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## 15 March 2022

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## IT'S A SHIT SHOW

Welcome to this week's <u>Trends</u> <u>Journal:</u> "IT'S A SHIT SHOW"

The facts are there.

The population eats shit Fast Food. Yes, "fast" to make you quickly unhealthy with some 70 percent of Americans overweight and 42 percent obese... prime candidates for COVID deaths as the CDC data proves.

And, across the globe, name the country, the media is owned and operated by big business in bed with big government that dishes out shit news.

There is no clearer evidence than the Western media's one-sided coverage of the Ukraine War.

We have been bombarded by headline after headline of Ukrainian civilians tragically killed in Russian bombings.

But when the United States and NATO killed civilians in the Yugoslavian, Afghan, Iraq and Libyan wars—and the U.S.—led Syrian War and Washington's support of the Saudi led Yemen War that is ongoing and the worst humanitarian crisis on earth – barely a peep from the Presstitutes about the mass civilian deaths and the mass destruction.

It is a sick joke. The media brings on "military experts" who have not won a war in their lives despite nations spending trillions to kill millions, to tell us what is

going on in Ukraine and what the outcome will be... and the masses swallow their shit.

And shit heads are leading the war charge. Name the country, name the leader.

Also important in your <u>Trends Journal</u> is China's launching COVID War 2.0. Will the world again follow the Chinese lead and lock down and impose mandates as they are now doing with their Zero-COVID policy to stop the rise of "cases"?

From geopolitics, to economics, from survivalism to hi-tech science <u>The Trends</u> <u>Journal</u> is the only magazine in the world that puts you on-trend with analysis and forecasts to help you prepare, prevail and prosper now and in the future.

Also, please remember to <u>tune in</u> tomorrow at 6 PM, EST, for my "Celente & The Judge" podcast with Judge Andrew Napolitano that provides insights and solutions from a judicial authority that you won't find anywhere else.

Sincerely,

Gerald Celente and The Trends Journal Team

P.S. As founder of Occupy Peace, I am totally opposed to the Russian invasion of Ukraine and the U.S. and NATO's ramping up the war by sending billions of dollars of weapons to keep the murderous war raging.

#### **COMMENTS**

#### FOREVER WARS

Recently, while watching a Showtime program. There was a commercial for a show called "The Circus," they showed

part of an interview with John Bolton who said "The only way to peace is through war". How is that working out John? Endless conflicts, aka wars, & no peace!

**Thomas McNulty** 

#### TO RUSSIA, WITH PROPAGANDA

I've said it before on this site; truth is the meaning of life. In Genesis, death began when man fell for the first lie. In Revelations, death ends when man falls for the last lie. When a person falls for a lie, they become a tool of he who weaved the lie. Without discernment of truth, there is no way to remain innocent.

Dave from L.A.

#### **GOVERNMENT WASTE**

I can't help but believe this has all been planned out in advance. My concern is there is a point where Russia says the hell with it, and let the nukes fly! AMERICA is no longer the "Great Country" it portrays to be. A thug and war mongering piece of shit. Don't get me wrong, I love the country but not its Government. Global puppets that's all they are.

Joey F.

#### **SETTING UP A FALL**

Much of the heavy crude from Russia is used to create diesel fuels. Germany cracked much of the crude as use to maintain the sales of truck fleets throughout the EU. The Germans also crack much of the diesel fuel and trade this to the USA for cracked gasoline from light crudes. The USA has hurt their peoples whose goods not only rely on trucks, but even more on diesel electric locomotives to haul goods as well.

Throwing the financial kitchen sink was a childlike and not thought through move. If the Ukraine wheat that feeds Asia and Africa does not get planted by May, the poor will inundate the EU and USA to fend off starvation. Sadly, the "we and us" does not include those that made these sanctions when the suffering gets fully underway during a possible worldwide dollar destruction, supply limitations and a runaway debt, inflation / recession / depression.

Creating a fake digital fiat currency to hide the unpayable debt will have short lived value to trading partners and exacerbate the inflation to hyper levels in my thinking which would not allow for spending outside one's home country as well.

Gold and silver are not transportable, which means to me, it will be banned for trade inside or outside a nation–got beans and bullets for barter? The Russians have two major ideologies in their favor, Christ and an undivided nation.

joeldee

#### THE FIRST CASUALTY

[With] the way they stage this fake news, who is to say that those were Russian soldiers killing Ukrainian civilians or Ukrainian soldiers killing Russian heritage Ukrainians?

The first casualty of war is the truth. The real problem is that the average American doesn't have a clue of what it is like to live in a war zone. If they did, the whining and bitching would be heard around the world. We would no longer have the luxury of watching world conflicts like they were some sort of perverse sporting event.

Just like every failing empire gives the people the games so that they don't realize that their society is dying. Get your tickets to the Colosseum to watch the lions eat the Christians, get them now before they're gone.

#### a1achiropractic

#### WAGES NOT KEEPING UP

If the U.S. government / politicians really cared about the U.S. citizen taxpayer, why is the Federal minimum wage still \$ 7.25 an hour since 2009 [ 13 years ] . According to USInflationcalculator.com, the inflation rate since 2009 is 32 %, therefore the minimum wage should be at least \$ 9.60 . That is starvation wages 40 hours / \$ 290.00 for the low skilled worker .

But our "Leaders" in D.C. have no limit on how much they spend every year. In 2009, our National debt was \$ 12,000,000,000,000. 00 Trillion Now 13 years later it is over \$ 30,000,000,000,000.00 Trillion [ plus interest ] Obviously this will lead to Hyperinflation where paper money becomes worthless . .........Solution ...... Gold / Silver, rental properties and ........

#### grafherman

# GOV COMPUTER COIN, GOV CONTROL SHOWING YOUR PAPERS IN SAN FRAN

Western fake fiat banking system is causing our destruction.

Say absolutely no way to a digital currency. Let those in lower be a test case where we the people control a smart city with them as the ones who get digitally chipped, tracked and monitored for everything they buy and sell.

JΗ

# DEALING WITH CORRUPT POLICE FORCES

Interesting article. Agree with several parts like reducing the amount of laws on the books. I also agree that police should be held more accountable for egregious oversteps of power. My biggest concern is that the end goal of these corrupt politicians is to centralize all power. Right now the police are very localized; however if it were reduced or altered in a significant way I foresee DC finding a reason to federalize policing. That being said, there's no good reason for cops to be nothing more than tax collectors setting up speed traps. Nor is it excusable to have a shoot first mentality. Realistic change for the better looks like a more extensive vetting and training process. Police should have years of hand to hand combat training so they can rely on that vs more lethal means. Also, where I do agree with this article, bad actors should not be let off the hook and should be dealt harsher penalties for overstep.

**Michael Melitz** 

#### AI MENTAL HEALTH "INTERVENTIONS"

I think I will be turning off the computer and leaving it alone. I suspect that even what we have bookmarked or watched is going to raise a flag if the AI bots don't like it...since I live in Canada and have seen how they freeze banks accounts and credit cards if you don't 'think' like the government says you are allowed to think...you're done.

**Kellie Auld** 

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# TRENDS ON THE U.S. ECONOMIC FRONT



#### **MARKETS OVERVIEW**

#### LAST WEEK: U.S. STOCKS SINK FOR FIFTH CONSECUTIVE WEEK

Burdened by a new record inflation rate and the uncertainties of the Ukraine War, last week, U.S. equities closed down for the fifth week in a row, with tech stocks leading indexes down.

Stock prices bumped up early Friday after Russian president Vladimir Putin said there had been hopeful developments in talks with Ukraine, but sagged again later as investors recovered their pessimism.

The Dow Jones Industrial Average closed the week 2 percent lower, the tech-laden NASDAQ shed 3.5 percent, and the Standard & Poor's 500 index cast off 2.9 percent.

By the end of last week, NASDAQ had lost 18 percent of its value this year.

