or dying, they would transmit the disease to older and more vulnerable family member at home.

But that hasn't happened.

Science Magazine published an article on 7 July: "School openings across globe suggest ways to keep coronavirus at bay, despite outbreaks."

Denmark led the way, the first government to cite a children's right to education as outweighing fears of the coronavirus. They took safety measures that are working: smaller classes, desks further apart, required hand washing every few hours, and classes held outdoors when possible. Masks are not required.

As of late June, two months after the re-start, Denmark reports no increases in infections.

Now over 20 countries have re-opened schools. An open letter published 17 June signed by over 1,500 members of the United Kingdom's Royal College of Pediatrics and Child Health stated the continued closing of schools was "scarring the life chances of a generation of young people."

The letter pointed to lower-income children who depend on school meals to eat, parents unable to keep working and providing childcare at home, and increased child abuse as school staff were unable to report early signs.

"INTERACTIVE U" IN THE U.S.A.

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

Online education continues to be the newly growing trend that Gerald Celente had forecast in 1996 in his book *Trends 2000: How to Prepare for and Profit from the Changes of the 21st Century.*

Last week in Chicago, educational officials announced due to rising cases of COVID, all classes in the fall will be online.

The same strategy is being planned in all Boston public schools, while Dallas educators have delayed reopening schools until 8 September as they consider what options to take.

Decisions to keep physical classrooms closed and limit all education to remote learning already have been made in Washington, D.C.; Los Angeles; San Francisco; Houston; Atlanta; and Philadelphia.

Last week, Princeton University announced all undergraduate students will be "fully remote" for the upcoming fall semester.

Princeton's President Christopher L. Eisgruber issued a letter stating the decision to not open classrooms was due to New Jersey's high virus rate, which "has led us to conclude that we cannot provide a genuinely meaningful on-campus experience for our undergraduate students this fall in a manner that is respectful of public health concerns and consistent with state regulations and guidance."

In early July, Harvard, Yale, and the University of Massachusetts at Amherst announced nearly all classes will be online.

On 20 July, several Black colleges in Georgia, including Spelman, Morehouse, and Clark Atlanta University announced the fall semester would be online. The University of California, Berkeley announced the same plan around that time.

While there are currently more than 500 colleges and universities saying they will reopen classrooms, every week has seen more and more choosing to go fully online.

Teachers and Parents: Courageous or Fear-Driven?

According to a Reuters/Ipsos poll taken in mid-July, only one out of four American adults think it's safe enough to reopen schools, citing the recent rise in infection

rates. The poll also revealed four in ten parents confirmed they would keep their children home if classes resume.

As for teachers, in July, the Los Angeles teachers' union, the second largest in the country, issued a demand for full-time remote learning, calling the push to reopen schools in the fall "dangerous, anti-science agenda that puts the lives of our members, our students and our families at risk."

And in early June, a poll conducted by *Education Week* showed 65 percent of teachers, principals, and district leaders surveyed strongly advocated that school buildings should remain closed to slow the spread of the virus.

TRENDPOST: *All of this fear of reopening schools among both educators and parents in the U.S. exists despite positive results from the 20 countries which have schools operating and no increased spread, along with strong advocacy from the CDC to reopen schools. According to the CDC:*

> *"The best available evidence indicates if children become infected, they are far less likely to suffer severe symptoms. Death rates among school-aged children are much lower than among adults. At the same time, the harms attributed to closed schools on the social, emotional, and behavioral health, economic well-being, and academic achievement of children, in both the short- and long-term, are well-known and significant."*

TRENDPOST: *As we have and will continue to note, as global economies decline and online courses increase, there will be new, strong political movements for governments to lower school taxes. The argument will be that with online learning, far fewer teachers will be needed and all costs related to brick-and-mortar school buildings will be substantially lower, thus, taxes should be sharply cut.*

This anti-tax movement, in addition to anti-vaccine movements, will serve as platforms for new Freedom Parties.

TREND FORECAST: *As we had forecast at beginning of the COVID-19 outbreak when schools across the globe were shut down in March, it signaled the onset of a 21st century online learning system, "Interactive U," which Gerald Celente had forecast in 1996.*

The new education system that will replace the current one, which was invented by the Prussians at the onset of the Industrial Revolution, will offer great investment rewards for OnTrendpreneurs® who wish to seize on this megatrend.

At this time, Indian companies are leading the field of online learning.

