

TRENDSJOURNAL.com | FORECASTING SINCE 1980 | 09 SEPTEMBER 2020

# TRENDSJOURNAL

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***Screaming  
Ninnies***



**9 September 2020**

## **TRENDS ON THE ECONOMIC FRONT**

### **U.S. MARKETS FRONT**



Yesterday was a down day on Wall Street. The Dow fell 632 points and the NASDAQ Composite Index slumped 4.1 percent, extending its losses over the past three trading day to 10.03 percent, pushing it into correction territory.

Today's a different story. The Dow gained 439 points, and the NASDAQ was up 2.71 percent on the news of basically nothing new.

On the oil front, a key indicator of what in the world is going on, Chinese purchases of oil have been slowing since mid-July, and U.S. demand for gasoline has stalled. With the summer driving season now over, and demand down, oil prices also took a big hit yesterday, slumping to their lowest level in nearly three months. Brent crude fell 5.3 percent, closing at \$39.78 a barrel, and West Texas Intermediate futures were down 7.6 percent to 36.76 a barrel.

But today, again on nothing economically substantial, Brent and West Texas Intermediate rose 3 percent and 3.5 percent respectively.

**TRENDPOST:** *U.S. drivers' demand for gasoline surged from mid-April through June but has remained flat since then, casting new gloom over the world's oil producers.*

*Office workers are staying home, many school districts are leaving buses in the garage, and rising COVID case numbers in various parts of the country are keeping shoppers out of stores, analysts note.*

*After flattening at 8.6 million barrels a day from mid-June through mid-August, demand edged up to 9.2 million during the week ending 21 August. That number remains well below the 9.7 million that marked mid-March as the shutdowns took hold.*

*Gas demand reflects the strength of other areas of the economy and the current weakness mirrors other data showing consumer spending cooling and the spike in hiring being blunted.*

*More than 30 U.S. oil and gas companies filed for bankruptcy during 2020's first seven months. Another 150 could do the same by 2022 if oil prices remain low, warned analysts at Rystad Energy.*

**TREND FORECAST:** *As we have continually reported and as Gregory Mannarino has detailed in his "Trends in the Markets" articles, as the global economy sinks into the "Greatest Depression," the stock market mania is being fueled by the Federal Reserve and Washington pumping in massive doses of monetary methadone to the Wall Street money junkies to keep them on their artificial high.*

*When will the markets crash?*

*As we keep noting, as evidenced by the Banksters inventing monetary schemes undreamed of, i.e. zero/negative interest rates, repo market fueling, quantitative easing, buying corporate junk bonds... it is impossible to pinpoint a precise time. However, the out-of-control investor speculation will end badly, and as we observe the emerging trends, the end is near. Our forecast at this time is that the market meltdown has begun... prepare for an October surprise.*

**TRENDPOST:** *August marked the stock markets' best month since April and added a fifth consecutive month of gains. The S&P has risen 35 percent in this rally, its best run since 1938.*

*At the end of the month, the Dow sat just 0.4 percent below its level in August 2019 and 3.8 percent below its February 2020 record high.*

*Ironically, among the best performers were MGM Resorts International and Royal Caribbean, two companies hit hardest by the economic shutdown. Investors showed little interest in energy, real estate, and utility stocks, which all trailed the rally.*

*The S&P's record close on 18 August is leading many analysts to believe that investors see the worst of the pandemic and economic shutdown as being in the past and the economy will continue a steady recovery, spoon-fed with cheap money from the Fed, and that corporate earnings will rise in the new year.*

*But it won't be only the possibility of a resurgent COVID virus that will test the market in the weeks ahead.*

*The S&P's price-earnings ratio reached 25.26, the highest since 2002, and the forward price-earnings ratio, which gauges future expectations, rose to 25.98, a mark not touched since September 2002.*

*Using the forward P/E as a gauge, the median S&P stock is now valued at the 100th percentile of historical levels, Goldman Sachs reported – the highest level possible. The index itself is trading at the 98th percentile.*

*Just five publicly traded tech stocks – Alphabet, Amazon, Apple, Facebook, and Microsoft – which rose 37 percent in the first seven months this year, have propelled the market upward.*

*The other stocks in the S&P 500 fell a combined 6 percent, according to Credit Suisse.*

*Thus, as evidenced by yesterday's selloff, when the high-flying tech stocks weaken, the markets topple.*

*Also, "the Fed is operating at the margins," said William Dudley, former president of the Federal Reserve Bank of New York. Its bag of tricks to keep the market soaring has "reached the area of very rapidly diminishing returns. That needs to be recognized."*

*If investors believe the Fed can always be trusted to bail the markets out of any difficulties, “there is a risk that people are overinvested in what the Fed can do,” he warned.*

### **Double Talk**

*And while the former Fed Bankster warns the Fed has reached “diminishing returns,” on 3 September, Charles Evans, President of the Federal Reserve Bank of Chicago, called on the deep-in-debt U.S. government to inject more monetary methadone into the system: “More fiscal relief will be needed in order to avoid further damage to the economy,” he said.*

*Raphael Bostic, President of Atlanta’s Fed bank, agreed federal fiscal aid to the economy is essential.*

*“I talked to businesses, I talked to folks in the community,” he said. “There is still need out there. It would be a real mistake” to end aid too soon, either in fiscal or monetary policy, he added.*

*Again, the more cheap money pumped into the system, the higher gold and silver prices will rise.*

## **NATIONAL DEBT HIGHEST IN 75 YEARS**



The U.S. national debt will equal 98 percent of GDP by the end of this month, the debt’s largest size, compared to the size of the national economy, since the end of World War II, the Congressional Budget Office (CBO) reported.

The debt was heightened by about \$2.7 trillion in new federal spending to fight the COVID virus pandemic and rescue the economy from the state-by-state

shutdowns that threw tens of millions out of work and closed hundreds of thousands of businesses.

The debt grew from \$17.7 trillion at the end of March to \$20 trillion by 1 July. During the same period, the economy contracted by 9.5 percent. For the quarter, federal debt was 105.5 percent of GDP.

The record U.S. debt was 106 percent of GDP at the end of World War II.

The debt will continue to grow, equaling or exceeding the country's total economic output during the federal fiscal year beginning 1 October, the agency added.

The U.S. will join Greece, Italy, Japan, and a few other countries whose national debt surpasses its national economic output.

Because of low interest rates set by the U.S. Federal Reserve last year, the U.S. government has saved 12 percent in interest payments, the CBO reported.

Even though interest rates are expected to remain near zero for the foreseeable future, "the soaring debt-to-GDP ratio is totally unsustainable," said senior fellow Brian Riedl at the Manhattan Institute for Policy Research.

***TREND FORECAST:*** *The higher the debt load, the more the U.S. dollar will fall. The euro's value topped \$1.20 on 1 September, its highest value since May 2018, and the British pound reached \$1.345, its highest value against the dollar this year, as the dollar lost as much as 0.4 percent against six major currencies.*

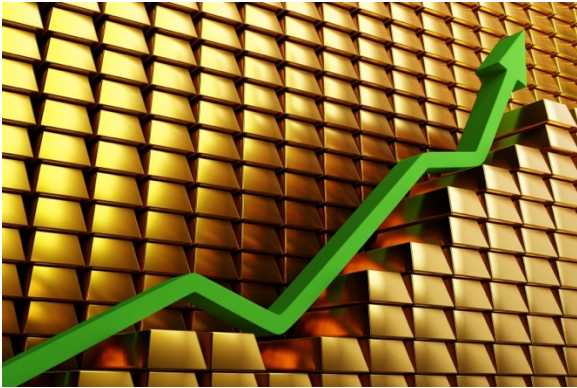
*China's renminbi also climbed against the dollar to 6.81 per greenback, the renminbi's highest value in more than a year.*

*The dollar has lost some of its allure now that the U.S. Federal Reserve has indicated it will keep interest rates near zero for the foreseeable future, and, in fact, we forecast rates will go negative by the end of this year or early 2021. And, the Fed's aggressive monetary policy has eroded the dollar's yield advantage.*

*While the dollar value is expected to continue its decline, considering the artificial money pumping schemes by nations across the globe, so, too, will their currencies be driven lower, thus pushing the dollar artificially higher.*

*The bottom line is that all of the digital cash, backed by nothing and printed on nothing, which central banks are pumping into markets and economies, will continue to drive their currencies lower. Thus, we maintain our forecast that gold and silver prices will hit new highs.*

## **ETFs DRIVING GOLD RUSH**



Gold futures' 28-percent rise this year have been driven largely by \$50 billion of new investment in exchange-traded funds (ETFs) backed by gold, according to the World Gold Council.

ETFs made up 40 percent of the world's gold demand in this year's second quarter, compared to 6 percent a year previous.

As a result, ETFs backed by physical gold deposits held about 3,620 metric tons on 1 July, more than any country other than the U.S.

Share prices of SPDR Gold Shares and iShares Gold Trust are up 60 percent this year; many smaller gold-backed funds have done even better.

## ECONOMY GAINS 1.4 MILLION JOBS IN AUGUST



The U.S. economy added 1.4 million jobs in August, including 238,000 temporary berths for census takers, dropping the official unemployment rate to 8.4 percent, according to the U.S. Bureau of Labor Statistics (BLS).

Sectors hit hardest by the economic shutdown fared well: retail added 248,900 jobs and restaurants took on 133,600 more workers. The sectors are still 655,400 and 2.5 million jobs short, respectively, of last February's levels.

Hotels remained weak, adding only 15,400 jobs. Construction gained only 16,000 workers and manufacturing just 29,000. The two sectors are supporting 425,000 and 100,000 jobs less, respectively, than before the shutdowns.

The movie industry added 13,900 jobs but is now employing only half the people it did in February.

About 7.3 percent of White people remain without work, while 13 percent of Blacks and 10.5 percent of Hispanics do. The Asian jobless rate, which usually tracks close to the White rate, is 10.7 percent.

Among college graduates, unemployment was gauged at 5.3 percent, while 9.8 percent of workers with only a high-school diploma are jobless.

The proportion of long-term unemployed people – those jobless longer than 26 weeks, who typically have a harder time finding work – rose from 9.2 percent to 12 percent.

The economy remains 10.7 million jobs short of February's total, meaning than less than half of the jobs lost to the shutdown have returned.

Because of classification errors, the actual unemployment rate could be 0.7 percent higher than the official figure, the BLS noted, which would bring the rate to 9.1 percent.

***TREND FORECAST:*** *With fears of a “second COVID wave” being trumpeted by the media and a number of states extending lockdown restrictions, the “Greatest Depression” will worsen and unemployment will rise.*

*More than 16 million were still out of work as of 1 July, compared to about five million a year previous.*

*The U.S. labor department said the manufacturing sector will lose 448,000 jobs due to the expanded use of technologies, such as robotics.*

## **U.S. TRADE GAP SETS 12-YEAR RECORD**



The U.S. imported \$231.7 billion worth of goods and services in July, an 18.9-percent increase from June, the commerce department reported.

The monthly trade deficit in merchandise alone for the month was the largest on record.

Exports in the same month grew 8.1 percent to \$168.1 billion, leaving the U.S. with a \$63.6 billion trade deficit for the month, the widest gap since July 2008, government figures showed.

Economists had predicted a \$58-billion gap, according to a Reuters survey.

In February, just before the economic shutdown began, the U.S. exported \$209.6 billion worth of goods and services.

***TREND FORECAST:*** China's trade surplus with the U.S. widened by 27 percent, despite China vowing to buy more U.S. products.

*President Trump's 2016 campaign promises, and measures taken to reduce the trade gap with China, have failed. It will become a Presidential Reality Show® campaign issue as the President blames his challenger Joe Biden for bringing China in the World Trade Organization. Indeed, according to the Economic Policy Institute, the trade deficit with China since 2001 has resulted in the loss of nearly 4 million jobs in America.*

## **LAYOFF LAND**



MGM Resorts International plans to fire 18,000 workers, about a quarter of its employees, as travelers are no longer flocking to its casinos. Stanley Black & Decker recently told a cohort of furloughed employees they will not be brought back. Yelp and the Cheesecake Factory also are among companies that are permanently trimming their labor force as they adjust to the reality of a smaller economy for the foreseeable future.

Salesforce posted record sales in the second quarter; a day later, it told its 54,000 employees that 1,000 of them would be gone by 2021. Coca-Cola will buy out 4,000 of its workers and terminate others.

More than 50,000 airline jobs could disappear on 1 October if federal aid is not continued.

### **Manufacturing Up, Rehiring Down**

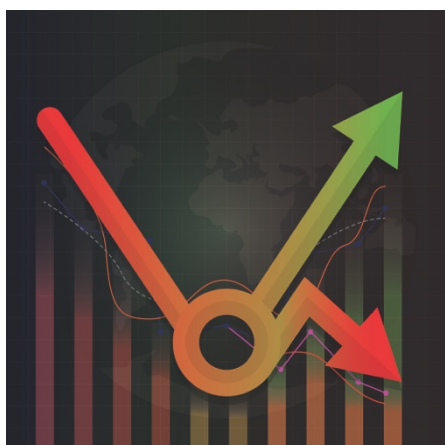
While August's U.S. factory output was the largest since November 2018, according to the Institute for Supply Management. And with employment in U.S.

factories at its highest level since November 2019, the U.S. now supports about 800,000 fewer manufacturing jobs than before the COVID lockdowns began in March.