The NASDAQ had been in a correction, defined as a drop of 10 percent or more from recent highs; after last week, the exchange has formally entered a bear market—a plunge of at least 20 percent from its most recent peak.

Tech stocks have taken a beating because inflation is pushing the Fed to raise interest rates, which impinge on growth stocks' future cash flows, *The Wall Street Journal* explained.

The week began badly, with skyrocketing oil prices on Monday giving the S&P its worst one-day drop in more than a year.

Two days later, the index shot up 2.6 percent, its best day since 2020.

Volatility is likely to continue this week, as investors shuffle their holdings ahead of the U.S. Federal Reserve's meeting this week.

Fed-funds futures, which traders use to bet on changes in interest rates, have priced in a 96-percent chance that the Fed will boost rates by a quarter-point this week.

In mid-February, before Russia's war began, the market showed a 50-percent chance of a half-point hike.

Oil stocks won the week, the S&P's only sector to end the five-day trading span in positive territory, despite a slight dip on Friday. Oil stocks finished Friday up 1.9 percent for the week.

Overseas, Japan's Nikkei 225 dropped 2.1 percent on Friday, while the Hang Seng index in Hong Kong gave up 1.6 percent, falling to its lowest level since 2016. The Shanghai Composite index added 0.4 percent for the day, but all three indexes sank overall last week.

#### MONDAY: EQUITY MARKETS CONTINUE TO STRUGGLE



The Dow Jones Industrial Average rose as much as 451 points on Monday but gave up its gains to close flat, halting a multi-week slide.

However, the tech-heavy NASDAQ sank another 2 percent on worries that China's tech sector is in for another round of flogging by the country's regulators (see related story in this issue), in addition to ongoing concerns about higher interest rates, which the U.S. Federal Reserve is set to impose tomorrow.

The Standard & Poor's 500 index slipped 0.74 percent on the day.

Investors are anxious over an expanding lockdown in parts of China after the COVID virus cases moved higher.

Oil stocks dropped as Brent crude's price fell back below \$107 a barrel after rising to as much as \$139 shortly after Russia attacked Ukraine. West Texas Intermediate, the U.S. benchmark oil, briefly traded below \$100 for the first time since 24 February.

Oil traders were spooked by China's lockdown of the province of Jilin and the tech-centric city of Shenzhen and home to the Foxconn tech manufacturing colossus, which assembles components for Apple, Toyota, and Volkswagen, among other firms.

With its Zero-COVID policy, the province was shut down to stamp out a COVID outbreak of some 1,500 cases... and no reported deaths. With fears that this is a harbinger of a wider shutdown across China that would further slow the country's industrial economy and reduce its need for fuel, oil prices and other commodities were sharply down.

Investors also are glum ahead of the U.S. Federal Reserve's rate hike tomorrow.

Yields on the benchmark 10-year treasury note climbed to 2.139 percent, its highest since June 2019.

Bond-buyers are betting the Ukraine war will not dissuade the U.S. Federal Reserve from raising interest rates when it meets this week, *The Wall Street Journal* said.

Gold continued edging down from its 8 March high above \$2,000, easing back to \$1,954 Monday evening.

Bitcoin rose \$1,742 to flirt again with the \$40,000 milestone, trading at \$39,572.

In foreign markets, Europe's Stoxx 600 rose 1.2 percent on renewed hopes for peace in Ukraine as Russian and Ukrainian officials continued to meet.

The Nikkei in Japan closed flat and China's Shanghai Composite index surrendered 2.6 percent, reflecting the crash of Hong Kong's Hang Seng, which plummeted 7.2 percent Monday, its worst day since 2008.

Also rattled by a rumor that Russia had asked China to provide military aid for its war in Ukraine, the Hang Sang Tech Index, created in July 2020, erased 11 percent, its worst day since its founding, wiping out the equivalent of \$2.1 trillion in value, compared to its peak value a year ago.

China denied the rumor, but traders already were skittish about China's support of Russia's invasion, fearing a global backlash or Russia-style Western sanctions.

Prices also caved on news that the entire mainland city of Shenzhen, a key tech center, had been shut down due to a small outbreak of the COVID virus.

In addition, the tech sector's worries were revived by a report that Tencent Holdings, based in Shenzhen, may be hit with a record fine for violating regulations against money-laundering.

The U.S. Securities and Exchange Commission also named several Chinese firms that may be kicked off U.S. exchanges because they refuse to open their books to U.S. regulators.

"If the U.S. decides to impose sanctions on China in total or on individual Chinese companies doing business with Russia, that would be a concern," Mark Mobius, founder of Mobius Capital Partners, told Bloomberg. "The whole story is still up in the air in this case," he said.

Last Friday, 11 March, the Golden Dragon Index tracking American depository receipts of Chinese firms, dropped 10 per cent for a second straight day, a first in the index's 22 years.

The index retreated another 13 per cent Monday after notching its worst weekly plunge since at least 2001.

China's benchmark CSI 300 Index closed down 3.1 percent on Monday. "We don't see a major catalyst in the near term," to boost China's stocks, Bloomberg Intelligence strategist Martin Chen said to Bloomberg.

"For a material re-rating of China tech, we may need to see a shift in regulatory tone, and we didn't get that from the recently concluded NPC meeting," he noted.

The MSCI China Index has lost half its value since peaking in February 2021. The index is trading at about nine times its 12-month forward earnings estimates, compared to its five-year average of 12.6.

"It's true that the valuation is cheap but if you are desperately closing your positions, valuations don't matter," Yasutada Suzuki, head of emerging market investments at Sumitomo Mitsui Bank, said in a comment quoted by Bloomberg.

**TREND FORECAST:** The art of tracking trends is the understanding of the current events forming future trends: where we are and how we got here to see where we are going.

No one can predict the future. There are too many wild cards, be they man-made or by nature.

Beyond the man-made Ukraine War wild card that was dealt last month, the latest wild card has been played in China and one element, the lockdowns to fight COVID is definitely man-made... and we are not sure if nature, man, or both, had a role in the creation of the coronavirus.

In Jilin, with a population of over 24 million, the people are not allowed to leave the province or travel between its cities. And since Friday, residents in the province's capital Changchun, have been locked down and authorities conduct repeated rounds of mass testing. And Shenzhen, the high-tech production city that's adjacent to Hong Kong, residents have been in lockdown since Sunday.

Therefore, should history repeat itself, just as the world shut down following China's lockdown-mandates when the coronavirus broke in the city of Wuhan back in January 2020, should they again embrace the Chinese way, oil and other commodity prices will continue to sink... as will the global economy.

## **Bonds up**

Yields on the benchmark 10-year Treasury note climbed to 2.139 percent, its highest since June 2019.

Bond-buyers are betting the Ukraine War will not dissuade the U.S. Federal Reserve from raising interest rates when it meets this week, but the question still remains whether they will raise interest rates 50 basis points or just 25 basis points as a result of the War.

Gold continued edging down from its 8 March high above \$2,000, easing back to \$1,954 Monday evening.

Bitcoin rose \$1,742 to flirt again with the \$40,000 milestone, trading at \$39,572.

In foreign markets, Europe's Stoxx 600 rose 1.2 percent on renewed hopes for peace in Ukraine as Russian and Ukrainian officials continued to meet.

## **Markets Today**

As fears of the new coronavirus spread heightened along with the expectations of stricter lockdown-mandates, it wasn't a happy day in the Asian market sector.

While Japan's Nikkei 225 inched up 0.15 percent, across the Asian spectrum equities closed down. South Korea's Kospi lost 0.91 percent, Australia's S&P/ASX 200 fell 0.73 percent and the hard hit Hong Kong Hang Seng index dove 5.72 percent to close at its lowest level since Feb. 2016... while China's Shanghai composite and Shenzhen component fell 4.95 percent and 4.363 percent respectively.