TRENDS-EYE VIEW

FAT CHANCE FOR GOOD HEALTH

As reported for months in the **Trends Journal**, obesity is one of the main risk factors attributed to death from COVID-19. This makes the recent study on worldwide obesity particularly relevant.

Of the higher income countries worldwide, the U.S. and Australia have the highest adult obesity levels. Indeed, one of our Top Trends for 2019 was "READY TO EXPLODE."

The medical research company BMC Medicine published a peer-reviewed study on 4 August titled: "The role of overweight and obesity in adverse cardiovascular disease mortality trends: an analysis of multiple cause of death data from Australia and the USA."

The study concludes that in the U.S., premature deaths from heart disease are on the rise after many years of decline. In Australia, while there is no increase in premature deaths, the rate of decline has slowed. Most notably, both countries

are showing an increase in obesity-caused heart disease in younger demographics.

While the U.S. and Australia lead the world in obesity-caused heart failures, the study clearly shows this is a worldwide trend: “Recent evidence has revealed that cardiovascular disease (CVD) mortality rates in many high-income countries, after falling by up to 80% over the past four decades, are either declining at progressively slower rates or, in some countries, even increasing.”

This study also referenced a number of previous studies underreporting obesity as the cause of CVD deaths due to limiting reporting on the cause of death listed on death certificates. The reporting did not consider the risk factor of obesity – just the fact that the patient died of a heart attack.

Both the U.S. and Australia results were extracted from data between 2005-2017.

Worldwide Weight Woes

The WHO published the following data on 1 April:

- Worldwide obesity has nearly tripled since 1975.
- In 2016, more than 1.9 billion adults 18 years and older were overweight. Of these, over 650 million were obese.
- 39 percent of adults aged 18 years and over were overweight in 2016, and 13 percent were obese.
- Most of the world’s population lives in countries where overweight and obesity kills more people than underweight.
- 38 million children under the age of 5 were overweight or obese in 2019.
- Over 340 million children and adolescents aged 5-19 were overweight or obese in 2016.
- Obesity is preventable.

TREND FORECAST: *“Whole Health Healing” is a top trend this year and for decades to come. While many will remain overweight and out of shape, new millennium “New Agers” – those who are financially down and physically out – will*

be seeking new roads to find inner peace and self-satisfaction… that money can't buy.

This will be a great OnTrendprenuer® opportunity for those with free minds to explore the world of natural healing remedies and treatments that are both easily accessible and affordable.

Looking good and feeling strong, self-confident, and self-reliant will be personal survival strategies for those wanting to move up as the world around them keeps going down.

DRINK LOTS OF SODA AND DIE

As the trends indisputably prove, obesity is weighing down the world, and its implications are deadly and costly.

In the U.S., the Milken Institute's 2018 study, "America's Obesity Crisis: The Health and Economic Costs of Excess" found, "In 2016, chronic diseases driven by the risk factor of obesity and overweight accounted for $480.7 billion in direct health care costs in the U.S., with an additional $1.24 trillion in indirect costs due to lost economic productivity."

The total cost of chronic diseases due to obesity and overweight was $1.72 trillion, which is equivalent to 9.3 percent of the U.S. GDP.

Obesity as a risk factor is by far the greatest contributor to the burden of chronic diseases in the U.S., accounting for 47.1 percent of the total cost of chronic diseases nationwide.

Indeed, America, with just 5 percent of the world's population, is truly #1, weighing in with 13 percent of the total world's overweight and obese people.

Mexico ranks number #2 after the U.S., and related illnesses such as Type 2 diabetes are widespread. According to a study published by the Organization for Economic Co-operation and Development, some 73 percent of the Mexican population is clinically overweight.

On the COVID front, as we have continually reported, beyond the elderly population and those suffering from pre-existing chronic illnesses, obese individuals and those suffering from Type 2 diabetes are most at risk. "Obese people, particularly morbidly obese ones, are the ones who are at biggest risk to suffer complications if they contract coronavirus," said Ricardo Cortes, a Mexican health official.

In Mexico, over 10 percent of the population aged 20 or older suffer from diabetes, according to government data from 2018. That's up from 9.2 percent six years earlier. "Coronavirus isn't that lethal, except for people who have underlying health conditions that complicate it," said Dr. Abelardo Ávila, a researcher at the Salvador Zubirán National Institute of Health Sciences and Nutrition. "Unfortunately, that's the case for many millions of Mexicans," he said.

Popped Up on Soda Pop

It is also a fact that Mexicans drink more carbonated sodas per person than any other country in the world.