Boeing, for example, already has dispensed with 19,000 workers and has warned more layoffs might follow. Even China and Germany are still laying off factory workers despite export orders beginning to return.

***TRENDPOST:*** *Reluctance to rehire furloughed workers indicates that manufacturers lack confidence in the recovery and are waiting to see if the resurgent demand will be sustained.*

## THE FU, K-SHAPED RECOVERY WORSENS WEALTH INEQUALITY



The economic recovery is benefitting the well-off more than those struggling to make ends meet.

In July, Americans put \$3.2 trillion into savings accounts; also in July, almost 15 percent of American households with children reported they lacked adequate food. A quarter of U.S. households have reported being able to pay down debt faster than usual; an equal proportion reports lacking the money to pay rent, mortgage, or other monthly obligations.

Employment for high-wage workers is now only 1 percent below pre-pandemic levels; for low-wage workers, the gap is 15.4 percent.

It's been called a K-shaped economic recovery, in which there's a sharp drop followed by gains for some, while others slide further toward bankruptcy and homelessness.

Higher corporate profits and stagnating wage growth among people without technical expertise have combined to worsen income inequality, according to a new study by the U.S. Federal Reserve, which also found that "wealth inequality" has been worsened by capital gains: wealth among households earning in the top 5 percent increased 186 percent from 1983 through 2015.

The stock market is an example. It entered a bull market shortly after the crash. But 52 percent of U.S. stocks are owned by the wealthiest 1 percent and more than 87 percent by the top 10 percent, a number that has climbed to near-record level since February. In contrast, the bottom 50 percent of households own less than 1 percent; most households own no stocks at all.

Real estate makes up 12.8 percent of the net worth of the top 1 percent and 54.4 percent of the bottom half's net worth, primarily in the form of home equity. The top 1 percent have 34 percent of their net worth in stocks; for the bottom 50 percent, it's 2.2 percent.

The U.S.'s economic output will show robust gains in the next few quarters, business many economists predict, however, those gains will continue to be spread unevenly, which poses longer-term risks.

The work-at-home tech sector employed those who can telecommute and will not be hard hit from the lockdowns. However, the lower paid service sector employees who work in restaurants, hotels, tourism, salons, gyms, etc., will continue to lose wages and face unemployment.

***TRENDPOST:*** *As the facts prove, with big corporations getting bigger and Mom and Pop main street business – such as stationary, hardware, drug and clothing stores – going out of business, since the 1980s, the bifurcation of the economy has intensified income inequality.*

*Again, as the rich got richer, consumer spending slowed. In July, it rose 1.9 percent, a slower gain than in the previous two months and 4.6 percent below February's pre-shutdown level.*

*Spending slowed as federal unemployment payments came to an end and people began to conserve cash against future uncertainty, analysts said.*

*Restaurant and travel reservations fell back in August, as did spending on groceries, a key indicator that households are expecting, or already feeling, a financial pinch.*

*July's rate of personal savings was 17.8 percent; a year earlier, it was 7.6 percent.*

***TRENDPOST:*** *The growing wealth gap and the Bigs getting Bigger was further evidenced as the giant private equity firms Blackstone Groetfsup and Global Infrastructure Partners partnered to buy Kansas City Southern (KCS), the fifth-largest freight railroad in the U.S.*

*The railroad rejected the partners' previous offer, and the new bid has not been disclosed.*

*The rail carrier's stock price rose more than 5 percent on 2 September after news of the bid became known.*

*KCS carries a significant amount of parts and finished products between the U.S. and Mexico.*

*The carrier, like most U.S. railroads, has embarked on a new business model calling for fewer, longer trains and tighter schedules.*

## **BANKS' PROBLEM: TOO MUCH CASH**



The economic crisis has left banks with slashed profits, record-thin margins, and more cash than they can find things to do with.

Customers have poured money into savings accounts in record volumes during the economic crisis and banks reaped additional revenue from late fees on credit cards, mortgages, and other loans.

These windfalls have given banks so much cash that the federal safety net to cover bank failures fell below its legal limit.

But, with businesses closed and millions jobless, banks have too few venues for putting that cash to work – a key reason why banks' profits are not growing and the industry's stocks have lagged the broader markets' rally.

The banking industry's net income plummeted 70 percent in the year's second quarter, compared to the same period in 2019, according to the U.S. Federal Deposit Insurance Corporation's quarterly report. Although 4,624 small banks increased their net incomes by \$202.5 billion year-on-year, Bank of America, Citibank, JPMorgan Chase, and Wells Fargo accounted for half the loss.

Banks set aside a total of \$62 billion in loan-loss reserves in the quarter, adding to the \$53 billion reserved in the first.

***TREND FORECAT:*** When the “Greatest Depression” hits Wall Street, we forecast a wave of businesses will go bankrupt, and when commercial, retail, and residential real estate prices tank, banks will not have the funds to cover their losses.

*In a repeat of the Panic of '08, failing banks will again be deemed “Too Big to Fail” by the government and will be bailed out by the central bank partners and American tax payers.*

## INVESTMENT BANKS HARVEST WINDFALL IN FEES



Fees and commissions from investors desperate to cash out of stocks when the shutdown arrived, then just as desperate to buy back stocks when the markets rallied, added 32 percent to investment banks' revenues in the first six months of this year, according to data compiled by Coalition, a financial industry research firm.

The Fed's flood of cheap money also has set off a borrowing boom among companies seeking to survive the shutdown and its aftermath. New corporate debt has risen 29 percent globally by dollar volume through August and 72 percent in the U.S.

All of that borrowing and lending also generated fees for big banks.

During the first half of this year, fees related to products tied to interest rates, such as corporate bonds, yielded \$55 billion in fees for banks, up 56 percent from the same period in 2019. JPMorgan Chase alone reported earning \$11 billion in trading and lending fees in this year's second quarter.

"The Fed created a bubble where life could go on," said Yousef Abbasi, a strategist at investment bank StoneX Group. "That explains the disconnect we see between the market and the economy."

Now, with hundreds of companies struggling, merger and acquisition activity is beginning to revive, promising even more fees to investment banks.

## **TRUMP ADMINISTRATION HALTS EVICTIONS**



Through an executive order, the Trump administration has halted evictions through the end of this year.

Allowing people to remain in their homes will promote self-isolation and social distancing to continue and help contain the COVID virus, said the CDC, which announced the ban on 2 September.

The administration also feared a rising tide of homeless families might drown the president's re-election hopes.

A previous moratorium expired, along with federal weekly unemployment payments, at the end of July. Congress has been unable to agree on a continuation.

***TRENDPOST:*** *The ban to thwart mass evictions does not address how landlords will pay mortgages and upkeep expenses and taxes without getting income from tenants.*

*And, it counters President Trump's insistence that the COVID virus has been defeated and the economy is "going up like a rocket ship."*

## PALL ON MALLS



As many as 250 U.S. shopping malls, about 25 percent, are likely to close in the next five years, according to a study by Coresight Research.

Of America's 1,000 malls, about 380 are rated C- or D-, meaning they bring in less than \$300 in yearly sales per square foot of space. Malls rated C and below "are not viable retail centers in the long term," according to a report from Green Street Advisors, a real estate analysis firm.

The bankruptcy of Pier One, the J.C. Penney department store chain, and the struggles of Macy's and other mall stalwarts leaves many centers without enough allure for shoppers who, more and more, turn to online shopping.

Some mall owners hope to convert their dusty spaces into fulfillment centers for online companies. The news that Simon Property Group, which owns more U.S. malls than any other company, has been talking with Amazon about doing just that with empty Sears and Penney stores has given other mall owners a glimmer of hope.

But converting retail space to other uses will prove difficult.

Converting stores to warehouses often requires a zoning change, which could be opposed by nearby residents who fear convoys of trucks dominating their neighborhoods.

Also, municipalities tax retail properties at higher rates than warehouses, giving towns little incentive to authorize the zoning change.

Malls also have been adding indoor theme parks, theme restaurants, and entertainment venues to give shoppers experiences in addition to just merchandise. As we had long forecast, however, these kinds of attractions have fared poorly during the shutdown and face an uncertain short-term future.

The notion of converting empty mall stores to office space also seems to be fading, now that the economic shutdown has hastened the trend to send office workers to home offices.

***TRENDPOST:*** Again, this is old news to ***Trends Journal*** subscribers. The "Pall on the Malls" was forecast by Gerald Celente in his bestselling book, *Trends 2000*, in 1996. There will be no great revival. Trends are born, they grow, mature, reach old age, and die. Malls are a dying breed.

## URBAN EXODUS



It was a trend we were the first to forecast in March: people leaving densely populated cities to escape the coronavirus and fear of rising crime rates.

Almost half of San Francisco-area dwellers able to work from home would like to leave the Bay Area, according to poll by Zapier, a tech company supporting remote work.

Many are leaving already.

Home sales in Lake Tahoe, an outdoor vacation spot three hours from the Bay Area, have doubled this summer compared to last, one real estate firm said. In July alone, the agency sold 431 houses, compared to 167 in July 2019, many on the basis of a virtual showing. One house the agency listed had 17 showings in one day; another brought a bid \$70,000 above the asking price.

One couple left a 700-square-foot San Francisco apartment for a four-bedroom Lake Tahoe house; their mortgage payment now is what they paid in rent in the city.

Several families with vacation homes in Lake Tahoe are turning them into primary residences, the real estate agency reported, based on new school enrollments in the five Tahoe-area counties.

At the same time, the number of houses for sale in San Francisco has doubled, compared to last summer, and the average listing prices has slumped 4.9 percent while, nationally, prices have bumped up 4.3 percent. Residents complain that stores and restaurants have closed, property crimes have risen, and 18,000 homeless people have flooded onto the streets.

“It’s gotten to a point where it doesn’t feel safe anymore,” one fleeing resident said.

The \$250,000 U.S. median home price would buy a 269-square-foot condo in San Francisco, compared to an 1,100-square-foot home in Austin, TX, or 2,300 square feet in Houston.

Andrew Edelman, his wife, and their four children moved from a 1,400-square-foot home in San Carlos, a San Francisco suburb, to Austin, doubling their square footage while cutting their house payment by a third.

“Living in the Bay Area... I don’t know how we did it,” Edelman said.

Metropolis Moving, a New York City moving company, reported requests for quotes for out-of-state moves ranging as far as Boston and Washington, D.C. tripled in May and June compared to a year earlier, and in July rose 165 percent year-on-year.

In July, home sales in Putnam and Dutchess counties north of the city jumped 35 and 19 percent, respectively, compared to the same month in 2019.

Across New Jersey, home sales rose by a third in June and July against the previous year’s volume, dropping the number of available homes by 40 percent, according to the Otteau Group, a real estate analysis firm.

***TRENDPOST:*** *Some 54 percent of stores in San Francisco that were open before California’s politicians imposed draconian lockdown rules are now closed, according to the city’s chamber of commerce.*

*About 1,300 stores have closed, leaving 1,200 in business.*

*The city’s unemployed number about 193,000, or four times as many as during the worst of the Great Recession.*

## HOTEL INDUSTRY “ON BRINK OF COLLAPSE,” ASSOCIATION SAYS



Travel’s weak rebound since the economic shutdown began to ease has left the hotel industry “on the brink of collapse,” the American Hotel & Lodging Association (AHLA) has warned.

The numbers are grim:

- Just 33 percent of Americans report having traveled overnight for pleasure since March and only 38 percent are likely to do so by the end of the year, marking an all-time low in non-business travel.
- Only 25 percent plan to travel for Thanksgiving and 29% for Christmas.
- 14 percent of hotel rooms were booked for the Labor Day weekend, compared to 41 percent in 2019.
- Nationally, the hotel vacancy rate is 50 percent, with occupancy at 38 percent in cities and 45 percent in hotels near airports. About 65 percent of hotels are operating below 50-percent occupancy, the typical rate at which an inn can break even.
- Four out of ten hotel employees are still furloughed, leaving more than four million people jobless.

“Jobs at urban hotels are unlikely to return without either a dramatic increase in occupancy – which is unlikely – or additional Congressional action,” the AHLA said in a statement.

The latest casualties are Hilton’s 44-story Times Square hotel, which is closing for an indefinite period and laying off 200 workers, and Ashford Hospitality’s

Embassy Suites hotel in midtown New York City; Ashford recently surrendered the property to its mortgage holder.

More than a third of New York City hotels are delinquent on their mortgages.

Fourteen New York City inns with mortgages bundled into commercial mortgage-backed securities are at least 60 days late in their payments, according to Trepp, a real estate analysis firm. A Holiday Inn in the financial district and the Tryp hotel near Times Square South already have defaulted.