It should be noted that the fear of Zero-COVID China policy sank equities despite better than expected data showing that industrial output rose 7.5 percent year-on-year in January and February, and retail sales for the first two months of the year jumped 6.7 percent in January—more than double what the Reuters poll expected.

In Europe, with the exception of the FTSE MIB International which was slightly up 0.15 percent, the pan-European Stoxx 600 closed down 0.5 percent.

Back in the States, on the news of sharply falling oil prices and a lighter than expected inflation number, the S&P 500—still some 12 percent from its record—registered its first gain in four days moving up 2.1 percent, the Dow jumped 599 points, and the Nasdaq Composite climbed 2.9 percent.

On the inflation front, the producer price index rose 0.8 percent in February, a bit lower than the 0.9 percent Dow Jones estimate. But the Headline Producer Price Index spiked up 10 percent from a year ago, registering one of its biggest gains ever... and this is before sanctions have been put on Russia, which is expected to drive prices yet higher.

And while crude oil prices have fallen sharply over the past few days, gasoline prices surged more than 14 percent, which helped fuel the biggest single-month increase for final demand goods prices going back to 2009.

**GOLD/SILVER:** Despite gold futures trading to an intraday high of \$2078 last Tuesday—just \$10 below its \$2088 all-time high it hit back in August 2020—with The Street focused on expectations that the Federal Reserve will tighten monetary policy and raise interest rates tomorrow, gold prices have sharply retracted.

Today, gold prices fell \$35.90 to close at \$1918.00 per ounce and silver was down \$0.21 to close at \$24.88 per ounce.

**TREND FORECAST:** With inflation at its highest levels in 40 years and escalating sanctions on Russia which are expected to drive inflation yet higher—plus increasing geopolitical tensions with Russia and Ukraine and Israel and Iran—we maintain our forecast that gold and silver will dominate as the predominant safe haven assets... far above cryptocurrencies.

As seen by the recent upward spikes, the higher geopolitical tensions rise, the higher inflation rises, the deeper equities fall... the higher precious metals will rise.

**OIL:** Building on Monday's steep decline, oil continued its down-trend, registering heavy losses mostly on the concerns of an economic slowdown in China. Down more than 27 percent from its recent high, Brent Crude fell 7.61 percent to close at \$98.78 per barrel and West Texas Intermediate slumped 7.69 percent to close at \$95.35 per barrel.

**TREND FORECAST:** While the business media also cites pending talks between Ukraine and Russia as a reason for oil price's decline, we disagree.

Talks or no talks, the sanctions put on Russia by the U.S. and the cutting off of much of Russian gas and oil to Europe, will not be reversed if Ukraine and Russia come to a cease fire agreement.

What will drive oil prices down much further is a sharp slowdown of economic growth which may escalate if the world again mirrors China and locks down nations to fight COVID War 2.0. What will drive oil prices much higher is if Russia is attacked by Ukraine and/or the Israeli/Iran conflict intensifies. Should oil prices remain in the \$125 per barrel and above range for several months it will bring down economies and equity markets... as it did at the onset of the Panic of '08.

### **More Oil Coming**

The International Energy Agency's (IEA's) member nations are ready to release more oil in an attempt to tamp down the price surge brought on by Russia's war in Ukraine.

The 60 million barrels tapped by agency members earlier this month was an "initial response" to the oil market squeeze, IEA executive director Fatih Birol said in a statement, and members will do "everything" to rein in oil prices, which leaped to \$139 a barrel shortly after Russia's invasion.

The earlier release failed to lower prices but slightly increased them temporarily; traders had expected a more generous flow from stockpiles, the *Financial Times* reported.

"We are ready to release as much oil as is needed," Birol said in an *FT* interview, noting that 60 million barrels is just 4 percent of members' total strategic reserves.

Also, "we are in touch with several producing countries who behave more responsibly than others," he said, a subtle criticism of Saudi Arabia, the United

Arab Emirates, and some other Middle East countries that have refused to pump more oil to soothe the market and bring prices down.

These nations have production capacity standing idle but have remained within OPEC's decision this month not to exceed current production levels, which we reported in "OPEC+ Refuses to Pump More Oil Despite Shortage, Soaring Prices" (8 Mar 2022).

**TREND FORECAST:** Nations may release more oil from their reserves but also must maintain certain levels to ensure their military security.

Therefore, the releases will not be large or sustained enough to make a meaningful difference in oil prices.

Prices will come down as production rises. As the market continues to be tight, U.S. producers will be lured back into production and the U.S. and other nations will seek new supplies in unlikely places, such as the "U.S. beginning negotiations with Venezuela" to lift the embargo on its oil.

**BITCOIN:** On the bitcoin front it is more of the same and not much new. Last week the cryptocurrency was trading at \$38,667 per coin. Today, as we go to press, the coin is at \$39.634.

**TREND FORECAST:** As we have been noting for over five years, a major factor in forecasting the future price of bitcoin and other crypto currencies is dependent upon government.

(For more crypto trends and forecasts, please see our TRENDS IN CRYPTOS section.)

#### FROM "TEMPORARY" TO "TRANSITORY" INFLATION KEEPS SPIKING



The Consumer Price Index (CPI) swelled by 7.9 percent from February 2021 through February 2022, the U.S. labor department reported, the fastest clip since January 1982's 8.4 percent when the country was gripped by dragflation, a combination of

rising prices and a shrinking economy.

Prices rose 0.8 percent from January through February.

The hike edged past the consensus outlook among economists Dow Jones surveyed; they had foreseen a 7.8-percent annual rise and 0.7 percent monthly.

Excluding the always-volatile prices of food and energy, the so-called "core" CPI rose 6.4 percent year on year.

Energy was guilty of one-third of the CPI's increase, rising 3.5 percent; rental housing costs were up more than 4 percent over the 12-month span, the highest one-year boost since May 1991. Prices for clothing and transportation services also rose notably.

Gasoline prices were up 6.6 percent from January and have shot up 53 percent year over year, including more than 24 percent in just the last five weeks.

The war in Ukraine, Western sanctions on Russia, shippers' refusal to load Russian oil, and insurance companies' refusal to guarantee crude's safe passage through the war-ravaged Black Sea have all contributed to soaring fuel prices.

A general rule, cited by Jerome Powell in comments earlier this month, holds that every \$10 increase in oil's price adds 0.2 of a percentage point to inflation.

Oil prices rocketed up by \$40 early in the Ukraine war and on 14 March sank down to the low \$100s, barely \$10 above their pre-war price.

Inflation racked up high numbers across categories:

Grocery prices notched a 12-month increase of 8.6 percent; restaurant menu prices are up 6.8 percent.

Because Russia and Ukraine account for almost a third of the world's wheat exports, almost a fifth of corn shipments, and as much as 80 percent of vegetable oils, economists expect food prices to continue to rise for some time to come.

Air fares took off, rising 12.7 percent in February, year over year.

The cost of appliances grew in the past three months after dipping slightly last fall, gaining 11.1 percent over the year.

New cars cost 12.4 percent more than a year ago; used vehicles' prices slipped 0.2 percent in February but still commanded a whopping 41.2 percent more in the past 12 months.

Due to the war in Europe, "we're going to see upward pressure on inflation, at least for a while," Powell said in Congressional testimony earlier this month.

Inflation will speed its pace even more this month as the Ukraine war tightens commodities markets and boosts fuel prices, analysts told *The Wall Street Journal*.

During the COVID-era economic shutdown, the U.S. Federal Reserve flooded markets with near-zero-interest-rate loans, Congress sent thousands of dollars to every U.S. household, boosting spending at a time when factory production was curtailed or shuttered and supply lines were disrupted.

Those factors fueled inflation, which the Fed chose not to respond to until it felt the jobs market had recovered.

It was not until his 21 November Congressional testimony that Fed chair Jerome Powell admitted it was time to "retire" the idea that inflation is "temporary" or "transitory," which we reported in "The Powell Push: For Better or Worse" (7 Dec 2021).