In an attempt to reverse the negative trend, the city of Oaxaca, with the highest child obesity rate and second-highest adult obesity rate of any Mexican state, has officially banned the sale of sugary drinks and junk food to children.

The ban is backed by the threat of heavy fines and possibly the forced closing of any business caught selling these products to children. Repeat offenders could face jail time. The ban includes vending machines in schools.

Bottled Poison

This move comes after the failure to curb the consumption of unhealthy junk food and drinks with a tax imposed on them in 2014. Last month, the country's deputy health minister, Hugo López-Gatell Ramírez, publicly referred to sugar-laden drinks as "bottled poison."

On 10 July, citing that one out of every three Americans drink soda on a daily basis, The Urology Specialists of the Carolinas published a report on the health risks posed by excessive drinking of sugary sodas. Among the key findings:

- "Today, soda is said to be a leading cause of diabetes, obesity, heart disease, gout, has negative effects on bone health, and can even contribute to premature death." (Note: as reported in the **Trends Journal**, diabetes along with obesity are two of the leading risk factors attributed to death from COVID-19.)

- "Kidney stones from drinking soda are fairly common. One study found that participants who drank one soda everyday had a 23 percent higher chance of forming kidney stones."

- "In men, regular soda consumption is known to lower your sperm count. While women who drink at least one soda per day have a harder chance of getting pregnant by up to 25 percent."

TRENDPOST: *Money counts. Health does not matter!*

To exemplify how low the U.S. education system has sunk, despite the clear, documented health risks of regular soda drinking, it is estimated 80 percent of public schools in America have a contract with Coke or Pepsi for "pouring rights," including in-school vending machines.

As reported in the nutrition newsletter HealthLine last January:

"Consider the ingredients in that 20-ounce bottle of cola: Carbonated water, natural and artificial flavors, a little caffeine, and about 17 teaspoons of sugar, which together add up to 250 calories. All of those empty calories put schools in a dilemma: They may not have wanted to give their students a sugar fix, but they didn't want to walk away from piles of cash either."

TRENDPOST: *While Americans are masked up and socially distanced in fear, afraid of dying from COVID, they self-destruct, killing themselves by eating crap and blowing up.*

On 18 August 2018, the Secretaries of Agriculture wrote in The Hill, "Diet-related disease is the leading cause of death in the United States, surpassing tobacco, drug, and alcohol usage. More than 1,000 deaths every day are due to poor diets."

This means so far in 2020, about 221,000 Americans will have died from poor diets compared to 165,600 from COVID-19.

FOOD STAMPS FOR JUNK FOOD

In addition to schools encouraging children and teenagers to drink diabetes and obesity-causing sodas, our tax dollars every day encourage poor people to eat and drink their way to ill health… and death.

Sodas and junk food are highly consumed items by over 40 million low-income Americans, with over $70 billion in benefits each year from the billion-dollar Supplemental Nutrition Assistance Program (SNAP).

In 2016, a USDA study of SNAP shoppers found that "sweetened beverages," "prepared desserts," "salty snacks," "candy," and "sugar" accounted for 22.6 percent of the purchases. Yet, to date, there is no major push by Congress or federal health authorities to establish incentives nationwide for recipients to buy healthy foods.

More SNAP, More Weight

A CDC study shows that on average, people with low incomes are more obese than people with high incomes.

Therefore, it is not a question of not having enough food – it's from eating junk food.

A paper published in 2018 by researchers at Harvard, Wellesley, and Tufts concluded, "Low-income American adults now consume nearly two [sugar-

sweetened beverage] servings a day, and for every one to two daily servings consumed, the lifetime risk of developing diabetes increases by 30 percent."

The proof is in the data: according to the CDC, from 1999-2000 through 2017–2018, the prevalence of obesity increased from 30.5 percent to 42.4 percent, and the prevalence of severe obesity increased from 4.7 percent to 9.2 percent.

TRENDPOST: *The line given by the soda and junk food industries paying off politicians (i.e. campaign contributions) to allow SNAP beneficiaries to spend tax payer money buying junk food is that by controlling what they can and cannot buy is an infringement on the recipients' freedoms to choose what they want to eat… and it hurts their feelings.*

As the economy crashes, more people will be going on food stamps. Another plank of a new third party in the U.S. will be to ensure SNAP recipients are prohibited from buying junk food.

AMERICA: THE LAND OF MISERY

The gold medal for "reversal of fortune" goes to… The United States of America.

The annual *Bloomberg Index*, published on 6 August, shows the U.S. dropping from #50 all the way down to #25 on the global misery list. This puts the U.S.A. behind both Russia and Mexico.