In 2019, New York added 6,131 hotel rooms after building 3,696 in 2018, according to data firm Smith Travel Research, leaving the market overbuilt before the economy shut down.

A growing number of hotels in Houston, Chicago, and Los Angeles are also delinquent on mortgage payments, Trepp reported.

***TREND FORECAST:*** *As long as COVID Fear reigns, the hospitality, restaurant, entertainment, amusement, brick and mortar retail, and tourism sectors will continue steep declines. With most citizens of the world ready to get a COVID vaccination when it hits the market, when fear levels recede and masks are taken off, these sectors will moderately rebound.*

## GLOBAL ECONOMIC TRENDS



**HALF OF CANADIANS ARE BROKE.** Forty-nine percent of Canadians believe they are on the brink of insolvency, according to the latest MNP Consumer Debt Index published earlier this month.

Since December, the number of Canadians worried about their debt level has jumped 10 points to 46 percent, the highest number since 2017 when the data began to be recorded.

Almost half of those surveyed said they have no more than a \$200 cushion between themselves and their monthly expenses; among them, 25 percent say they already are unable to pay their monthly debts. Thirty-four percent are worried about losing their jobs.

“Our results underscore how vulnerable Canadian households are to income interruption,” said MNP President Grant Bazian. “Over the next few months, we’ll likely see...the bursting of the Canadian consumer debt bubble.”

**HALF OF CANADIAN RESTAURANTS NEAR BANKRUPTCY.** Half or more of Canada’s restaurants could be bankrupt by December without financial aid from the national government, said Restaurants Canada (RC), an industry advocacy group representing 30,000 eateries and related businesses.

Twenty-nine percent of the nation’s food service businesses cannot operate under social distancing guidelines, while 31 percent are operating so far below capacity they are unable to survive more than another 90 days, according to a survey released early this month that was sponsored by RC, the Molson Coors Beverage Co, and others.

The problem will become more acute as cold weather closes outdoor dining venues, the group noted.

RC is calling for wage supports, rent relief, and for the government to stop talking solely about health risks and to encourage people to return to their normal lives.

Without aid, “there will be massive bankruptcies across the industry,” warned RC vice-president David Lefebvre.

**CANADA’S ECONOMY BEGINS TO RECOVER.** After crashing at a record annualized rate of 37.8 percent in this year’s second quarter, Canada’s economy expanded by 6.5 percent in June, adding to a 4.8-percent gain in May, according to Statistics Canada.

Early data indicated a 3-percent expansion in July.

***TREND FORECAST:*** While mainstream economists are predicting a strong third-quarter rebound as pent-up demand sends people back to stores and back to work, we forecast that with “Second Wave” fears building, the uptick will be slight and temporary. Indeed, just today, Canada’s Prime Minister Justin Trudeau has warned of a “massive second wave” of coronavirus infections if people don’t follow the anti-virus rules.

*Furthermore, there are scant questions and merely a protest as to why Canada has been locked down and its economy and lives destroyed to fight the COVID War, when, according to Theresa Tam, Canada's Chief Public Health Officer, nursing homes account for 81 percent of the country's coronavirus deaths.*

**IRELAND DESCENDS INTO RECESSION.** The Irish economy shrank 6.1 percent in the second quarter, its largest quarterly contraction in history, the country’s Central Statistics Office reported, beating the 4.7-percent drop in 2008’s fourth quarter.

The country’s economy also contracted during this year’s first quarter, marking the two consecutive quarters of negative growth that defines a recession.

Construction dropped 38.3 percent; the sector comprised by distribution, transport, hotels, and restaurants slid 30.3 percent. Agriculture, forestry, and fishing slid 60.6 percent; arts and entertainment more than 65 percent.

Consumer spending, an economic bedrock, was off 19.6 percent for the quarter.

The government has fashioned a €2-billion Credit Guarantee Scheme, which offers businesses low-cost loans. The bailout is the largest state-backed loan guarantee in the country’s history.

***TRENDPOST:*** Since March, 1,781 people, of a population of five million, or the minuscule total of 0.0356 percent, have died of the virus in Ireland. Yet, as with other nations that locked down and devastated economies, facts don’t matter, fear does.

*Instead, the media and politicians continue to focus on new “cases” and totally ignore the percentage of COVID deaths per population.*

**BRITAIN TRIES TO SAVE THE “OFFICE ECONOMY.”** After conflicting messages from government ministers about where people should work, the

British government is launching a campaign this week to motivate people to return to their traditional office buildings.

The reason: the retailers and service businesses that depend on commuters flooding into cities every weekday are going bust without them.

Without government encouragement, city centers could become “ghost towns,” warned Carolyn Fairbank, Director of the Confederation of British Industry.

About 40 percent of U.K. workers are still working remotely, the country’s Office of National Statistics reported, with 13 percent remaining idle.

Standard Life Aberdeen is among the large employers unwilling to let workers return to their offices this year. Others, such as Schroders Asset Management, are allowing workers to toil at home indefinitely.

The government is struggling to balance encouraging workers back to city centers to support businesses while still insisting that protecting health is a priority and social distances be maintained.

“Businesses and employees have negotiated a balance that works for them,” said Edwin Morgan, Policy Director at The Institute of Directors, “and it’s unlikely that the government telling people to return to their offices will make much difference.”

***TREND FORECAST:*** Today, Prime Minister Boris Johnson imposed new COVID Rules to avoid another lockdown as virus cases rise in England. Among them, “From Monday 14 September, you must not meet with people from other households socially in groups of more than six. This will apply indoors and outdoors, including in private homes.”

*They also require people “to stay two meters apart from people you do not live with where possible, or one metre with extra precautions in place.”*

*Additionally, “Venues such as pubs and restaurants will be legally required to request contact details of everyone visiting, hold it for 21 days and provide it to NHS Test and Trace. They face fines of £1,000 if they fail to comply.”*

*With these and other restriction is place, there were be no bounce back in commercial real estate, the economy will further decline, crime will rise, and the pound will fall.*

**EU INTEREST RATES GO DEEPER INTO NEGATIVE NUMBERS.** The interest rate that European banks charge each other for short-term loans edged down from -0.539 to -0.555 percent last week.

The European Central Bank's (ECB) stimulus program, and those from several European countries, have offered such generous loan terms to businesses, and support for individuals, that commercial banks have too much cash on hand – about €2.9 trillion more than they need to meet reserve requirements.

The banks are now paying people to take that excess cash off their hands.

The ECB made stimulus loans at rates as low as -1 percent, meaning banks can be paid more borrowing from it than from each other.

At the end of August, the ECB held about €1.6 trillion in outstanding loans.

The interbank interest rate could drop further if the economic recovery is sluggish, analysts say.

***TREND FORECAST:*** *Once again, the lower interest rates fall and the cheaper it is to borrow money, the lower their currencies will fall and the higher gold and silver prices will rise. And, we maintain our forecast for rising Bitcoin and other cryptocurrencies and younger generations to seek alternative currency investments.*

**JULY RETAIL SALES FALTER.** Europe's retail sales fell 1.3 percent in July compared to June, after three consecutive months of gains.

Sales remained above last year's levels in France, Germany, and the Netherlands but fell below in Greece, Spain, and Portugal.

Although the region's July retail sales fell below economists' consensus expectation of 1.5-percent growth, the figure still topped the previous year's volume by 0.4 percent.

**FRANCE LAUNCHES €100 BILLION RESCUE PLAN.** The French government will spend €100 billion on health care, green technologies, and jobs programs designed to restore the country's economy to its pre-pandemic level by 2022.

About 40 percent of the money will be drawn from Europe's €750-billion rescue fund.

The plan, which is valued at about 4 percent of France's pre-crisis GDP, is a response to the economic shutdown that crashed the country's economy by 13.8 percent in the second quarter, the worst downturn since World War II.

The French economy is expected to contract by about 12.6 percent this year but grow 7 percent in 2021, due in part to government investments, the International Monetary Fund has predicted.

**TRENDPOST:** *These money pumping schemes will temporarily keep the economy from crashing while easing popular dissent as incomes dive and poverty rates increase. It will also add more downward pressure on the euro as there will be more cheap money pumping schemes to artificially prop up failing European economies.*

**TOURISTS DISAPPEAR FROM SPAIN.** The number of tourists visiting Spain in July was only a quarter of the number who came a year earlier, according to government figures.

About 2.5 million came to Spain during the month and spent €2.45 billion. On average, each tourist spent €994, down 18 percent from 12 months earlier.

Before the global shutdown, tourism supported 13 percent of Spain's jobs and 12 percent of its GDP.

**TRENDPOST:** *As we have been reporting for months, tourism has disappeared across the globe. The tourism depression has inflicted deep hardship and desperation for businesses that provide goods and services and employees throughout the hospitality sector. It has also inflicted deep economic pain on restaurants, entertainment, retail, etc., that benefit from tourism.*

**CHINA ANNOUNCES "DUAL CIRCULATION" ECONOMIC POLICY.** China's newly announced economic policy of "dual circulation" signals a shift in the country's economic outlook as it prepares to become the world's largest economy by 2030.

Since the 1980s, China has relied on exports to grow its GDP. "Dual circulation" formally splits the country's production between exports and imports, with a growing emphasis on fostering growth at home.

A recent memo from China's ICBC bank illustrated the concept: the memo showed one chart with the U.S. at the center of global economic demand; a

second chart showed demand divided among Asia, Europe, and the U.S., with each meeting more of its own region's needs.

The shift is already under way.

In 2019, Europe edged out North America as China's top trading partner, according to Chinese customs data; in 2020, the ten nations of the Association of Southeast Asian Nations took the title.

This "in China, for China" initiative is reflected in the 12.2-percent increase in foreign direct investment in the country from July 2019 through July 2020. During 2020, foreign direct investment worldwide will slide 30 percent, the Organization for Economic Cooperation and Development has forecast.

Still, China will have to overcome the effects of the pandemic and global shutdown to shift its economy. Consumer spending has not yet fully recovered and millions are still unemployed.

Also, the country's economy remains rooted in exports and government-financed infrastructure projects. State-owned enterprises receive favored financial and regulatory treatment from the government, even though private enterprise creates most of the country's jobs.

***TREND FORECAST:*** *More details about the dual circulation, self-sustaining concept are expected when China releases its new five-year plan early next year. As we noted the article, "[CHINA: WE BROUGHT YOU COVID. WE'RE #1](#)" in this week's **Trends Journal**, China continues to pave its way on becoming the dominant economic powerhouse of the 21st century.*

**CHINA'S EXPORT ECONOMY THRIVES.** China's exports rose to a record level in July, surpassing last December's Christmas season.

The country also has grabbed a larger share of international trade. It emerged from its shutdown earlier than most other exporting countries and, as competitor nations were mired in lockdowns, established a stronger presence in many global markets.

China's export engine is fueled by a blend of cheap, skilled labor imbued with an ethic of long workdays; a well-oiled infrastructure that includes a 700-city bullet train network; weak environmental regulations; and a state-controlled banking system that can direct money to strategically desirable industries and products.

As the shutdowns fell across the world, China's central bank contacted companies and wooed them to take cheap loans to keep the country's factories operating and workers employed.

These advantages and aggressive strategies helped raise China's share of world trade from 13.1 percent last year to almost 20 percent in 2020's second quarter.

**CHINA'S CONSUMER ECONOMY TICKS UP.** The Purchasing Managers Index for China's service economy rose from 54.2 in July to 55.2 in August, according to the country's National Bureau of Statistics.

The higher the score above 50, the more the economy is growing.

Analysts interpreted the gain to mean that the Chinese government's infrastructure and industrial spending is beginning to pervade the consumer economy, supporting small businesses and creating private-sector jobs.

Restaurants and gyms are busy, as are airports with non-business travelers, observers say. School buildings are full of students, who face few of the restrictions that mark U.S. schools.

July's retail sales were only 1.1 percent below those a year earlier. Marriott, Starbucks, Tesla, and other U.S. companies have reported strong second-quarter growth in China.

JPMorgan Chase now expects China's economy to grow 2.5 percent this year, no longer the 1.3 percent it had forecast in April.

In contrast, analysts expect the U.S. economy to contract by 8 percent this year and Japan's to shrink by 5.8 percent. India's economy has suffered so greatly, its economy will only be one-fifth the size of China's by 2021, said Homi Kharas, an economist at the Brookings Institution.

China's output will be valued at about \$11.9 trillion this year, about 70 percent of the U.S.'s GDP, according to Nicholas Lardy, an economist and China-watcher at the Peterson Institute for International Economics.

That translates to a seven-point gain for China toward overtaking the U.S. as the world's largest economy.

The disparity between the two countries' response to the pandemic will enable China's economy to grow to the size of the U.S.'s in 2028, two years sooner than expected, said Kharas said.

China's economy will grow about 24 percent from 2019 through 2023, according to Deutsche Bank, a period during which the U.S. economy will grow 3.9 percent, the bank expects.