"We're pretty far behind the curve," Eric Rosengren, former president of the Federal Reserve Bank of Boston, said in a comment quoted by the WSJ.

**TREND FORECAST:** The most quoted economist in the mainstream media forecast that inflation will peak soon, perhaps even this month. We disagree.

The lockdown in China will again disrupt supply chains and the Ukraine War is a wild card that, should it accelerate beyond its borders, will drive inflation higher as more sanctions on Russia push their treasured commodities such as oil, coal, wheat, iron, steel, aluminum, nickel, and palladium prices higher.

**TREND FORECAST:** The Fed will begin a series of interest rate hikes as its committee meets today and tomorrow. However, given the Ukraine War, the Fed will move cautiously.

As a result, it will not raise rates enough to materially impact inflation in the near or long term. Thus, equities will not be brought down sharply by the hikes... and neither will the housing markets.

Rising prices for basic necessities is often the spark that ignites political unrest. In America, Biden and the Democrats will pay the price at the polls this November's midterm elections.

Although Republicans have offered no plan to rein in prices or for governance in general, they will reap the political rewards from inflation and from the damage that sanctions on Russia will do to the U.S. economy.

#### **INFLATION STILL OUTPACING PAY RAISES**



Only 18 percent of U.S. workers feel their pay is keeping pace with inflation, according to a Capital One Insights Center poll released earlier this month.

The number drops to 9 percent among households earning less than \$25,000.

However, 31 percent of high-income earners reported incomes that matched inflation.

However, "higher earners are struggling to pay all their bills at more than twice the rate they were earlier in the pandemic," the survey reported, with the number more than doubling from 10 percent in April 2020 to 22 percent in February.

Adjusted for inflation, workers earned 0.8 percent less in February than the month before and 2.6 percent less in February than they did a year earlier, the U.S. labor department reported, even though wages rose 5.1 percent over the same 12-month span.

Fifty-seven percent of low-wage earners and almost half of middle-income households see an expected tax refund this year as "very or moderately important to their overall financial health this year."

Forty-two percent of survey respondents reported coping with inflation by saving less, pulling money out of savings, or taking out a loan.

TREND FORECAST: In "Americans Need \$128,000 a Year to Feel Financially Secure" (18 Jan 2022), we noted that as inflation outpaces income, societies will continue to pull apart into two groups, the well-off and those who struggle. The idea that most people will inhabit a comfortable middle class is rapidly becoming quaint.

As people—especially those with education beyond high school—fall further and further behind, pressures will grow for the government to fund items that have become necessities, such as child care and post-secondary education or training. This will be a foundation for new political movements.

#### **NEW JOBLESS CLAIMS TICK UP**



New claims for unemployment benefits edged up 11,000 in the most recent week to 227,000, the U.S. labor department reported.

The gain increased the benchmark four-week average by 500 to 231,250.

Continuing claims rose fractionally from 1.47 million in the previous week to 1.49 million.

Jobless claims have been trending down since a slight bump up in January that coincided with the Omicron variant's surge.

"The labor market, despite headwinds from inflationary pressures, remains strong," *The Wall Street Journal* said.

**TREND FORECAST:** The high spike of job creation that has slowed down, will again gain momentum as America enters into the warm weather spring and summer months. What will derail job growth is an economic slump that will result from an equities market meltdown and/or increased warfare in Eastern Europe and the Middle East.

#### DRAGFLATION: TOP TREND FOR 2020, NOT STAGFLATION



Goldman Sachs analysts see the U.S. economy growing by 1.75 percent from 2021's fourth quarter through this year's third quarter, down from 2 percent they had foreseen earlier.

The chances of a recession this year have grown as high as 35 percent, which is "currently implied by models," they added.

The yield curve for U.S. treasury bills is nearing an inversion, a case in which short-term interest rates are higher than longer-term yields. An inversion in the curve has often preceded an economic downturn.

The curve inverted in 2007, presaging the Great Recession, and again in 2019 as the economy was falling into the COVID-inspired shutdown.

Typically, the yield curve's spread between the two interest rates is at least 0.5; in April 2021, it was 1.5. The spread began this year at 0.89 but on Monday this week, it had fallen to 0.28, with 10-year notes yielding 2.1 percent to the two-year notes' 1.82 percent.

"Over time, the three biggest factors that tend to drive the U.S. economy into a recession are an inverted yield curve, some kind of commodity price shock, or Fed tightening [monetary policy]," Ned Clissold, chief strategist at Ned Davis Research, told Bloomberg.

"Right now, there appears to be a potential for all three to happen at the same time," he said.

Before this week's sharp drop, oil prices climbed as high as 40 percent in the first 10 weeks of this year, adding to the commodities supercycle that we

foresaw in <u>"Commodities Supercycle Underway?"</u> (11 May 2021), and the U.S. Federal Reserve is poised to tighten interest rates this week.

The economic damage added by the Ukraine war has put "stagflationary" pressure on the U.S. economy and that of its allies, Mohamed El-Erian, chief economic advisor to the Allianz financial services firm, said in a 7 March statement quoted by *Business Insider*.

"Economic consequences of the war will not be confined to the countries fighting it," he said.

"Existing inflationary pressures will be compounded by the surging prices of commodities, including energy and wheat," supply chains that are once again disrupted, and higher transport costs, he added.

U.S. markets tend to weaken about seven months ahead of the economy formally entering a recession, according to Bloomberg, and bottom five months before a recession is officially declared over.

When recession strikes, "consumers typically go for little pleasures," Ed Shing, chief investment officer at BNP Paribas Wealth Management, said to Bloomberg.

"Buying new cars and smartphones suffer, while booze and chocolates tend to benefit," he pointed out.

The U.S. will fare better than Europe, which will fall into recession, El-Erian predicted, adding that Russia's economy will shrink by a third this year.

"Even if the war ended tomorrow, it would take years for these economies to recover," he warned, "and the longer the war continues, the greater the damage and the deeper the consequences."

**TREND FORECAST:** Again, we disagree. It will not be stagflation—stagnant economy and rising inflation. It will be Dragflation, economies shrink as prices rise. We see the signs of this already in place: wages must remain high to hold

good workers in a tight job market, the price of commodities and inflation are soaring, and the U.S. Federal Reserve will not raise interest rates high enough or quickly enough to rein in rising prices.

Also, as we noted in <u>"West Paralyzes Russian Economy and West's Economy is Paying the Price"</u> (8 Mar 2022) and in other articles, sanctions on Russia will wreak significant damage on Western economies that will continue to worsen inflation and render the U.S. Federal Reserve even more powerless to tame rising prices.

Thus the real danger to the U.S. and other Western economies is not stagflation, but <u>Dragflation</u>, one of our Top 2022 Trends.

As prices rise beyond consumers' and producers' ability to afford them, economies experience "demand destruction," the slashing of demand, which we noted in "Commodity Prices Show Biggest Weekly Rise Since 1974" (8 Mar 2022). In consumer-driven economies, that leads to economic contraction—a recession—as prices continue to rise.

And because the odds of a U.S. recession are rising, we see a growing likelihood that the U.S. economy will enter Dragflation by the end of this year.

#### **U.S. TRADE DEFICIT SETS ANOTHER RECORD**



Go back to the Trump years, when the word on The Street, nearly every time stock prices moved lower, they would blame it on the "Trade War," which we kept noting had zero to do with the market moves because it was all talk and no action.

Bingo! The U.S. trade deficit expanded by 9.4 percent in January from December, reaching \$89.7 billion, the commerce department reported.

Exports fell, while retailers rebuilt their inventories and Americans bought more foreign-made vehicles and imported more fuel.

The U.S. imported 1.2 percent more overall for the month, with industrial supplies and capital goods accounting for a large share of the gain.

Exports sank 1.7 percent as U.S. pharmaceutical firms shipped fewer doses of COVID vaccines and demand for travel declined.