Bloomberg arrived at the current scoring based on economic estimates for price growth and joblessness as compared to the previous year.

While America showed the most dramatic increase in misery, virtually all worldwide economies are seen to be more miserable this year after closing down their economies to deal with COVID-19 and now with struggles to reopen.

The five countries coming in as the most miserable for the second year in a row are Venezuela, Argentina, South Africa, Turkey, and Columbia.

Venezuela, subjected to severe sanctions under the lead of the United States, has ranked the most miserable for six consecutive years. According to *Bloomberg*, the country now suffers from an inflation rate of 4,043 percent.

Among the fortunate few countries which actually saw improvements in the rankings were Luxembourg, most improved; followed by China (despite being the origin of the coronavirus spread), and Germany.

The index listed the following as the "least miserable" economies: Thailand, Singapore, Japan, Malaysia, and Switzerland.

For the vast majority of countries surveyed, the lockdowns in response to COVID-19 are projected to make life "more miserable."

AMERICANS DO NOT TRUST THEIR MEDIA

86 percent of Americans find a "great deal" or a "fair amount" of political bias in media political coverage.

According to a recent report published on 4 August titled, "American Views 2020: Trust, Media and Democracy," Americans are losing confidence that the news they are getting from media is objective and fact-driven.

The report, conducted by the Gallup/Knight Foundation, cites the lack of trust in American media comes at a time when citizens feel strongly about the importance of good media in a functioning democracy.

Unsurprisingly, the most important factor in how Americans perceive the media is the political party they prefer. “Partisan entrenchment” is clearly on the rise. Lack of faith in objective reporting is consistent across the board over the past two years, but it is most pronounced among Republicans.

According to Sam Gill, Knight’s chief program officer, “This is corrosive for our democracy.”

The number of Americans finding bias in news coverage has risen a dramatic 25 percent since 2007.

While Democrats are highly critical of media (78 percent), among Republicans, the numbers are even more dramatic (94 percent).

In addition to finding media news skewed and objectively unreliable, over three out of every four Americans say the bias is intentional, with print and electronic media “trying to persuade people to adopt a certain viewpoint.”

One important insight emerging from the poll is that in over half of those responding, 56 percent, “admitted to recognizing bias in their own go-to publications.”

Another key finding points to the rise in distrust of American media. The study found those under 30 are much more critical than their older generations. While 44 percent of those over 65 had a favorable opinion of media, only 19 percent under 30 voiced a positive view.

The report concludes the dramatic loss in confidence in media by most Americans “left open the possibility for dangerous false narratives to take root in all segments of society.”

TRENDPOST: *This issue’s cover, by Anthony Freda, depicts the state of America’s media and its implications on society.*

Currently, whether in the U.S. or around the world, the mainstream media takes political and socioeconomic positions on critical issues rather than reporting the facts and objectively analyzing the implications.

Large segments of society will abandon traditional media and the current, dominant social media monopolies for objective, high-level alternatives.

TRENDS IN GEOPOLITICS

WAR ESCALATES FOR LIBYAN OIL

As we've been reporting for many months, the ongoing civil war in Libya is fueled by foreign powers seeking control of the country's huge oil reserves.

The drumbeat of war is getting louder around the vicinity of Sirte, considered a gateway to one of Libya's main oil ports.

The U.N.-sanctioned government in Tripoli has sent fighters to the area, supported by Turkish military officers. Rebel forces, led by ex-CIA agent Field Marshall Khalifa Haftar and backed by Russian military contractors and Syrian fighters, are being positioned to defend.

The rebel forces consider this area a crucial stronghold for their cause. In addition to Russian military support, the rebels are also backed by Egypt and the United Arab Emirates (UAE).

Field Marshall Haftar and his forces have failed in their attempt to take over the capital city of Tripoli and oust the current Government of National Accord (GNA). Now his forces, with their foreign support, seek total control of the oil fields they have shut down, causing a major impact on the country's economy.

Turkey's role is a crucial element. Its strong alliance with the GNA is part of an overall strategy to gain control of important natural gas fields in the eastern Mediterranean region. That control depends on the results of its ongoing disputes with Egypt, Israel, and Greece for these Eastern Mediterranean natural gas reserves.

The pressure against Turkish control in the region is further raised by Egypt's political allies of Saudi Arabia and the UAE, which have made clear they will support Cairo if needed. The UAE has also directly sent weapons to the rebel Libyan forces.