China was poised to outperform the European Union by 5.1 percent this year, but now will exceed Europe's economic output by more than 10 percent, the bank noted.

China's quick economic recovery also leaves it poised to become an even stronger economic force in the developing world, Kharas noted.

But China's economic recovery still faces obstacles, including recessions and political instability among its trading partners, a dysfunctional banking system, government debt, and factories that jumped back to work but are producing goods that consumers are not buying.

***TRENDPOST:*** *These obstacles to growth lead some experts to worry that China's recovery cannot be sustained. Indeed, there will be ups and downs, however, with its centralized government in control of the nation and its "dual circulation" concept of self-sustainability in motion, Beijing will use its full power to manipulate markets and the economy to divert the worst of the "Greatest Depression."*

**AUSTRALIA ENTERS FIRST RECESSION IN 30 YEARS.** Australia ended the longest economic growth streak in the history of the developed world at the end of June, announcing a 7-percent contraction in the year's second quarter coupled to a 0.3-percent shrinkage in the first.

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

Household spending dropped a record 12.1 percent in the second quarter, compared to the previous year's. Purchases of goods fell 2.8 percent and spending on services slid 17.6 percent.

The savings rate soared to 19.8 percent, the highest since June 1974.

About 10 percent of Australia's workers were jobless at the end of June; layoffs announced for August and September are expected to spike the rate above 13 percent.

The nation's economy also was damaged by the global travel shutdown, keeping tourists away, and China's economic freeze, which slashed Australia's exports to that country.

The country's economy began to recover this quarter as China resumed its massive infrastructure projects, which demand a lot of steel. Australia is China's main supplier of iron ore, the price of which is hovering near six-year highs.

Unemployment will settle at 10 percent by 2021 and 7 percent by 2022, the country's central bank predicted, with the economy contracting 6 percent this year and making a full recovery to pre-pandemic performance by 2023.

***TRENDPOST:*** *Absent in media coverage is the question: Why would politicians lock down a once thriving economy when the nation's COVID death rate is just 0.00306 percent and well over 50 percent of those who died from the virus were elderly people from nursing homes with pre-existing chronic conditions?*

*What sense does it make?*

*Yet, the lockdowns have not only destroyed business and livelihoods, the new draconian measures, as noted in our COVID section, have destroyed personal freedoms and robbed people of their Constitutional Rights.*

**INDIA'S ECONOMY IMPLODES.** India's economy contracted by 23.9 percent during the first quarter of its new fiscal year, the first time in 40 years that the GDP has shrunk. Unemployment averaged 19.3 percent in the quarter ending 30 June but topped 23 percent in April and May.

Consumer spending dropped approximately 29 percent, investment was down 47 percent, manufacturing output fell 39.3 percent, and construction activity was halved.

The only private sector to show a gain was agriculture, rising 3.4 percent.

India imposed one of the strictest shutdowns of any country in March, but the virus surged when the lockdown began easing in May.

The country has now surpassed Brazil as the world's COVID epicenter, meaning that any genuine economic recovery will be delayed at least through the end of this year as more businesses close, workers lose jobs, and people hesitate to venture out to public places.

***TRENDPOST:*** *India's economy was failing long before the COVID War began. GDP growth rate over the quarters from 2018 through 2019 had been in continuous decline.*

*It should also be noted, as we have extensively reported in the **Trends Journal**, there was massive unrest, riots, and demonstrations raging throughout the nation prior to the lockdowns as a result of rising poverty and a citizens law that discriminated against Muslims.*

*As Gerald Celente has often noted, "When all else fails, they take you to war." On Tuesday, tensions along the India-China Himalayan border heated up after Chinese soldiers on both sides exchanged gun fire.*

**PERSISTENT PROBLEMS HOBBLE DEVELOPMENT.** The COVID pandemic has added to the century of political turmoil, low productivity, and fiscal mismanagement that keeps Latin America at the rear of developing economies.

Although it has 8 percent of the world's population, since June, the region has logged 40 percent of the globe's COVID cases, inspiring economic shutdowns that have been, in most cases, longer and more stringent than those elsewhere.

This catalog of crises will contract the region's economies by 8.2 percent this year, the Bank of America predicts, followed by a feeble 3.2-percent growth next year, the bank says, not even recovering half of 2020's loss.

Argentina, with the region's third-largest economy, locked down in March but failed to contain the virus's spread. The economy, which was deep in recession before the virus arrived, has flatlined.

Brazil, which let its economy run during the pandemic, recorded a higher proportion of deaths than many other countries in the region but will see its GDP contract only 5 percent this year, analysts say, with 3-percent growth next year.

"The lockdowns in Latin America were effective enough to kill the economy but not the virus," said Marcos Casarin, chief Latin American economist at Oxford Economics.

**TRENDPOST:** *The collapse of pleasure travel wrought by the economic shutdown will cost about 100 million jobs worldwide, with most of the damage done in tropical or developing nations.*

*The Caribbean island of Aruba draws 85 percent of its GDP from tourism. For South Asia's Maldivian Islands, the proportion is 66 percent; in the Bahamas, 59 percent.*

*About 24 million tourists visited Mexico in 2019, contributing more than 15 percent to the country's economy. But in June the number of visitors plunged by 87 percent, with spending shrinking from \$1.7 billion last year to \$148 million now.*

*In recent years, the global economy grew so quickly that millions more people had money to travel abroad. Since 2000, one in five new jobs around the world was in the tourist trade, which made room for innkeepers, cab drivers, tour guides, and other workers, often as entrepreneurs.*

**TREND FORECAST:** *As the Latin American economies continue to decline, violence and protests that were heating up before the COVID War began will intensify. Moreover, as conditions deteriorate and crime intensifies, more people will do what they can to escape to safe-haven nations, such as the United States and Canada. This, in turn, will ramp up anti-immigration movements and calls for closed borders.*

**NIGERIA FACES SECOND RECESSION IN FOUR YEARS.** Nigeria's economy contracted 6.1 percent in this year's second quarter, due to a loss of domestic as well as export economic activity worsened by the global shutdown.

Unemployment reached 27.1 percent, the government reported early this month, with 28.6 percent of the country's workers rated as underemployed during the second quarter.

Crude oil production accounts for almost all of Nigeria's foreign exchange but only 9 percent of its GDP. Agriculture makes up about a quarter of the country's economic output.

When the pandemic and global economic shutdown struck, Nigeria had not fully recovered from a 2014-2015 recession sparked by a crash in oil prices.

Nigeria's central bank devalued the country's currency in March, at the depths of the shutdown, and again last month.

ShopRite, a South African grocery chain, has announced it will end operations in Nigeria, a sign of the country's difficult business environment.

**TRENDPOST:** *As we have been reporting in the **Trends Journal**, from Mali to Zimbabwe from South Africa to Algeria, economic conditions were rapidly deteriorating and protests were escalating throughout much of Africa before the COVID War began.*

*Now with the lockdowns and the "Greatest Depression" taking its economic toll, demonstrations, riots, protests... and civil wars will intensify, spreading beyond national borders.*

*As conditions worsen, there be a flood of refugees pouring into to Europe and the Middle East.*

*This in turn will intensify growth of populist political parties whose platforms will include closing borders to maintain national identities.*

**DEVELOPING ECONOMIES STAGGERING.** Across the developing world, national economies are reeling.

In 2020's second quarter, Brazil's GDP shrank by 11 percent, Mexico's by 18.9, the Philippines' 16.5, and Turkey's 9.5. During the period, Peru's economy contracted by one-third. An estimated 26 million people are jobless from Ecuador to Kenya to Vietnam.

Shutdown have been less effective in controlling the virus in many of these countries because most people lack savings and are forced to keep working, a majority in jobs they are unable to do at home, such as small-shop manufacturing, retail, and tourism.

**TREND FORECAST:** *The road to recovery will be long and dangerous. Going deeper into debt and with no master plans for economic growth, more than 70 nations have applied for aid to the International Monetary Fund.*

*Indeed, bonds of developing countries that paid solid returns when times were good are not so good now.*

*The Ashmore SICAV Emerging Markets Short-Duration Fund had been Morningstar's fastest-growing emerging-markets bond fund when the pandemic struck. Now it has become the worst performer, largely because it put 40 percent*

*of its assets in bonds issued by Argentina, Lebanon, and Ecuador, all of which have defaulted on bond payments since March.*

*The fund has lost 17 percent in the 12 months through July 2020.*

*Several other emerging-market funds also have lost ground in recent months.*

*The bonds of some countries, such as Argentina, are now trading at half or less of their face value.*

*Money poured into the funds in recent years as investors sought higher returns than those offered by developed economies, where central banks kept interest rates low to prop up weakening economies.*

*In part, emerging markets do well in a strong global economy because their GDPs depend on exporting commodities such as oil, minerals, and timber. When the economy slows and manufacturing and construction stall, the countries have little else of economic value to sell.*

**LONG, BUMPY ECONOMIC RECOVERY AHEAD, SAYS OECD.** The world's richest economies suffered their worst economic damage in six decades and new COVID outbreaks signal a slow, bumpy recovery, according to a new report by the Organization for Economic Cooperation and Development (OECD).

The 37 OECD members' economies collectively contracted 9.8 percent in this year's second quarter compared to the first, the report said.

It was the largest quarter-to-quarter drop since records began begin kept in 1960, more than four times worse than the previous record of 2.3 percent, set in 2009's first quarter during the Great Recession.

Finland and South Korea saw the smallest contractions, at 3.2 and 3.3 percent, respectively. The U.K.'s was worst among the group, at -20.4 percent. The U.S. economy shrank 9.5 percent in the second quarter.

Economists have predicted that developed economies will rebound sharply this quarter. However, new virus outbreaks and reimposed shutdowns aimed to contain them could hamper growth.

The global economy will shrink by 6 percent this year, the OECD predicted in June, but could contract by as much as 7.6 percent if the virus resurges widely, it said, and would crimp 2021's rate of recovery as well.

## GOING DOWN, GOING BROKE, GOING OUT



**HILTON SHUTTERS TIMES SQUARE HOTEL.** The hotel chain will close its Times Square inn for the foreseeable future next month and lay off 200 workers, the company has told New York state's labor department. However, the company said the announcement "was not intended to imply that there is a permanent closure."

**UNITED AIRLINES TO CUT MORE JOBS.** The struggling carrier announced another 16,370 employees will be furloughed as part of its plan to halve its U.S. workforce.

The cuts include 6,920 flight attendants, 2,850 pilots, 2,260 airport operations staff, and 2,060 maintenance workers.

Most of the workers will be let go on 1 October when federal financial aid ends. The airlines industry continues to negotiate with the Trump administration for longer-term support.

About 7,000 workers already have left the company, with another 20,000 on long-term furloughs or work-sharing arrangements.

By July, U.S. airlines had dropped about 50,000 workers, with more cuts in recent weeks that included 19,000 at American Airlines.

United's September schedule is 63 percent of what it was a year ago. The airline expects traffic to hold around 50 percent of pre-pandemic levels until a vaccine is widely available.

**FORD OFFERS EMPLOYEE BUYOUTS.** Ford Motor Co. is offering buyouts to 1,400 salaried workers who are eligible to retire at the end of this year.

The buyouts would trim the company's salaried U.S. workforce by almost 5 percent.

If not enough workers accept the buyouts, some will be fired to enable the company to reach the targeted number of cuts.

The cuts are part of Ford's \$11-billion restructuring plan that is closing factories, ending some vehicle models, and laying off workers in Europe, South America, and the U.S.

**LORD & TAYLOR SHUTS DOWN.** The company that established the first U.S. department store had planned to keep 14 stores open after filing for Chapter 11 bankruptcy on 2 August but now has decided to close all of its remaining 38 stores.

Liquidation sales are under way, including fixtures, furniture, and equipment.

**URSA PICEANCE HOLDINGS GOES BUST.** The Denver-based natural gas producer is the latest domestic energy company to file for Chapter 11 bankruptcy.

In November, the company will auction its holdings, including 41,000 acres of gas leases in western Colorado's Piceance Basin, in an attempt to pay off \$283 million in secured debt. Ursa has about \$2.3 million in cash.

Denham Capital, a private equity firm, holds an interest in Ursa Resources.

# TRENDS IN THE MARKETS *by Gregory Mannarino*

## SUPER-MELTDOWN: DEBT MARKET TIME BOMB



I believe a market Super-Meltdown is on its way, and it will begin in the debt market.

Why? First, let's cover some current events. In the past two weeks, the stock market has broken several all-time record highs, and both the S&P 500 and the NASDAQ are now in record territory.

This plays right into my last article, [FORECAST: MELT-UP, CRASH-DOWN](#). We are now in a “melt-up” phase in the stock market. The disconnect is clear: we are in an economic free-fall, yet stocks are rising.