The impact of losing the \$29.7 billion worth of imports from Russia the U.S. bought last year is not yet known.

Oil made up 60 percent of those imports; most of the rest was in fertilizers, iron, precious metals, seafood, and steel.

Behind South Africa, Russia was the U.S.'s second-largest source of palladium, a key element in vehicles' catalytic converters.

**TREND FORECAST:** The United States, as a service sector society, will continue to shed its middle class as it buys more, makes less and employs its people in non-productive employment... such as warehouse workers, product deliverers, retail clerks, fast-food workers, etc.

For example, some 30 percent of Germany's jobs and output are tied to overseas demand for its products and services, which is some four times the share in the United States. Indeed, exports account for only about 11.5 percent of America's Gross Domestic product.

#### "BIG QUIT" CONTINUES AS EMPLOYERS STRUGGLE TO FILL JOBS



About 4.3 million Americans quit their jobs in January, the eighth consecutive month in which resignations topped four million, the U.S. labor department reported.

The number dipped slightly from

December's 4.4 million and November's record 4.5 million, but remains near a record level.

Monthly quits before the COVID era averaged about 3.5 million, Business Insider reported, putting January's level 20 percent above that norm.

Also in January, employers posted 11.3 million open jobs, the department said.

Transport, utilities, and warehousing added 132,000 workers; businesses in lodging and food service picked up 288,000 new employees but 781,000 left.

About 717,000 retail workers clocked out in January and business services saw 697,000 workers put in their papers.

The number of open jobs rose in manufacturing and in the service sector generally.

However, most people are not leaving their jobs to retire, stay home with children, or follow their bliss, chief economist Jeffrey Roach at LPL Financial told *The New York Times*.

"People are staying within their industry" but landing jobs with better compensation, he noted. "We'll continue to see really high churn rates."

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Workers' search for greener pastures will continue to drive wages higher, helping workers make up for lost income during the COVID War but pushing costs higher still for businesses, the *NYT* said.

Employers are "very concerned" about steadily climbing wages, Steven Wyett, chief investment officer at Oklahoma's BOK Financial, said in an *NYT* interview.

"What does it mean to their margins," he said. "What kind of pricing power do [employees] have?"

Employers wonder, "'How do we protect ourselves against this?'," Wyett said.

Workers who leave one job to take another receive larger pay boosts than employees who stay where they are, the Federal Reserve Bank of Atlanta reported.

Much of the job-switching is in lower-paid industries, such as restaurant work or hotel services, the *NYT* noted.

Although wages grew again in January, initial February data showed pay flattening for the month, with pay rising only a penny from the previous month (see related story in this issue).

Also, wage gains in recent months have averaged 3 to 7 percent, a typical annual boost that prevailed from the 1980s to the beginning of the Great Recession in 2007, according to data from the U.S. Federal Reserve.

A large proportion of workers leaving their jobs cited low pay, little chance of advancement, and feeling a lack of respect, quitters told a survey this month by the Pew Research Center.

**TRENDPOST:** Have the serfs of Slavelandia had enough?

As noted in the TRENDS-EYE VIEW section of this week's **Trends Journal** and previous issues, the general workforce is no longer willing to settle for menial work at unlivable wages with no chance for growth.

Now they are unionizing and reclaiming their power, as we have documented in <u>"Starbucks Store to Unionize: A Top Trend for 2022?"</u> (14 Dec 2021), <u>"Activision Studio Group Will Form a Union, Solidifying Trends Journal Forecast"</u> (25 Jan 2022), <u>"Politico Journalists Form a Union, a Trend of the Times"</u> (2 Nov 2021), and <u>"REI: Unionization Trend Expands as Forecast"</u> (1 Feb 2022).

Salaried workers also are using their leverage in a tight labor market, particularly in their demands to continue working from home, as we report in "Remote Work is Bottom Line for Third of Salaried Workers" in this issue.

**TREND FORECAST:** The U.S. labor market has tightened and 11 million open jobs were posted last month. Workers' newfound leverage will remain strong for the foreseeable future.

### USA: CAN'T AFFORD TO BUY A HOME, CAN'T PAY THE RENT



While wages are not keeping up with inflation, on the home front it's much worse. Typical residential rents in the U.S. rose 0.6 percent in February, the largest single-month jump since 1987, the U.S. Labor Department reported.

The surge accounted for 40 percent of the month's 0.4-percentage-point monthly gain in the core Consumer Price Index, which excludes food and energy.

"There's still further strength to be seen," economist Sarah House at Wells Fargo told Business Insider. "We don't expect [rents] to peak until maybe the third quarter of this year."

Rents are rising the most in major cities where rents plunged during the COVID War.

In Manhattan, apartment rents shot up by an all-time record rate last month, with tenants paying a median rent of \$3,630 in February, 28 percent more than a year before, according to figures from appraisal firm Miller Samuel and brokerage Douglas Elliman.

Lease prices are 2.5 percent greater than the previous record, set in April 2020.

The number of vacant Manhattan apartments has fallen by 81 percent since the height of the COVID-era shutdown to just over 4,500 in February, the fewest for any February since 2008, the joint report said.

Almost 20 percent of new leases have sparked a bidding war, with prospective tenants offering hundreds of dollars a month more than the asked rent, the report noted, reversing 2020's circumstance in which landlords were enticing tenants with temptations including months of free rent and allowances for redecorating.

Such concessions were included in only 20 percent of new leases, compared to a normal pre-COVID rate of 25 percent, Miller said.

Renters who signed discounted leases during the COVID War may see rent hikes of as much as 30 percent now that those leases are expiring and may not be able to afford to renew, Hal Gavzie, leasing manager at Douglas Elliman, said to Business Insider.

However, most tenants have renewed so far, largely because there are so few open apartments they could move to, he added.

"With the city relaxing COVID restrictions, and more office workers and students returning to in-person work and school, I expect demand to rise even further in the near term," Gary Malin, CEO at broker Corcoran Group, said in a statement.

Demand likely will be sharpened even more in the months ahead: about 2,000 fewer apartments than the historical average are planned for Manhattan over the next several years, a Corcoran report noted.

Most of the new construction of condominiums targets the luxury market, forcing middle-income households to continue renting, heightening competition and pushing up rents in that market.

**TRENDPOST:** It continues: exorbitant rents squeeze low-and middle-income earners, leaving them unable to save enough not only to buy a home, but even just to be able to move to a better apartment.

With new construction catering to well-off tenants and buyers, there will be no increase in the number of flats affordable by middle-income households, forcing rents higher for those that exist.

**TREND FORECAST:** More broadly, the housing crunch will continue to be a key factor thinning out the middle class, reducing the U.S. to a society of a well-heeled minority and a majority that struggle harder and harder to survive.

#### REMOTE WORK: THE NEW BOTTOM LINE



Thirty-five percent of white-collar workers would refuse to even consider a job that forbids them to work at home at least some of the time, a recent poll by Rippling, a human resources software firm, found.

Only one worker in 15 expects to return to the office full-time, the poll discovered.

However, a plurality prefer a hybrid model: 39 percent want to be in the office some of the time, while only 24 percent want to work at home all the time.

Remote work has its challenges, respondents admitted; 71 percent find it more difficult than spending all day every workday at the office.

Forty-eight percent find it harder to communicate with colleagues, 44 percent say it is more challenging to have their contributions recognized, and 44 percent find it difficult to strike a satisfying work-life balance.

However, 54 percent enjoy being able to take more frequent breaks, 51 percent appreciate being able to spend more time with family, and half like remote work's casual dress and more comfortable seating choices.

Half of tech workers favor the hybrid structure, while 54 percent of employees in arts and entertainment organizations want to spend all their work time in the office.

"For the foreseeable future, companies will need to find ways to support a distributed workforce, but it's still a heavy lift for many organizations," Christine Maxwell, Rippling's vice-president of human resources, said in a statement announcing the survey's results.