Moscow's role is less clearly defined, as it has disavowed any official relationship with the over 200,000 Russian military contractors backing Haftar.

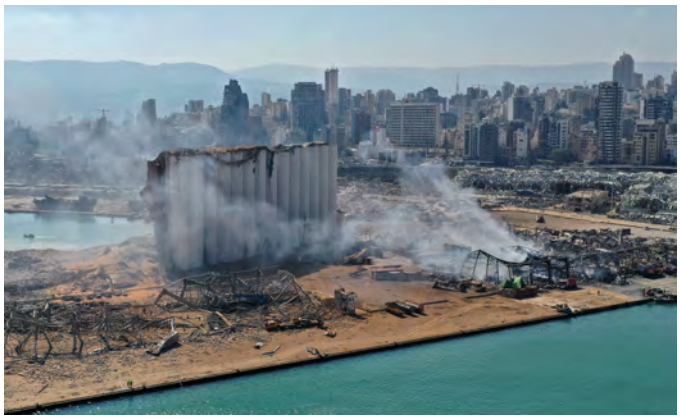
Russian officials have called for a political solution. Yet, since Haftar's failed attempt to siege the capital, Russia has sent MIG-29 jets, armored vehicles, and millions in cash in support of the rebel commander's forces.

America's position is also unclear. While the State Department called for a cease-fire after Haftar tried to lead a surge into Tripoli in April 2019, the White House confirmed at the time President Trump had called the Field Marshall to discuss, in their words, "ongoing counterterrorism efforts" against the official U.N.-backed GNA.

TRENDPOST: *Both Turkey and Egypt are in financial straits. As reported in this issue of the* ***Trends Journal****, the Turkish lira hit an all-time low against the dollar last week. And tourism, which accounts for some 12 percent of its GDP, has been killed by the coronavirus.*

Thus, despite these two un-economically sound nations lacking the monetary resources to wage war, they will do so regardless of the financial consequences, since, as Gerald Celente says, "When all else fails, they take you to war."

LEBANON: FREE FALL INTO THE ABYSS



Last Tuesday, a massive explosion ripped through the heart of Beirut, the capital city of Lebanon, killing some 180 people and injuring an estimated 6,000.

On top of the loss of life, estimated property damage hovers between $3-15 billion, and hundreds of thousands are now homeless due to the explosion's widespread damage.

The source of the explosion was a warehouse near the center of the city that caught fire, triggering 2,700 tons of ammonium nitrate, an explosive chemical compound used in agriculture and construction.

It is reported the nitrate was shipped from Georgia and subsequently impounded by authorities in 2014, and then it was stored negligently for six years with little regard for public safety. Many Lebanese view this deadly incompetence as a stinging indictment of the country's corrupt political establishment.

Indeed, as we have been reporting since last October, demonstrations erupted across the nation with tens of thousands taking to the street in protest of government corruption, poverty, skyrocketing unemployment, a diving currency… an economic crisis that has paralyzed the country over the last year.

Inflation has soared, and foreign currency reserves have dwindled. For the average citizen, banks are no longer functioning. With a critical shortage of foreign currency, depositors have been prevented from taking their money out of bank accounts, and inflation is running near 90 percent.

Hundreds have been injured as protesters clashed with police and occupied key government ministries, erecting mock gallows as a grim symbol of their discontent. And now, following the blast, they continue.

Suffering a 6.5 percent contraction in 2019, the IMF projects Lebanon's GDP will contract 12 percent this year… the largest contraction since the end of the country's 15-year civil war.

Then and Now

The Hezbollah-backed government of Prime Minister Hassan Diab was in meltdown before the blast. The day before the explosion, Foreign Minister Nassif Hitti resigned, citing the government's inability to legislate structural reforms. "Lebanon today is sliding towards becoming a failed state," he said.

The cabinet was further depleted by the resignations of the justice, information, and environmental ministers. The finance minister as well has announced his intention to quit.

Last night, Prime Minister Diab announced his resignation and that of his government in the wake of the explosion, which he called a "disaster beyond measure."

TRENDPOST: *While deep anti-government rage runs through the streets of Beirut, the future of the nation, which is in deep socioeconomic and political crisis, may ignite into civil and possibly regional war.*

Lebanese politics may revert back to the sectarian conflict that defined its recent history – most notably during the bloody 15-year civil war that took place between Sunni, Shi'ite, and Christian factions between 1975 and 1990. The heavily-armed, Iran-aligned group Hezbollah finds its power threatened by the protests. As the tensions in Lebanese society continue to inflame, the country may join Iraq and Yemen as yet another staging ground for Saudi-Iranian proxy wars.