Recently, we heard from the Federal Reserve, which is promising to allow inflation to “run hot.” They are prepared to vastly increase their money creation out of thin air and keep rates low indefinitely. Moreover, the Fed is considering making *direct payments* to corporations that have been affected by COVID-19. Yes, the same corporations that have been buying back shares of their own stock for over a decade. Yes, the same corporations in which the Federal Reserve is buying their debt. The merger of corporations and the new American government is nearly complete.

Benito Mussolini, a man who had a clear understanding of Fascism, said this: “Fascism should more properly be called corporatism, since it is the merger of state and corporate power.”

The fact that the Federal Reserve is going to massively increase its money printing and asset purchases is, in turn, massively stock-market positive. The Fed is

determined to vastly increase its debt – to be the lender and buyer of last resort – to own it all. This has been its goal since its creation in 1913, and it is becoming realized via today's scandemic.

The Fed's artificial suppression of rates requires them to keep buying debt. They cannot just "say" they are going to keep rates low – they must create cash out of thin air and buy the debt. The affect of this is rate suppression.

By free-market forces not being allowed to work in the debt market, a monster bubble has manifested itself... and this assures one thing: a giant snap-back will occur at some point.

### **Debt Market Snap-Back**

Market forces are *enormous*, and no amount of rigging in any aspect of the market can go on forever. They can persist for exceptionally long periods of time, however, but there is always a time where asset values correct to fair value, and this *will* happen in the debt market.

As time goes on and the Federal Reserve continues to rig the debt market, massive distortions occur and get exponentially worse. The main result of artificially suppressed rates is the manifestation of a stock market hyper-bubble and also a bubble in real estate prices.

Rate suppression will result in a "snap-back" of rates to fair value, resulting in a *massive sell-off* in the debt market.

A massive and rapid sell-off in the debt market will cause rates to spike in an uncontrolled manner, which will put enormous pressure on both the stock market and real estate values. This will result in a SUPER-MELTDOWN of the entire financial system worldwide, and... get this... *there will be no way to stop it.*

Stay tuned for further market updates both here and in my blog,  
[TradersChoice.net](http://TradersChoice.net)

*by Gregory Mannarino*

# TRENDS IN SURVIVALISM *by Bradley J. Steiner*

## **NOTICE TO READERS FROM GERALD CELENTE:**

*When a fight breaks out in the real world, it's not like what you see in the movies or on TV.*

*The following article by Bradley J. Steiner is a close combat lesson on how to fight for your life if ever you find yourself in a dangerous situation facing an attacker. Please note the following article contains strong graphic content.*

*Some may find it not their cup of tea, and they may not want to read it.*

*For those who want to read on, it is a true close combat lesson in survival.*

## **A QUICK LESSON IN UNARMED DEFENSE**



If, God forbid, the worst happens and you cannot avoid a close encounter with some savage who intends to harm you, *and you don't have a serious background in close combat*, what can you do?

Obviously, in a brief article, I cannot teach you how to be fully prepared to meet any attacker under any conditions and be competent in skills that will almost certainly insure your victory over him.

What I can and will do here is give you, in a nutshell, some basic knowledge of how to stand a fighting chance if you come up against a violent offender and you have no choice but to do something – or suffer horrific consequences.

I won't beat about the bush. Let me get right to it:

You want to remember, and cultivate, the ability to attack and destroy **three primary targets** on your attacker: his EYES, his THROAT, and his KNEES. (Don't be surprised the testicles are not listed here. Every man – especially every man who is acclimated to violence – instinctively protects this target, and, of the vital targets of a man's body, the testicles can be one of the most difficult to access and damage adequately.)

Always attack by surprise. Give no indication facially or physically that you can attack or intend to resist. Attack without warning and use 100 percent of your strength, determination, willpower, and speed.

And *keep on attacking* until you can get away. You can get away when your assailant has been crippled to the point of being unable and unwilling to endanger you further; when you can safely escape the scene without being pursued; or when your assailant flees. That's it. *Until or unless one of these openings occurs, keep on attacking like a wild animal!*

## Eyes

Attack the eyes by simply extending (not stiffening, just extending) your fingers and ramming them directly into the attacker's eyes. Drive that thrust hard! You will not get a second chance to prevail and get away.

Ladies: In a forcible rape predicament when you are overpowered, **feign compliance and a willingness to cooperate**. With your open hands gently embrace the attacker's face. Smile. Then suddenly drive your thumbs into his eyes and *gouge hard!* Dig your thumbs into the inside corners of his eyes – straight in, hard – and gouge outward, with the intent to tear his eyes from their sockets and blind him as well, causing him to collapse. Jabbing a key into the attacker's eye, the tip of an umbrella, or a pen or

pencil is also an excellent tactic. *Squeamishness has no place in self-defense. It only helps your attacker.*

## Throat

Attack the throat by simply opening your hand and extending your fingers straight, with your thumb upright. Whip the little finger edge of your hand sharply into the attacker's throat. *Form this hand weapon in flight. Do not let your*

*attacker see you readying yourself to hit.* Hit fast and hard! The edge of a book is also a great improvised weapon with which to strike an attacker in the throat. So is the end of a stick or umbrella. Hold the stick with a hand at either end suddenly ram the center of the stick into the assailant's throat.

You can always get your hands close to an attacker's eyes or throat by bringing them up in an "I don't want any trouble!" pleading position: i.e. palms open and upraised with a scared look on your face. Then suddenly attack!

## **Knees**

To attack an assailant's knees, see the "[Lesson #5, The Side Kick](#)" video on my YouTube channel "American Combato." In this video, my top Black Belt colleague, Mark Bryans, demonstrates how to do this simple, almost foolproof basic kick. Use it to attack the assailant's knee. It is easy to break a man's knee.

Eighty pounds counter to the joint will do it, and even a twelve-year-old girl is quite capable of generating well in excess of 150 pounds of force if she does this kick correctly. Break his leg and he'll fall, unable to pursue you, and in a degree of pain that will keep him more than occupied with thoughts other than yourself.

When you attack, *growl and yell* like you've gone insane with a murderous rage and have a determination to absolutely destroy your tormentor.

It's always a good idea to carry a handful of aquarium gravel in your outer pocket. Thrown in the face, it distracts and opens up the attacker for having the side kick delivered before he knows what's happened.

Two final tips: The ears are very vulnerable. Smash your hands into them, seize them in a hard grip, and rip them by making a violent, powerful movement as though you were shooting a bow and arrow.

Also, biting is always effective. Grabbing an attacker and sinking your teeth into his face or neck and then biting a chunk of his flesh off and spitting it out tends to dishearten even the meanest scumbag who is bent upon harming you.

Unpleasant? Of course. But not as unpleasant as what will happen to *you* if you hesitate and your attacker wins.

Here's hoping violence never comes to you. But, if it should, here's hoping you offer your attacker more violence preemptively than he can handle... and that you escape the situation.

*by Bradley J. Steiner*

## 2020 COVID-19 TREND REPORT

### BUY THE COVID HYPE, AVOID THE FACTS



How deadly is the coronavirus? Who is it killing?

Should entire nations, states, and cities lock down despite the facts that the vast majority of those who are victims of the virus are elderly and ill?

Last week, the CDC emphatically confirmed what the **Trends Journal** has been reporting since the lockdowns began in March: the vast majority of people killed by the virus are from elder care homes, elderly people suffering from pre-existing chronic conditions, and, overall, some 94 percent of all Americans who died from COVID-19 had underlying health conditions.

The top underlying medical conditions linked with COVID-19 deaths:

- Influenza and pneumonia
- Respiratory failure
- Hypertensive disease
- Diabetes
- Vascular and unspecified dementia

- Cardiac arrest
- Heart failure
- Renal failure
- Intentional and unintentional injury, poisoning, and other adverse events

As stated directly on the CDC's website, "For 6 percent of the deaths, COVID-19 was the only cause mentioned. For deaths with conditions or causes in addition to COVID-19, on average, there were 2.6 additional conditions or causes per death."

Bottom line: It's unknown how many Americans whose death certificates list COVID-19 as the cause of death actually died of a serious underlying health issue but tested positive for the virus.

## **The Trend Continues**

One example was noted on 24 April by Dr. Ngozi Ezike, Director of the Illinois Department of Public Health, but it was not widely reported in the mainstream media.

Dr. Ezike said, "If you were in hospice and had already been given a few weeks to live and then you were also found to have COVID, that would be counted as a COVID death, despite if you died of a clear alternative cause, it's still listed as a COVID death. So, everyone who is listed as a COVID death that doesn't mean that was the cause of the death, but they had COVID at the time of death."

Another example: on 15 May, the *Denver Post* reported, "The Colorado Department of Public Health and Environment is now clarifying that its death tally includes the total number of fatalities among people who had COVID-19, including those deaths in which the respiratory disease was not the cause of death listed on the death certificate."

Based on data posted on the CDC's website, what can be said with certainty, but not given sufficient attention in the Fear and Hysteria headlines saturating mainstream media, is that the people under 65 who are in relatively good health are not likely to be troubled by COVID-19.

In fact, this latest CDC data showed 79 percent of the total COVID-19 deaths were aged 65 and older and, as confirmed above, 94 percent of those who died were already suffering from serious respiratory and heart ailments, diabetes, and clinical obesity. In addition, among the comorbidities (other health issues present

along with COVID-19), over 5,000 were “intentional and unintentional injury, poisoning, and other adverse events.”

Indeed, how can someone who died from “intentional or unintentional injury, poison, or other adverse events” be killed by COVID-19?

Yet, these are the facts, and they are totally ignored by mainstream media and politicians.

[\[Click here to read the CDC report.\]](#)

***TRENDPOST:*** *In response to the CDC findings, Michigan’s Department of Health and Human Services said, “Since the start of the pandemic, older individuals and those with underlying conditions were considered the most vulnerable to this deadly virus and likely to have the most severe outcomes. This recently released CDC data reinforces that information.”*

*It should be noted that Michigan’s Governor Gretchen Whitmer issued a stay-at-home order on 24 March, while Sweden, with a comparable population, did not lockdown but has been chastised by Presstitutes and politicians for failing to do so.*

*To date, 5,837 people died from the virus in Sweden, compared to 6,810 in Michigan. Yet, despite the lockdown failure that has destroyed more businesses and lives than the virus, last Thursday, Governor Whitmer extended Michigan’s state of emergency through 1 October.*

## **Endless Debate**

*The New York Times* reported on 29 August that some health experts are questioning the number of COVID-19 deaths being reported due to testing issues. They are pointing to emerging evidence that the standard tests for COVID-19 are coming up positive in people who might have insignificant levels of the virus.

The concern is that the levels are so low in many of those testing positive, there is debate over whether they are even contagious. Nonetheless, people receiving these positive results are most often forced into quarantine.

***TRENDPOST:*** *The CDC data makes it clear that over 80 percent of those contracting COVID-19 are mild cases requiring no medical attention. And while over 40 percent of all COVID-19 deaths in the U.S. were from elder care facilities,*

*2.1 million Americans living in those facilities represent just 0.62 percent of the nation's population. Yet, as with other facts and data that provide important perspectives as to who the virus is killing and why, the information is mostly absent from the mainstream media.*

**TRENDPOST:** *Also absent from media coverage is the clear data showing other substantial, negative implications caused by governments' draconian lockdown rules. Some of these include: domestic violence has doubled, over 40 percent of adults in a CDC survey had "adverse mental or behavioral health conditions," over 10 percent said they had contemplated suicide, and it is estimated there have been over 30,000 cancer deaths due to people afraid to venture out to a doctor's office or hospital.*

## COLLEGE PRESIDENTS WAGE WAR ON PARTIES



As Gerald Celente long has been saying, *"When all else fails, they take you to war."*

Aside from having lost every war, politicians launched since the end of World War II, all of the other wars the U.S. has started, military and otherwise, continue unabated.

How is the "War on Cancer," launched in 1971, going? According to the CDC, "Between 2010 and 2020, we expect the number of new cancer cases in the United States to go up about 24 percent in men to more than 1 million cases per year, and by about 21 percent in women to more than 900,000 cases per year."

How is the “War on Drugs,” which also began in 1971, going? Another loser. According to the CDC, there are 31.9 million Americans aged 12 or older using illicit drugs. And, the rate of drug overdose deaths from cocaine more than tripled between 2012 and 2018. In 2018, some 70,000 people died from drug overdoses.

## **No Fun Allowed**

And now, despite clear CDC data that people aged 15-24 have very little chance of being adversely affected by COVID-19 and they represent less than 0.2 percent of the total virus deaths, “Colleges Wage War on Parties to Keep Campuses Open,” according to a 23 August article in *The New York Times*.

Going away from home, letting loose, falling in love, stretching the rules, and having fun is now officially forbidden. Now, going to school is only about getting a degree. You go there to learn about courses and obey the rules... not about growing up, not about life.

The problems with reopening higher education in America, according to the *Times* article, are that “on-campus restrictions are being undermined by off-campus partying. Student codes of conduct are being signed and promptly forgotten.”

At this time, the new, strict rules include no partying and mandated mask-wearing in all public spaces.