"This survey makes clear that companies need to adapt and find modern solutions to support their workforce," she added.

TREND FORECAST: This survey adds additional evidence to support our prediction that remote work is here to stay, as we signaled in <u>"Remote Work Becomes Tech Sector's New Normal"</u> (1 Dec 2020) and <u>"HSBC Endorses Remote Work Model, Slashes Travel Budget"</u> (14 Sep 2021).

With more people working from home, we maintain our forecast for a long trend of a weakening commercial real estate sector. Confirming what we had forecast over a year ago, a 2021 Fitch Ratings study calculated that if companies surrender 10 percent of their office space as workers remain at home permanently, the value of office buildings could plummet as much as 40 percent.

Owners of commercial real estate will face a reckoning as they slash rents to lure a shrinking base of tenants, forcing them to demand property tax concessions from cities that will struggle even more to maintain police, fire, and public works infrastructures.

Although more people are returning to city centers to live, as we report in in this issue, in "USA: CAN'T AFFORD TO BUY A HOME, CAN'T PAY THE RENT," that will not be enough to fully restore the commercial ecosystem of restaurants, shops, and entertainment venues that grew up to serve a full complement of daily commuters.

As a result, downtown commercial centers in traditional office hubs such as New York City and San Francisco will not return to their pre-COVID size or vitality. We have detailed this trend in articles such as "Retail Chains Abandon Manhattan" (18 Aug 2020) and "Manhattan's Commercial Real Estate Crash" (21 Sep 2021).

To replace the empty office spaces, commercial buildings will be refitted as condos and apartments.

# TRENDS ON THE GLOBAL ECONOMIC FRONT



#### IMF GOES GLOOMY ON GLOBAL GROWTH

Plagued by the Omicron variant and now the Ukraine War, the world economy is unlikely to grow 4.4 percent this year as the International Monetary Fund (IMF) had forecast in January, IMF managing director Kristalina Georgieva said in a 10 March press briefing.

The previous forecast had been reduced from the IMF's prediction last fall of a 4.9-percent global GDP expansion this year.

"We just got through a crisis like no other with the [COVID virus] and we are now in an even more shocking territory," she said.

"The unthinkable has happened," she added. "We have a war in Europe."

The greatest danger to the world's economy comes from higher commodity prices, especially as the world abandons Russian oil and gas, which are likely to erode consumer spending, weaken financial conditions, and darken business confidence, Georgieva said.

"Surging prices for energy and other commodities – corn, metals, inputs for fertilizers, semiconductors – are coming, in many countries, on top of already high inflation and are causing grave concern in so many places around the world," she said.

The IMF has approved \$1.4 billion in emergency funding for Ukraine. The war has already destroyed \$100 billion of Ukraine's assets, the country's chief economic advisor announced on 10 March, according to *The New York Times*.

Sanctions make it unlikely that Russia will have access to its emergency cash reserves, she noted.

The IMF has halted operations in Russia but has not considered ending the country's membership, Georgieva said.

**TREND FORECAST:** As we have noted in other articles in this issue, economic indicators point to <u>Dragflation</u>, one of our Top 2022 Trends, in the U.S. and global economies, with GDPs shrinking as prices continue to rise for scarce goods and materials.

## **Top 2022 Trend: Self-Sufficient Economies**



# EU TUNES INTO OUR TOP 2022 TREND: SELF-SUFFICIENT ECONOMIES

Leaders of the European Union's (EU's) member nations met on 10 and 11 March to

formulate a coordinated response to Russia's war in Ukraine.

In a draft declaration, the leaders pledged to "take more responsibility for our security and take further decisive steps toward building our European sovereignty, reducing our dependencies, and designing a new growth and investment model for 2030."

The group put a special focus on reducing the bloc's dependence on Russian oil and gas.

Europe imports about one-third of its oil and about 40 percent of its natural gas from Russia.

However, heads of state differed on how that goal is to be reached.

It cannot be done "overnight," German chancellor Olaf Scholz said. He refused to block imports of Russian oil, which the U.S. and U.K. already have done.

Germany is the terminus of the Nord Stream 1 pipeline, a key gas delivery venue from Russia.

Some members had suggested tapping the €200-billion COVID recovery loan fund to strengthen the region's energy independence and security.

However, the EU will not pile any such new debt on top of its existing €800-billion COVID recovery fund, Franz Timmerman, a vice-president of the European Commission, said.

There is an "understandable reflex" to borrow more, Dutch finance minister Sigrid Kaag told the meeting, but "our very sober position would be, let's take stock, let's find out how bad the damage is, and under which conditions assistance or compensation could be provided."

"Our priority must be to urgently help Ukraine defend its statehood and preserve its economic basis, not look for extra funds from the EU," one diplomat said in a comment quoted by the *Financial Times*.

"For some time, EU member states will still benefit massively from the recovery fund," the person said. "Those extra billions should help them weather the current situation."

Members also split over Ukraine's application, submitted after the war began, to become an EU member. Its request was followed by similar pleas from Georgia and Moldova.

However, "there is no such thing as a fast track" to membership, Dutch prime minister Mark Rutte said, reflecting the majority's view.

"Pending this and without delay, we will further strengthen our bonds and deepen our partnership to support Ukraine in pursuing its European path," the meeting's joint statement said.

"Ukraine belongs to our European family."

**TREND FORECAST:** There will be new "populist" movements throughout much of the word for their nations to produce more "made-at-home" goods and services than importing products from abroad.

In the coming months and years, currency wars will intensify, trade wars will expand and geopolitical unrest will escalate. Nations that devote their energies to lift the human spirit of their citizens rather than get involved in foreign entanglements will design and build self-sustaining economies by manufacturing products they need and growing the food they eat.

While prospering by trading within their own borders, thus keeping their cash from going overseas, a new advancement and expansion of the "buy local trend" initially associated with mostly food/drink and local crafts will emerge.

Beyond the Made-in-XYZ label, fostering national pride and economic patriotism, a new untapped trend of hometown-made manufactured goods not only will elevate local self-esteem and generate jobs, it will create a new trend in

local-brand recognition that will upstage multinationals and break the chains. In doing so, self-sustaining nations will shift away from consumer societies and evolve into quality-product communities.

#### OIL MARKET TURMOIL SIGNALS EUROPEAN RECESSION



Soaring fuel prices triggered by Russia's war in Ukraine and western embargoes on trade with Russia pose what could be the greatest economic threat to Europe in almost 50 years, the *Financial Times* reported.

While having fallen back from their 20 percent since Russia's invasion, European officials are rushing a new plan to slash Russian natural gas imports by two-thirds by the end of this year, Bloomberg reported.

Europe receives almost 40 percent of its gas from Russia, much through the Nord Stream 1 pipeline, which Russia has threatened to close in retaliation for the western allies' trade embargo.

"The post-COVID recovery will surely be significantly delayed, with a clear risk that we could be heading into a period of stagflation, if not recession with inflation," Erik Nielsen, an economic advisor to Italian banking group Unicredit, warned in a comment to the *FT*.

Recession with inflation is the definition of dragflation, one of our Top 2022 Trends, in which economies shrink while prices keep rising.

Europe would have to enact "massive" fuel and energy subsidies to prevent a recession if Russian gas disappears, Blackrock portfolio Rupert Harrison told the *FT*. Harrison is a former advisor to Britain's treasury department.

A European recession would be "inevitable" if the continent loses all its fuel imports from Russia, according to Capital Economics' chief economist Neil Shearing.

For now, the research firm has shaved 1 percent point off its European growth forecast for this year.

In a worst-case scenario, Europe will lose 3.2 percent in economic growth this year, Oxford Economics predicted, compared to what it would have achieved if Russia had not attacked Ukraine.

So far, Oxford still expects the Eurozone's GDP to expand by 2.2 percent this year and 0.9 percent in 2023.

There are two sources for such optimism, the FT noted.