And tensions with Israel – another regional nation in political disarray with a history of military interventions and occupations in Lebanon – may again escalate.

Moreover, just as the neglected store of ammonium nitrate has wracked death and destruction, there are few stabilizing forces that will rebuild and restore the nation, once considered a beacon of progress… the region's most noted center of culture, renowned for its fine architecture, art, cuisine, and toleration.

TRENDS IN HI-TECH SCIENCE *by Bennett Daviss*

POWER COMPANY TESTS WIRELESS ELECTRICITY TRANSMISSION

Powerco, New Zealand's second-largest electric utility, has teamed with start-up Emrod to test a commercial power system that scientists have fantasized about for a century: transmitting electric power wirelessly, safely, and without major losses en route.

A prototype, able to transmit only a few kilowatts, will be built by October. The companies then will spend several months testing the system before beginning a field trial.

Emrod says its technology can quickly be scaled up to send thousands of watts of electricity continuously over any distances now spanned by wires.

The system mounts electronic panels on poles that send and receive power by microwaves through the portion of the radio spectrum reserved for industrial, medical, and scientific uses, including wi-fi and Bluetooth.

The power beam is transmitted by line of sight and is surrounded by what Emrod calls a "low-power laser safety curtain" that shuts off transmission before a bird or other intruder can enter the transmission beam.

The system can work in any weather or atmospheric conditions, Emrod says.

TRENDPOST: *If the system proves viable, early uses will send power over rough terrain, to remote areas, or to ships and installations offshore. Eventually, such a system could realize Nikola Tesla's dream of abundant, wireless electricity reaching every spot on the globe*.

ARTIFICIAL INTELLIGENCE DESIGNS NEW PROTEINS

Life is a byproduct of proteins interacting. Now scientists have figured out how to add brand new proteins into those processes.

Biologists at the University of Chicago showed an artificial intelligence system the genomes of thousands of organisms, from yeast to humans. From those, the AI program deduced the rules by which proteins are assembled from basic biochemicals.

The researchers then used their new rulebook to figure out how to build their own versions of chorismate mutase enzymes, which are key in producing proteins' amino acid building blocks.

They found the rulebook was right: they synthesized genes to make the proteins the computer designed, inserted them into bacteria, and watched the synthetic genes produce the same compounds their natural counterparts did.

The rules for making proteins are relatively few and simple, the scientists said, making it possible for humans to create vast arrays of conventional as well as novel proteins.

TRENDPOST: *The ability to design proteins that carry out specific functions gives scientists the power to eventually fashion new organisms or modify conventional ones to function in entirely new ways.*

AMAZON FILES PATENT TO CREATE CERTIFICATION SYSTEM

Amazon has filed a patent on a blockchain-based technology that would allow it collect vast amounts of data not only about its sellers, but also about the sellers' supply chain, down to where raw materials are sourced.

Amazon says it would then use this data to create a virtual inspection system, allowing the retail giant to certify goods as organic, non-toxic, sustainable, "Made in the U.S.A.," or having other benefits consumers might seek.

"To certify an item, a verifiable record for the item indicating, for example, what materials were used to make the item, where the item was made, who made the item, when the item was made, and so forth, is needed," the patent application claims.

While the stated intention is beneficial or, at least, benign, critics fear the world's biggest retailer will use the information to decide what products are worthy to be on Amazon's website, thus further shaking up the retail industry – much as Walmart changed the retail and manufacturing industries by demanding low wholesale prices, which shook up supply chains and forced some companies to cheapen their products or go out of business entirely.

Sellers that fail to meet Amazon's standards of "greenness," purity, or other measures of quality Amazon arbitrarily sets could be denied a place in the world's biggest department store.

TRENDPOST: *Amazon's overwhelming market power would force sellers to comply with its standards, whatever they might be. This could shake out small businesses, forcing them to change suppliers, buy more costly raw materials, or spend more time documenting their purchases and processes – shifts that could squeeze their profit margins or cause them to radically shift what they do and how they do it. Some might have no affordable alternatives and be banned from Amazon's website.*

Amazon also has a history of hostility to union labor; it denies sellers the right to sue the company and forces complaints to be arbitrated instead. Critics worry a company with such a history can't be trusted to certify other businesses as treating workers well or playing fair with suppliers. For many, Amazon's certification of a product might itself not be trustworthy.