## **Party Problems**

Officials at the University of California at Berkeley said there were 47 new COVID-19 cases due to parties. Without scientific data that infections increased because of the parties, absent in the coverage is that college-age people are among the least vulnerable from being affected by the virus.

And, the reality of the number is that just 47 students out of 30,853, or 0.15 percent, tested positive. The claim college “authorities” make that students will spread the virus to others is, according to an 11 July *Washington Post* article, not the case since “documented cases of younger students transmitting the virus to their classmates or to adults so far appear rare.”

Across the country, colleges are insisting students do their school work and not party:

- “Penn State students party outside freshman dorms, flout coronavirus safety rules, during move-in week,” was the 20 August *Philadelphia Inquirer* headline.
- Syracuse University called 23 students “selfish and reckless” and put them on “interim suspension” for breaking New York Governor Andrew Cuomo’s edict that forces certain out-of-state students to quarantine for two weeks. To date, over 100 college students have been suspended from New York State for “illicit partying.”
- Drake University banned 14 students for two weeks for breaking the “no-party” rule.
- “Mask-less Student Gatherings Mar Return as More Georgia Colleges Begin This Week,” blared the 17 August *Atlanta Journal-Constitution* headline. They reported the college “was disappointed after a video showed what appeared to be several hundred students partying in an off-campus apartment complex.”
- Purdue University suspended 36 students on 20 August because they were having a party.
- The University of Texas officially banned all parties both on campus and off, claiming it “puts the health and safety of our community at risk and raise anxiety levels.”

***TRENDPOST:*** *Beyond the ban on parties, sex is also off limits during the COVID War. As reported in the 30 August New York Times, “Excessive risky behavior (partying, casual sex, the inevitable let-your-mask-down moments) that leads to a rise in new cases might cause campuses to close.”*

## COLLEGE GULAG



Since the lockdowns across the globe began in March, for generations, what used to be the “college life” for students has changed into the draconian New ABnormal in just a few months.

To fight the COVID War, college “authorities” must know how you feel, where you are, when you got there, who you were with, and where you’re going.

Beyond the new “must wear masks,” “must social distance,” “parties prohibited” and condemning “casual sex” (only non-casual sex is permitted in the new ABnormal), college administrations now will have a watchful eye on who’s going to the bathroom and what’s coming out – literally!

From sea to shining sea – Yale to the University of Arizona – across the nation, colleges have launched a “sewer surveillance” testing program of bathrooms for evidence of virus presence in feces.

Other mandatory surveillance strategies include saliva tests and health conditions reported each day using an app, in addition to monitoring students and faculty with campus-controlled computers as they enter classes and public spaces around campus.

Other testing methods noted in a 30 August *New York Times* article include a contact tracing app known as “Covid Watch” that “anonymously tracks students’ movements using Bluetooth technology: those who download the app will be notified if they have been in proximity to someone who has tested positive.”

And, in this age when the obedient majority marched off to fight the COVID War, the *Times* quoted a 19-year-old college sophomore who said she “was willing to sign on because ‘I’m a rule follower, and I don’t like getting sick.’”

Thus, not willing to think for herself, she is not concerned with COVID Police knowing:

*Every breath you take and every move you make  
Every bond you break, every step you take, I'll be watching you  
Every single day and every word you say  
Every game you play, every night you stay, I'll be watching you*

## **Who Needs Facts**

Is there any scientific evidence that these surveillance techniques, which invade the private lives of college students, will have any significant effect at slowing the spread of the coronavirus?

Not according to the CDC: “Testing of all students, faculty, and staff for COVID-19 before allowing campus entry (entry testing) has not been systematically studied. It is unknown if entry testing in institutions of higher learning provides any additional reduction in person-to-person transmission of the virus.”

## **SOVIET STATE OF COLLEGES: MORE “RATS”**



A 12 August Op-Ed piece was published in *The New York Times* with the headline: “Don’t Make College Kids the Coronavirus Police.” The article, co-authored by Dr. Karen Levy, Assistant Professor in the Department of Information Science at Cornell Law School, and her doctoral candidate Lauren Kilgour, begins, “Many universities are asking students to wear masks and avoid parties – and to report on peers who break the rules. It could backfire.”

A number of colleges are actively advertising “hotlines” so students can rat out party goers and those not wearing masks while maintaining anonymity. At the University of Kentucky, students can dial 859-218-SAFE.

## **Bye, Bye Bourbon Street**

At Tulane University in New Orleans, an urgent letter to incoming students from Dean of Students Erica Woodley was posted on the school’s web site. In all caps, the letter begins: “DO NOT HOST PARTIES OR GATHERINGS WITH MORE THAN 15 PEOPLE, INCLUDING THE HOST. IF YOU DO, YOU WILL FACE SUSPENSION OR EXPULSION FROM THE UNIVERSITY.”

The letter continues, “Hold your friends and peers accountable and reach out when you need help with that. You can report problematic behavior by using our online report system. These reports are received in real time. You can also call the Tulane University Police at 504-865-5381.”

At New York University (NYU), ranked the 9th “most liberal” college in the country by Niche.com, the administration is actively recruiting students and staff members to report any student parties or other COVID violations by emailing [covidcompliance@nyu.edu](mailto:covidcompliance@nyu.edu).

There has been some pushback, however, against the New ABnormal college dictates.

Christine Harrington, Professor of Political Science at NYU, compared the call to turn in partygoers and/or students walking around without masks to the way secret police were used in communist East Germany: “It’s like going into your bedroom. It’s a matter of privacy. We could go and social distance and pull our masks down and somebody could take a video of us. You are not free outside.”

Sarah Van Orman, Chief Health Officer at USC, stated, “Institutions have to empathize with what we’re asking students to give up. These measures themselves are not without consequences: disrupted education, emotional and social isolation.”

Dr. Karen Levy and her post doctorate student Lauren Kilgore from Cornell Law School point out, “Deputizing students to police their peers threatens to disrupt the interpersonal dynamics of student life, while also creating conditions to displace blame onto students should outbreaks occur. Universities need to be mindful of how

peer surveillance systems might be misused, how they might burden different groups of students and the damage they may do to community trust.”

***TRENDPOST:*** *Whether it’s fellow students snitching on classmates, neighbors calling police to break up gatherings, or fights breaking out in stores or on the street between mask and no-mask wearers... under the New ABnormal, facts, science, and hard data are irrelevant. Obeying the rules and laws their leaders declare are what’s most relevant.*

## **COLLEGE STUDENTS: OUT OF THEIR MINDS**



While the mainstream media repeat without question the new rules that politicians, bureaucrats, businesses, and the education system invent which have instantly – and negatively – altered life as we know it that existed previous to this past March, there is limited coverage of the adverse mental health effects of these unprecedented and formerly unimaginable measures.

According to Alison Malmon, Executive Director of Active Minds, a not-for-profit offering mental health education to young adults, “Many experts believe there's going to be a second curve, which is the mental health impact of COVID. And schools have a responsibility to be responsive to their students' mental health.”

In an eye-opening survey of some 50,000 college students by the American College Health Association, over 50 percent more students were seeking mental health services compared to last year. And some 90 percent of college students surveyed said the coronavirus had increased “stress and anxiety” in their lives.

Catherine Grus, Chief Education Officer at the American Psychological Association, responded to stress levels reported by college students returning to campuses. Ms. Grus stated, “They’re seeing higher levels of depression, they’re having financial insecurity, which is also leading to mental health problems. And

this is concerning because, before the pandemic, we knew that college students were increasingly having mental health concerns. So, now you add the pandemic and we have a population that's particularly in greater need for mental health services."

***TREND FORECAST:*** *Beyond college students, the rise in mental health issues caused by the lockdown mandates, such as financial pressures and the damage of social isolation, are inflicting more mental and physical damage to college students and general society than the virus itself.*

## **COVID RULES: MAKING THEM UP & MAKING MONEY**



Paris has been known as the “City of Lights” (*La Ville-Lumière*), referring to its historic reputation as a prime location for innovative thought during the Age of Enlightenment. The city is known worldwide for its great restaurants; its majestic boulevard, Champs-Élysées; the largest and most famous art museum in the world, The Louvre; and the architectural gem, the Eiffel Tower.

Now, Paris is known as the city where you face a €135 fine (\$159) for not wearing a mask in public (including motorcyclists and people on scooters) and where a city official clarified, “If someone stops on a bench to eat, drink a coffee or have a cigarette they won’t be fined as long as they put a mask on as soon as they have finished.”

In the famous “City of Lights,” police are increasing surveillance in cafés, restaurants, and bars to enforce the one-meter distance between all tables and mask-wearing for all staff and customers going to and from the bathrooms. Since the new rules went into effect in late August, ten restaurants have been closed down for violations.

**TRENDPOST:** *We note these new French COVID rules to point out how arbitrary and unscientific they are, and how politicians in each country, state, city, and village across the globe make them up and force and fine people to obey them.*

*The “It’s safe to sit down and eat at a restaurant, inside or out, without a mask on, but when you stand up, you have to put the mask on” rules are blatantly moronic.*

*The morons that invented the long list of COVID Regulations to abide by are of the same imbecilic bureaucratic class that forced us to hide under our school desks in air-raid drills during the Cold War.*

*The vast majority obeyed, never questioning the stupidity that if an atom bomb were dropped, how would being under a desk save lives? And, now, the vast majority is not questioning the stupidity that COVID-contaminated air stops blowing at table height when eating but whips up again when standing up.*

*Or, when sitting inside or outside, tables must be six feet away, since the wind carrying COVID-19 stops at precisely six feet... that is, if you live in America.*

*In Italy, there is a one meter social distancing rule (3.28 ft), but for Germans (possibly because the people are bigger than Italians?), they have to stand 1.5 meters apart.*

## **Social Distance Nonsense**

A report from the *British Medical Journal*, “Two Meters or One: What is the Evidence for Physical Distancing in COVID-19?” exemplifies how guess work replaces hard science.

Commenting on the study, science journalist Brianna Sleezer writes, “Six feet seems to be the new standard of measurement in our world,” and notes that “scientists from the Massachusetts Institute of Technology and the University of Oxford argue that the six-foot rule is part of oversimplified, overly rigid, and outdated science.”

The researchers note the current social distancing restrictions imposed by political leaders, which are backed by their health experts and amped up by mainstream media, are based on 100-year-old data.

The medical study concludes, “Given that small droplets can carry pathogens, it is important to consider their movement dynamics when developing social distance

guidelines. This is particularly true for SARS-CoV-2 (the virus responsible for COVID-19), which can attach to air particles and remain in the air for up to 16 hours.

Ms. Sleezer also notes, “Despite the general and persisting belief that six feet is a safe distance in most circumstances, scientific studies continue to prove this belief wrong. In a recent review of 10 studies on droplet emissions, eight of the 10 studies find that respiratory droplets can travel farther than six feet.”

***TRENDPOST:*** *These facts are rarely discussed in the mainstream media, and politicians who enforce these unscientific rules are not held accountable for their actions, which have instantly altered life on much of Earth: Fear and Hysteria have replaced Freedom and Joy.*

*Once again, and we will continue to note, Sweden did not lock down, and their COVID death rate is on average with those which did. Moreover, Nordic countries are not mandating mask wearing, and virus deaths have not increased. Yet, the scaremongering media, politicians, and “public officials” ignore these hard facts.*

## CHINA: WE BROUGHT YOU COVID. WE'RE #1



Happy Chinese Lunar New Year 2020! That’s when China launched the COVID War.

Remember the 24/7 news on how they were building hospitals in just weeks to handle the sweeping pandemic in the Wuhan province?

Remember our 28 January cover of the **Trends Journal**? CORONAVIRUS: 106 DEAD IN CHINA – 1.4 BILLION STILL ALIVE. THE NEW BLACK PLAGUE?



In the United States, with a population of some 330 million, to date, 188,172 have died from the virus.

To date, just 4,740 died in China from COVID-19. While most will say China is downplaying the number of its citizens who actually died from it, even if they were pushing it down by high double digits, China's coronavirus death rate is still low.

As the U.S. and other major economies across the globe sink lower, as detailed in our economic sections in the **Trends Journal** and reported in our **Trends in The News** videos, China's "duel circulation" (self-sustaining) economy is on the rebound.

Having successfully contained the virus, the Chinese government is doing what is unthinkable in America and much of the world. The message President Xi Jinping is relaying to its citizens is that the best way to battle the virus is to focus on fitness, get in shape, and eat healthy.

After closing gyms and other physical venues for two months, these facilities were allowed to reopen last April, while most of the modern world continued to force them to stay closed.

Wang Juanli, who operates a yoga studio in Beijing, said, "After the pandemic, people have a higher health awareness and realize the importance of keeping fit."