First, Europe is far less reliant on fossil fuels than it was during the 1973 oil embargo, when OPEC shut off oil exports to countries that supported Israel during the Yom Kippur War.

Germany has massively expanded its solar energy installations, while France now derives much of its electricity from nuclear power plants.

Second, economies are vastly more fuel efficient now, producing twice as many goods per barrel of oil than they did 50 years ago.

Today's soaring energy prices will reduce global growth by only 1 percent by 2024, but do far more damage in Europe, according to a new analysis by Britain's National Institute of Economic and Social Research.

Still, the institute does not foresee a European recession.

"We expect higher public spending to support a massive inflow of asylum seekers from Ukraine and to bolster military spending, which will limit adverse effects on European GDP," the analysis said.

Other economists also expect governments and central banks to offer various forms of support to prop up their national economies as prices for energy and other commodities stay at stratospheric levels, the *FT* said.

Rising oil prices also soften the blow that western sanctions impose on Russia's economy.

Russia recently signed a deal boosting oil sales to China and continues to sell oil elsewhere, giving it desperately needed income.

The U.S. dollar is the currency in which oil is traded, so the sales also give Russia a source of hard currency at a time when the ruble has become worthless.

Rocketing oil prices also take money from oil consumers and redistribute it to producers, meaning that advanced economies that lack oil reserves, such as Europe and Japan, will be hardest hit as crude prices climb.

Poor nations that lack fossil fuel deposits also will pay a heavy price, both in their energy imports and the damage those higher costs will do to their already-fragile economies.

**TREND FORECAST:** Western sanctions and shippers' reluctance to sail the war zone that the Black Sea has become, will force oil prices higher for at least the next several months as Europe labors to lock down new sources of fuel.

Higher fuel prices pervade an economy. Therefore, prices across sectors will continue to rise through European economies, slashing consumption, weakening GDPs, and spinning Europe toward a recession by the end of this year.

This trend can be reversed if a peace deal is made between Russia and Ukraine and the U.S. and NATO abandon the wide array of sanctions they have imposed on Moscow.

#### ECB TO STOP BOND-BUYING STIMULUS PROGRAM THIS YEAR



In an unexpected decision, the European Central Bank (ECB) will begin trimming its monthly bond purchases in March and end them as soon as this year's third quarter, the bank announced after its policy committee met last week, closing out a stimulus support that has been in place for

almost seven years.

The decision reverses the bank's most recent previous statement, which indicated that the purchases would continue at least into October.

The policy shift reflects the central bank's concern, which it has long ignored, to finally fight inflation rather than its continuous pumping up the EU economy with its never-ending doses of monetary methadone.

To end the newer plan, the bank will buy €40 billion of bonds in April, €30 billion in May, and €20 in June. After that, purchases will be "data dependent," the bank's statement said, with purchase decisions made based on the condition of the Eurozone's economy.

Ending the purchases would set the stage for the bank to raise interest rates from their current -0.5 percent, where they have been since 2014.

However, ECB officials sought to calm markets and temper the shock of the stimulus program's end by emphasizing that it would not necessarily be followed in short order by an interest rate increase.

The bank now says rate increases will be "gradual" and be enacted "some time after" bond purchases end, instead of "shortly" after.

Nonetheless, money markets now have priced in a quarter-point rate hike in October. Most recently, they had bet on a December bump.

Europe's economy was already slowing before the Ukraine war broke out, leaving investors especially leery of a central bank policy change.

The decision cut the euro's value 0.5 percent against the dollar and pushed stock markets lower.

The news also raised yield rates on bonds of heavily indebted countries such as Italy, on the knowledge that the ECB will no longer be guaranteed to buy an endless supply of sovereign bonds to support economic recovery.

Last month, the bank indicated it would speed the end of its €4.8-trillion bond purchasing program and indicated it could consider a rate hike before 2024, its most recent target date.

The war in Ukraine has thrown the continent's energy future into doubt, halting shipments, sending oil and gas prices soaring, and forcing the ECB to reshuffle its priorities.

Europe imports almost 40 percent of its natural gas from Russia. The region's gas prices rocketed up almost fivefold last fall after Russia cut back deliveries at a time when Europe's gas stores were their lowest in five years.

The region also receives about a third of its oil from Russia.

Oil prices have leaped as high as \$139 a barrel during the Ukrainian conflict, a 40-percent boost from their levels at the start of this year.

The bank's decision to stop buying bonds surprised some analysts who had expected the ECB to hold pat and continue to monitor the war's impact on Europe's economy.

Their view was emboldened by comments from some policy committee members who speculated that any major decisions would be postponed.

The ECB's policy committee "sees it as increasingly likely that inflation will stabilize at [the bank's] 2-percent target over the medium term," bank president Christine Lagarde told a press assembly after the meeting, although "the war in Ukraine is a substantial upside risk, especially to energy prices," she added.

The euro fell by 0.7% on the news to \$1.0996. Italian bonds yields jumped .24 of a point to 1.915 percent.

Under the pressure of surging fuel and electricity prices, the ECB revised its inflation outlook for this year, hiking it from 3.2 percent to 5.1 percent.

The ECB still predicts that inflation will decline to 1.9 percent in 2024, just below the bank's target of 2 percent annually.

Goldman Sachs disagrees, seeing Europe's inflation rate reaching almost 8 percent this year, with the region's economy shrinking in the second quarter.

Stagflation is "the biggest risk" Europe's economy faces, former ECB official Otmar Issing, now an economist at Germany's Center for Financial Studies, told Bloomberg.

The sudden decision to end bond purchases "may be a decision the ECB comes to regret," Katherine Neiss, chief European economist at PGIM Fixed Income, commented to *The Wall Street Journal*.

"Trying to stabilize markets while simultaneously reining in inflation creates a target conflict," fund manager Wolgang Bauer at M&G Investments said in a WSJ interview.

"Ultimately, one has to give," he said.

**TRENDPOST:** As recently as October, Lagarde stated that the ECB would not budge rates from their current -0.50 in 2022, as we reported in <u>"Will ECB Hold to Negative Interest Rate?"</u> (2 Nov 2021).

At her 3 February press conference, Lagarde announced the bank would hold rates steady for now but did not repeat her past insistence that the bank would not boost rates this year.

**TREND FORECAST:** The European Central Bank is fighting a delaying action against the reality that high interest rates will not only weaken the continent's economic recovery but also will drop the region into a recession.

Like the U.S. Federal Reserve, the ECB will be forced to raise interest rates sooner than it has said it will. However, any increase will be cautious and incremental, meaning that the rate increases will be less than needed to master inflation.

#### BRAZILIANS SPENDING HALF THEIR INCOMES ON DEBT PAYMENTS



Citizens of Brazil are paying 52 percent of their incomes to make payments on mortgages, auto loans, credit card balances, and similar debts, according to Bloomberg.

The figure is nine percentage points higher than in 2020 and the highest since the country's central bank began monitoring consumer debt in 2005.

During the COVID War, Brazilians lost their jobs en masse.

The central bank then cut its key interest rate to 2 percent and many jobless Brazilians leaped at the chance to take out cheap loans and get new credit cards.

Lacking cash, many began using their credit cards to pay for gas, groceries, and other necessities, running up ever-growing balances and often using one card to make a payment on another, some Brazilians told Bloomberg.

By 2021, Brazilians held 134 million active credit cards, one for every two people in the country and 35 percent more than in 2018.

Also, with interest rates so low, many Brazilians bought homes.

However, almost all mortgages in the country carry variable interest rates.

Last year, Brazil's central bank moved quickly to tame inflation, hiking its base interest rate 8.75 percentage points since March 2021. At the same time, consumer prices have inflated by more than 10 percent.

As a result, Brazilians are stuck with huge personal debts while their economy still struggles to recover from the COVID War.

"I'm making a huge effort to not lose control over my finances," one said, "but I can't seem to stop using my credit cards."

A law that would cap interest rates has stalled in Brazil's legislature.