**TREND FORECAST:** *The 20th century was the American century. Throughout the century, the business of America has been war.*

*The 21st century will be the Chinese century. The business of China is business.*

*For nearly a decade, Gerald Celente has forecast societies that would thrive in the age of globalization and economic contractions would be “self-sustaining.” The Chinese government’s “dual circulation” policy, articulated by its leader Xi Jinping, is that it must retool in a world of declining economic demand and rely less on exports and more on robust domestic demand, thus becoming more self-sustaining.*

*“The world has entered a period of turbulence and transformation,” said President Jinping, telling the nation to continue focusing on improving its manufacturing capabilities and technology advancements to “face an external environment with even more headwinds and counter currents.”*

*Indeed, what China is doing to position itself for the future is unique among major nations.*

## **COVID CLAMPDOWNS IN AUSTRALIA: NO RIGHT TO RIGHTS**



Last Wednesday, police in the state of Victoria went into a pregnant woman’s home in the city of Ballarat and arrested and handcuffed her for posting online for people to consider attending an upcoming anti-lockdown protest.

The police defended the arrest and threatened the same for any citizen planning to protest. “Don’t come into the city [Melbourne] and undermine all the hard work and sacrifice that’s been made by the vast majority of law-abiding citizens. Adhering to the chief health officer’s directions remains the most effective way of us finding a pathway back to normality,” commanded Assistant Commissioner Luke Cornelius.

The Commissioner added, “I would be the first to acknowledge the optics, for want of a better description, arresting a pregnant female, it’s never going to look good... I’ve seen the footage, and you know, in my assessment, the members have conducted themselves entirely reasonably.”

Last week, nine additional deaths from the coronavirus were reported, which brought the total in the state to 675. (Note: the population of the region is 6.35 million, so the death rate from the virus is 0.01 percent.)

## **More Lockdowns**

The Victoria State Government has citizens controlled under what it terms “Stage Four” restrictions, which have been in effect since 2 August, and the government announced on Sunday the restrictions will remain in effect until 28 September. It was then officially announced that as of 14 September, it would relax the curfew one hour, from 8:00 PM to 9:00 PM.

Citizens living alone would be allowed to choose one friend or relative to visit and two hours of daily exercise outside, which can include “social interactions” such as walks in parks and reading books at the beach.

***TRENDPOST:*** *Again, these rules are arbitrary and lack scientific data to support them.*

*As we have detailed in previous issues of the **Trends Journal**, the vast majority of the deaths in Australia are elderly people from nursing homes that were suffering from preexisting chronic illnesses. Yet, the lockdown rules have crippled small businesses and imposed great economic and psychological hardship on the general population.*

## MORE FEAR: U.S. COVID DEATHS TO DOUBLE



The University of Washington's Institute for Health Metrics and Evaluation (IHME) stated last Friday it expects U.S. deaths from the coronavirus to exceed 400,000 by January. To date, some 188,000 Americans have died.

The IHME stated the excess deaths could be reduced by 30 percent if Americans wore face masks but that the practice is declining. The Institute's projection would mean a tripling of the current daily death rate. They previously projected over 300,000 deaths by the end of November.

Currently, according to statistical health researcher John Efilien: "As of September 3, 2020, an average of around 945.5 people per day have died from COVID-19 in the U.S."

The global forecast was even more pessimistic. The IHME predicts a tripling of deaths to 2.8 million by 1 January.

***TREND FORECAST:*** Get ready for the "Second Wave" sale. When autumn arrives, the mainstream media and politicians will be selling to the world that the COVID Crisis will intensify. To combat its arrival, they will impose additional draconian lockdown measures, which will in turn further destroy businesses and livelihoods, thus accelerating the decent into the "Greatest Depression."

## MICHIGAN: LOCKDOWN 2.0



In response to an “uptick” in new coronavirus cases – but not an escalation of COVID deaths – Governor Gretchen Whitmer declared that the state of emergency, which was imposed on 10 March, will continue until 1 October.

The Governor said, “With over 6,500 deaths, the virus continues to threaten the lives of Michiganders every day. COVID-19 is a novel virus with many unknowns, but we do know that it is widespread, it is easily transmitted, and its effects can be fatal. We must continue to take this seriously and do everything we can to protect ourselves and all Michiganders from COVID-19.”

***TRENDPOST:*** As we have continually noted, when compared to Sweden, which had no lockdown and registered 5,832 virus deaths, locked down Michigan, with about the same population, had 6,810 deaths.

*And, as we reported in March and April, the majority of those who have died from the virus were from nursing homes and the Detroit area, with large minority groups suffering from preexisting health conditions such as obesity, Type 2 diabetes, heart disease, and respiratory ailments. The virus victims also include those living in highly polluted areas and in unsanitary conditions.*

## PRESSTITUTES SELL MORONIC MOTORCYCLE FEAR



The level of Presstitute hype to sell COVID Fear was exemplified with a major story last Wednesday by *The New York Times*: “Motorcycle Rider Who Attended Sturgis Rally Dies of COVID.”

An estimated 367,000 people attended the 10-day event, which began on 7 August.

It was reported the one attendee who died from COVID-19 had “underlying health conditions.”

***TRENDPOST:*** From *The New York Times* to Fox News, Forbes to Reuters to the Associated Press, the major media ran this “One dead who attended the Rally” story.

*Hype and Fear is the mainstream media major sales mechanism. Of what relevance is it that one person who had “underlying health conditions” out of 367,000 died from the virus? Yet they call this “news”?*

*Go back to mid-March and April in the U.S. when young people went on Spring Break. As we reported, the media went berserk warning that the large groups not wearing masks and crowded together would catch COVID-19 and die. They didn’t. But, not surprisingly, the mainstream media never follows up on their inaccurate reporting.*

## SMIZING: YES, KISSING: NO



“When you’re smizing, When you’re smizing, The whole world, it smizes with you.”

The classic 1928 song, “When You’re Smiling,” made popular by Louis Armstrong, Ella Fitzgerald, and Frank Sinatra, may have to adapt its lyrics to keep up with the New ABnormal.

With much of the world masked in public, there’s no more smiling. What to do? It’s time to “Smize”!

In a lengthy front page story, the *Wall Street Journal* reported that among the mask wearing masses, it is time to “smile with your eyes.”

They noted “smize,” coined by model Tyra Banks, is now becoming the way of the world. “The safety mask has truly transformed smizing. It’s less about penetrating the camera lens with intensity and strength than it is about saying things like ‘How can I help you?’ or ‘You can go first.’”

The *WSJ* reported that with restaurant servers forced to wear masks, managers around the globe are teaching waitstaff how to smile with their eyes and communicate other gestures to make up for the fact that others can’t see the lower half of their faces.

At the Four Seasons Hotel Seoul in South Korea, the general manager, a former male model, taught her staff how to “smile with their eyes.” The general manager commented, “The positive impact is felt by guests daily.”

At the Grand Resort Tremezzo on Lake Como in Italy, management brought in the expertise of a body language expert to teach its workers how to talk with their upper facial features. The body language expert pointed out, “Individuals are

scared proper now, so it's extra essential than ever for lodge workers to convey a way of security and welcome with their gaze."

The Halcyon Hotel in Denver, Colorado is making its staff practice "micro expressions," so guests feel welcome and are having their emotional needs met, according to the hotel's Director of People and Culture.

Smizing has extended well beyond the hospitality industry. Baptist minister the Reverend Susan Sparks wrote a column in which she merrily described the COVID routine for going shopping: "Donning masks and rubber gloves, we left our apartment with two backpacks, a rolling cart and several container bags, just as if we were preparing for an interplanetary mission."

She added, "While most people kept a fairly flat facial expression behind their mask as they passed, one young woman looked up and smiled. Instinctively, both my husband and I smiled back at her. How do I know she smiled? Because she smized."

## **CUOMO GETS INSPECTED**



As we have long reported, New York Governor Andrew Cuomo, at the onset of the COVID Pandemonium Panic in March, issued an order forcing elderly people out of hospitals and into nursing homes to free up more hospital beds.

On 26 August, the Justice Department issued letters to Governor Cuomo and the governors of New Jersey, Pennsylvania, and Michigan demanding data relating to the coronavirus at state nursing facilities.

In the case of Governor Cuomo, the issue questioned his 25 March order that "no resident shall be denied re-admission or admission to a nursing home." Thus, his

edict forced nursing homes to accept patients with COVID-19, bringing them into facilities among those most vulnerable to die from the virus.

The governor's concern that hospitals would be overwhelmed was not backed by evidence. Even at New York's highest peak of COVID-19, 15 percent of hospital beds and 10 percent of intensive care units were available. Moreover, there were beds available in the Javits Convention Center, which had been converted into a makeshift hospital, as well as beds on a U.S. Navy hospital ship brought in during the peak, which were barely used.

Under public and media pressure, Governor Cuomo rescinded his order on 10 May, but he vehemently rejected claims his order had increased New York's death rate from the coronavirus.

## **The Deadly Facts**

On 22 May, *ABC News* reported, "More than 4,500 recovering coronavirus patients were sent to New York's already vulnerable nursing homes under a controversial state directive that was ultimately scrapped amid criticisms it was accelerating the nation's deadliest outbreaks, according to a count by The Associated Press."

Yet on 24 June, the governor's New York State Department of Health claimed the rate of death in nursing homes was the lowest among neighboring states. This is clearly false and misleading, as it only counted deaths occurring while patients were in nursing homes, leaving out the many who contracted the virus in the homes but died after being transported to hospitals. It should be noted that no other states manipulated the death count this way.

Governor Cuomo's official report also lied about when the virus peaked, claiming 8 April as the date. Yet, CDC data clearly shows high numbers of hospitalizations among residents aged 85 and older all the way through the following month (the decrease claimed was only among other, less vulnerable age groups).

Since the controversy first emerged in April, the governor and his staff have consistently resisted inquiries by the media and his Democratically-controlled legislature. Now, with the federal Justice Department requiring answers, Governor Cuomo has dismissed this action as a Trump administration political vendetta.

But the federal government is not the only interested party demanding truth from the Cuomo administration.

Last March, the Civil Rights of Institutionalized Persons Act, responsible for protecting those in elder care facilities, began an investigation that includes accusations of abuse and neglect.

On 19 August, lawmakers in the state capital started advocating for a bi-partisan, independent commission to look into at least 6,447 deaths in state-regulated elder care facilities and Governor Cuomo's role.

Just last Friday, the Empire Center for Public Policy, a government watchdog agency, charged the NYS Department of Health with delay tactics against the agency's request for data on the nursing home deaths through the Freedom of Information Act. The NYS Department of Health claims it is doing a "diligent search" for records, which takes time.

The head of the watchdog agency countered that nursing homes were required by state law to file daily reports, which include deaths from COVID-19 both within nursing homes as well as in hospitals.

### **Bureaucratic Arrogance**

At a hearing last month, the state Health Commissioner, Dr. Howard Zucker, confirmed that the data on nursing home death tolls can be accessed, but he was not ready to make it public.

Among the lawmakers pressing for answers was Democratic State Senator James Skoufis, who commented, "Governor Cuomo has rightly described the virus ripping through nursing homes as 'a fire through dry grass.' It's now up to the Legislature to determine who lit the match and understand how and why the fire fanned out."

***TRENDPOST:*** Although New York's death rate is second highest in the country after New Jersey's and Governor Cuomo's actions were responsible for severely jeopardizing the lives of those most likely to die from the virus, he still is championed by the media and adored by his followers for his handling of COVID-19.

*Indeed, beyond being a keynote speaker at the Democratic National Convention last month, as reported in the **Trends Journal**, he has signed a major book deal with Crown, an imprint of the Random House Publishing Group.*

Cuomo's book, *"American Crisis: Leadership Lessons from the COVID-19 Pandemic,"* is scheduled to be released on 13 October.

## ANTI-VACCINATION MOVEMENT IS GROWING



"To vaccinate or not to vaccinate" – that will be a major question in the coming months.

At this point, according to Heidi Larson, Director of the Vaccine Confidence Project at the London School of Hygiene & Tropical Medicine, "Anti-Vaccination sentiment is going into the mainstream."

While many media outlets and health officials continue to paint the anti-vax movement as fomented by anti-science extremists, the polling shows otherwise. As Dr. Larson noted, "A lot of people you never would have imagined are now saying that maybe the anti-vaccination lobby has a point."

In the U.S., pro and con vaccine polls vary. A YouGov poll taken during the last week in July showed 69 percent of U.S. adults have concerns about the safety of coronavirus vaccines. A 7 August Gallup poll, however, showed one in three won't accept getting vaccinated.

The low acceptance number has health officials concerned, as virologists predict that for a vaccine to be successful in stopping the spread of the coronavirus, at least 60 to 70 percent of people would have to get vaccinated.

Still, there are many trying to make this a purely political rather than health issue. Democratic presidential candidate Joe Biden, commenting on the polls showing growing concerns about the safety of a vaccine, claimed President Trump is the reason for the trend: "It's not the usual anti-vaccine crowd – it's beyond that – because people are losing faith in what the President says."

Mr. Biden's claim is weakened by the facts.

Firstly, the Trump administration labeled the U.S. drive to be first with a successful vaccine as "Warp Speed."

And, while Democrats are more willing to get vaccinated, a YouGov poll shows that "Most Democrats, Independents, and Republicans say they are concerned about the safety of a vaccine being fast-tracked through the approval process."

The poll also shows close to half of the Democrats who participated say they either won't get vaccinated or are unsure.

Barry Bloom, Professor of Public Health at Harvard, pointed out that many of those concerned about getting the vaccine are liberal, highly educated people: "If you want to map where the anti-vaccination movement is strongest, just look for your nearest Whole Foods."

It should also be noted that Robert F. Kennedy Jr, obviously from one of the major Democratic party families, is the head of a global project critical of the use of mercury in vaccinations, and he has given speeches citing how politicians love pandemics because it gives them more power to control citizens.

## **Global Concerns**

The anti-vaccination movement is growing in other parts of the world as well, particularly western Europe. A poll conducted by King's College London in August found only about 50 percent of the U.K. citizens were very likely to get injected if and when a vaccine arrives.

In France, the Wellcome Trust poll taken in June found that about one third said vaccinations were unsafe.

The survey revealed some 22 percent of people in Western Europe have a negative view about vaccines. Eastern Europeans also have a high degree of concern, with close to 20 percent critical of vaccinations.

The most recent global poll was conducted for the World Economic Forum on 31 August, which showed 26 percent of adults from 27 nations were against getting vaccinated.

## **“Warp Speed” Ahead**

The major reason for the much higher number of people suspicious of a COVID-19 vaccine compared to previous ones is the rush to get one out. As *Reuters* reported on 6 August, “The frenetic race to develop a COVID-19 vaccine has intensified safety concerns about an inoculation, prompting governments and drug makers to raise awareness to ensure their efforts to beat the coronavirus aren’t derailed by public distrust.”

Dr. Francis Collins, Director of the National Institutes of Health, admitted, “I did not properly understand the groundswell of resistance that is now out there... Maybe there’s an aspect of the Warp Speed brand name that isn’t helping here.”

The fastest any previous vaccine was developed was for mumps, which took four years. Even a few pharmaceutical executives, known to rush drugs into use to reap enormous profits, have voiced concerns.

Ken Frazier, CEO of Merck, in a *Harvard Business Review* interview on 30 June, noted it usually takes a full decade to develop successful vaccines. He issued a warning about the safety of a vaccine if it is put out too soon.

There are currently more than 200 COVID-19 vaccines in development around the world. Following the frequent use of “War” analogies by media when reporting almost any major issue, the *Global Times* had this lead paragraph in its 12 August article on the rush to get a vaccine to market:

“The battlefield of a global vaccine race has seemingly transferred from research and development to market after Russia announced its approval of the world’s first COVID-19 vaccine on Tuesday [11 August], soon after which the U.S. announced to purchase another 100 million doses of a domestic candidate, revealing the Trump administration’s anxiety over Russia’s move.”

The “battlefield” also is being created by health officials and the pharmaceutical industry revving up a campaign to encourage widespread acceptance of getting vaccinated. Yet, as evidenced in the article above, the anti-vax numbers are growing. In addition to concerns over the “warp speed” to get a vaccine out overall, there are those suspicious of the political pressure if a vaccine was to come out before the upcoming presidential election.

## Sales Pitch

Fighting back the growing suspicion, many American drug companies have procured the services of a group to send out pro-vaccination notices. And in November, the United States Department of Health and Human Services plans to launch an advertising blitz using medical experts and celebrities to promote the vaccine and counteract those opposed to being vaccinated.

***TREND FORECAST:*** *The growing anti-vax movement in the U.S. started before COVID-19. The number of American children not getting vaccinated for measles, mumps, and other diseases has quadrupled over the past 15 years, based on data published in October 2017 by the CDC.*

*As we had forecast, beyond the United States, a key platform of new “populist” political parties (along with lowering taxes) will be a strong anti-vaccine movement.*

***TRENDPOST:*** *Yesterday, shares of AstraZeneca fell over 6 percent in after-hours trading following Oxford University and AstraZeneca’s announcement they were halting tests after a participant experienced a serious adverse reaction.*

*AstraZeneca didn’t reveal any information about the side effects, saying that its “standard review process triggered a pause to vaccination to allow review of safety data.”*

*“We are working to expedite the review of the single event to minimize any potential impact on the trial timeline,” the company said.*

***TRENDPOST:*** *The overall expectation by the mainstream media, financial institutions, businesses, politicians, and the general public is that life will not return to “normal” until a COVID vaccine comes to market.*

# TRENDS IN GEOPOLITICS

## CHINA: FROM SEA TO SHINING SEA



For the past 20 years, the U.S. Department of Defense has issued an annual report to Congress on “Military and Security Developments Involving the People’s Republic of China.”

On 1 September, the 2020 report was sent to Congress and included the fact that China now has the world’s largest navy and is determined to create a world-class military capable of operations across the entire globe.

According to the Deputy Assistant Secretary of Defense for China, Chad Sbragia, the recent buildup has given Beijing the impetus to be “more assertive” with its neighbors. Mr. Sbragia added, “I would also draw your attention to weapons systems and it’s important to highlight the Chinese shipbuilding advantages in terms of its size of the fleet, is both in context of the broader modernization ambitions, virtual class military.”

He added China’s navy is “an increasingly modern and flexible force that has focused on replacing previous generations of platforms with limited capabilities in favor of larger, modern multi-role combatants.”

China is adding anti-ship missiles armed with hypersonic technology, which travel faster than Mach 5. Additionally, China is one of only a handful of countries with nuclear-armed submarines.

Mr. Sbragia pointed out that Beijing has been testing its military reach throughout the South China Sea, one of the most strategic international waterways through which about one-third of global shipping travels, as well as exploring potential bases ranging from Africa to South America.

***TRENDPOST:*** As reported in the ***Trends Journal***, China has been exerting its military muscle in the geopolitically important South China Sea, including territorial disputes with the Philippines, Taiwan, Malaysia, Vietnam, and Brunei.

*The Chinese have constructed a large network of runways and facilities for housing weapons on a number of contested islands. On 14 July, U.S. Secretary of State Mike Pompeo stated, “China’s pursuit of offshore resources in parts of the South China Sea is ‘completely unlawful.’”*

*China’s military buildup is part of an even larger geopolitical/economic plan also reported on extensively in the **Trends Journal**: The Belt and Road Initiative.*

*This multi-trillion-dollar infrastructure project is the key element of the Chinese government’s plans to be the #1 economy in the world. Started in 2013, the massive plan includes both overland routes of roads and railways and sea routes, which will create the world’s largest trading network.*

*Again, as noted, we forecast that while the 20th century was the “American century,” the 21st will be the “Chinese century.”*

## U.S. REDUCING TROOPS IN IRAQ



Unspoken and mostly forgotten in the United States, especially among the so-called “liberals,” is the illegal Iraq War launched by President George W. Bush in March 2003, which was based on his lies that Saddam Hussein had weapons of mass destruction.

Now, 17 years later, with trillions spent, millions killed, and the nation bombed into ruins, last Friday, the Pentagon announced a one-third reduction in the U.S. military presence in Iraq, leaving some 3,500 U.S. troops and mercenaries in the war-torn nation.

General Frank McKenzie, head of the U.S. Central Command, stated, “There’s going to be a requirement for us, our NATO and our coalition partners to have a long-term presence in Iraq.” Yet, he added, “We don’t want to maintain a huge number of soldiers forever in Iraq.”

At this time, it is estimated that up to 2,500 coalition troops will stay on.

Last November, a study by the Pew Research Center found that 64 percent of military veterans felt the war in Iraq was not worth the continued deaths and injuries to American troops.

When running for president in 2016, Donald Trump made headlines during a Republican debate when he referred to the Iraq war as a “horrible mistake.” He is also on record as saying it’s time to stop “endless wars.”

At a White House briefing on Monday, President Trump stated that Pentagon top officials probably don’t like him “because they want to do nothing but fight wars so that all of those wonderful companies that make the bombs and make the planes and make everything else stay happy.”

***TRENDPOST:*** *Speaking out of both sides of his mouth, while President Trump denounces the Pentagon for not liking him, under his administration, he promoted and signed into law substantial military budget increases.*

*His \$740.5 billion military budget for 2021, even when adjusted for inflation, was the largest since World War II.*

*We forecast that before Election Day, to boost his chances of winning a second term in the White House, President Trump will announce peace deals with Afghanistan and North Korea.*

# TRENDS IN HI-TECH SCIENCE *by Bennett Davis*

## WORLD POPULATION TO SHRINK AFTER 2064, STUDY SAYS



After peaking in 2064 at some 9.7 billion people, the world's population will decline to about 8.8 billion by 2100, according to a new study from the University of Washington School of Medicine.

That century-ending figure is about two billion lower than many other analyses have predicted.

The key factors that will shrink population are the education of women and girls and the more widespread availability of cheap contraception, the study says.

Using data from the Global Burden of Disease Study 2017, researchers projected global, regional, and national populations and modeled migration patterns and birth and death rates.

By 2100, 183 of 195 countries will have birth rates below 2.1 births per woman, the rate at which the population holds steady, the study says.

The model also foresees 2.37 billion individuals over 65 years globally in 2100, compared with 1.7 billion under 20 years. People over 80 will outnumber toddlers two to one.

"The 21st century will see a revolution in human civilization," said Richard Horton, editor of the medical journal *The Lancet*, which published the study. "Africa and the Arab World will shape our future, while Europe and Asia will recede in their

influence. By the end of the century, the world will be multipolar, with India, Nigeria, China, and the U.S. the dominant powers.”

***TRENDPOST:*** *The study foreshadows a shrinking workforce-age population, greater demands on health care systems and social support services, and geopolitical power shifting toward countries with younger populations and larger workforces able to maintain robust GDPs.*

*Countries will liberalize their immigration policies and offer incentives to attract and keep younger workers from other countries as nations compete to maintain their labor forces. New technologies will become urgent national priorities to take the place of human labor.*

## **MAKING OLD ORGANS YOUNG AGAIN**



In the U.S. alone, about 112,000 people are waiting for organ transplants. More organs would be available if they could be taken from elderly people but those organs are, well, elderly; they’re full of failing or “senescent” cells that cause inflammation, a basic source of aging and illness, and spread the damage to nearby healthy cells. Surgeons typically refuse to transplant an old, weary heart or liver that likely will fail not long after.

Now scientists at Harvard University and Brigham and Women’s Hospital in Boston have found a way to restore youth to old organs.

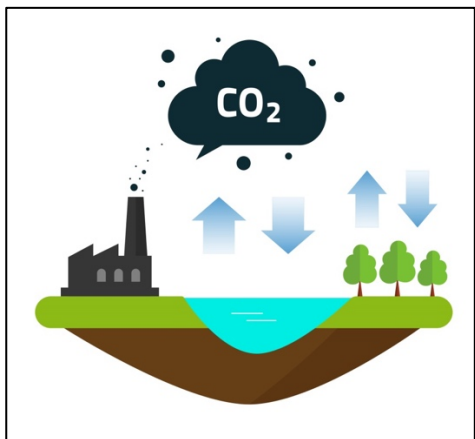
Senescent cells in old organs release DNA from mitochondria, the cells that convert biochemicals into energy. That free-floating mitochondrial DNA causes the body to reject the transplanted organ.

The Boston group found that allowing “senolytic” drugs to flow over old organs causes senescent cells to die but leaves healthy ones alone. The dead senescent cells, and their released mitochondrial DNA, can then be swept from the organ, restoring an elderly organ to a level of function seen in younger ones.

In tests with mice, elderly donated organs that received the treatment worked as well as organs from younger donors.

**TRENDPOST:** *While this treatment’s early application will be to widen the pool of organ donors, researchers also will be working toward using the technique to restore failing organs in elderly humans, adding another tool to life-extension protocols.*

## SUNSHINE CRACKS CARBON DIOXIDE TO MAKE NEW PRODUCTS



Cracking open a CO<sub>2</sub> molecule to harvest the carbon to make plastics and other necessary items is routine chemistry. But it takes so much energy, as well as costly rare-earth catalysts, that often it isn’t worth the trouble.

Now engineers at the University of California in Los Angeles have found a way to enlist sunlight to do the work.

The researchers found that the ultraviolet light in sunshine activates molecules of oligophenylene, part of the family of benzene hydrocarbons.

When sunlight hits oligophenylene, the chemical becomes negatively charged. That means it can transfer electrons to nearby CO<sub>2</sub> molecules, making them less stable and much easier to break apart into carbon and oxygen.

The engineering team now is working on ways to speed up the process and to use portions of the visible light spectrum to activate the reaction.

***TRENDPOST:*** *Humans dump more than 25 billion tons of carbon waste gas into the atmosphere each year; the concentration of carbon in our air has grown 45 percent in less than a century. Finding cheap ways to harvest and re-use CO<sub>2</sub> will create new industries that also could help to ease the weather extremes excess carbon in the atmosphere causes.*