Uncontrolled interest rates on debt was a factor causing Brazil's recession last year, Bloomberg said, and economists are forecasting that the central bank will boost interest rates at least twice more this year to at least 12.25 percent.

The country's economy will show no growth this year, JP Morgan Chase economist Christiano Souza predicted to Bloomberg.

"It's part of a negative scenario of higher interest rates which dampen consumption, high inflation that erodes purchasing power, and a lack of real wage increases, which also holds back consumption," he added.

#### LONDON METAL EXCHANGE SUSPENDS TRADING IN NICKEL



The London Metal Exchange (LME) suspended trading in nickel after freak trading activity on 7 March by a major nickel processor set off a round of panic buying that sent prices up 250 percent.

Tsingshan Holding Group, the world's largest nickel producer, began a frenzied buying spree on 7 March to cover \$8 billion worth of short positions, as we reported in <u>"London Metal Exchange Halts Nickel Trading"</u> (8 Mar 2022).

The exchange halted trading in the metal and canceled many of the transactions that had taken place during the short-lived panic.

Erasing those trades drew outcries from traders who had profited from Tsingshan's distress.

"We faced a choice between ensuring the overall and longer-term financial stability of the market and the short-term trading profits" of those who made out well during the 7 March turmoil, Matthew Chamberlain, LME CEO, said in a statement quoted by the *Financial Times*.

Tsingshan has acquired enough nickel to settle its losses, the company has since announced.

The company is vital to China's metals market and the industries that depend on it. As a result, China's regulators urged domestic banks to lend the company enough money to buy its way back to stability, persons familiar told the *FT*.

Companies often use hedging contracts in futures markets to guard against adverse price moves.

Because Tsingshan's hedging contracts were part of its normal business operations and not speculative, it was easier to persuade the banks to step up, the sources said.

Nickel prices on Shanghai's metals market fell to their daily limit of 17 percent on 9 March after Tsingshan said it had cleared its debt.

However, the LME left nickel trading closed for the balance of last week.

#### THE METAVERSE IS OPEN FOR BUSINESS



The metaverse—the virtual world where your avatar shops, dines, and hangs out with digital buddies—is a place where the digital streets are paved with real gold.

JPMorgan Chase sees this new digital universe as a trillion-dollar market, where \$54 billion in goods are selling at an annual rate, more than is spent to buy and download music.

Google, Roblox, and other companies already have spent tens of millions of dollars building the infrastructure of this alternative universe; Meta, Facebook's parent, has pledged a \$1-billion annual investment in the metaverse and has staked its future on this seemingly limitless new world.

"Instead of having stores in every city, a major retailer might build a global hub in the metaverse that is able to serve millions of customers," JP Morgan's analysts said in a report. Customers already are waving their real dollars at these digital stores.

RTFKT, a start-up funded by metaverse-focused Galaxy Interactive investment fund, sold a digital sneaker as a non-fungible token in the metaverse, selling at least 600 pairs last year and collecting \$3.1 million.

Some are sparing no virtual expense to cash in.

Customers at Nikeland, the shoe company's metaworld, are greeted by a digital version of basketball hero LeBron James.

Forever 21, the fast-fashion house targeting young women, leads your avatar through a crowd of paparazzi and cheering fans into its five-story style palace, where you can spend your virtual currency on a wardrobe, get a makeover, and finally reach the roof, where you float in a bubble gently back down to where you began.

A popular item is a digital beanie bearing the word "Forever" that customers can buy with 61 "robux," the currency of Roblox's make-believe world, which can be bought with real-world dollars—in this case, about 75 cents.

That's small change, but retailers see beyond the price: virtual stores have no returns, no shipping costs, no supply chain problems, no dark hours, and no holiday closures.

Also, the beanie's popularity has led the chain to consider selling a physical version of the same beanie next winter, enabling customers to dress themselves and their avatars alike.

"How you present yourself or how you allow your brand to be utilized in this environment is critical," CEO Steve Rendle of VF Corporation, which owns North Face clothing and Vans and Timberland footwear brands, told the *Financial Times*.

"There's work to be done in how you connect this to commerce," he added.

Fortunately, the metaverse already is populated with service companies such as Virtual Brand Group, which designed and built Forever 21's metastore, which has welcomed more than 200,000 visitors to its virtual store since it opened not quite three months ago.

"We design the clothing, we come up with the marketing strategies, we work with the influencers, and we build out the entire world" for clients, Virtual Brands' CEO Justin Hochberg told the *Financial Times*.

So far, however, not many are impressed.

People visiting Forever 21's metastore have given it an approval rating of 39 percent; fewer than 25 percent of U.S. adults have any interest in visiting the metaverse, according to a 2021 Forrester Research poll.

Also, visitors will leave the same digital trail in the metaverse that they do on the web, enabling marketers to collect even more data about their interests and shopping habits.

**TREND FORECAST:** Hanging out in the metaverse requires more time, attention, and expense than looking up something on the Internet. The metaverse will eventually be well-populated, but its denizens are likely to be today's young people who grow up with it, not those of us who have learned to find most of our enjoyment in the real world.

#### FORD MOTOR SPLITS IN TWO TO BETTER EMPHASIZE EVS



Ford Motor Co. has split itself into two divisions.

"Ford Blue" will make petroleum-powered cars and trucks and try to grow its share of

that market, while "Ford Model-e" will make electric vehicles (EVs).

Ford made the split because public acceptance of its EVs "has been so far beyond our expectations," James Farley, the company's chairman, said in a statement quoted by the *Financial Times*.

"It's a full-time job to transform our internal combustion engine business," Farley told the *FT*. "It's a full-time job to create our electric vehicles and compete and win against Tesla.

"You cannot ask the same people to build a [gas-powered] Superduty [pickup truck] and beat" Tesla's electric Cybertruck, he added.

The two divisions will have separate leadership but will share technology development and will not become separate entities with separate stock market listings, Farley said.

Fairly will helm the Model-e operation and remain as chair of the overall corporation; the petroleum-engine division will be led by Kumar Galhotra, who now heads Ford's Americas segment.

Ford plans a third of its total sales to be EVs by 2026 and half by 2030. It already has committed to making EVs half of its European sales by the end of this decade and building only EVs by 2040.

**TRENDPOST:** Separating the two units is a clear statement that Ford is staking its future on EVs, a decision underscored by the corporation's board chair taking charge of the new division.

Ford is late in making that statement. Fiat, General Motors, Volkswagen, and Volvo are among automakers that already have set a date certain by which they will stop making petroleum-powered cars and trucks.

Ford's end date of 2040 lags Volkswagen's target of 2030 and GM's of 2035.

Creating a distinct EV division with a separate leadership and engineering staff also will enable Ford to make faster progress in the race to capture EV market share. Its key competitor is not General Motors but China, which already has produced more than 300 EV models and is bent on a global conquest of the EV market.

#### SPOTLIGHT ON INFLATION



# RISING ENERGY, METALS PRICES FUEL INFLATION IN CHINA

The annual inflation rate for Chinese factories' raw materials dipped to 8.8 percent in February from 9.1 percent the month before, *The Wall Street Journal* 

reported.

Also in February, factories raised the prices for their products for the first time since October.

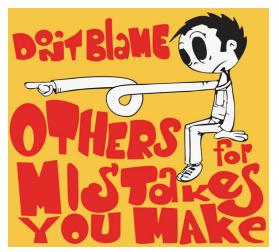
The increases were driven by rising costs for fuel, energy, and metals, the WSJ said.

Prices for the country's consumer goods bumped up 0.6 percent in February and 0.9 percent over the preceding 12-month span. They had slipped by 0.4 percent in January.

The modest rise in consumer costs was due partly to a decline in pork prices, China's staple meat, which plunged by 42.5 percent over the previous year.

The increases, which came before Russia attacked Ukraine, indicated markets' worries that the pending war would speed inflation, the WSJ said.

#### PUTIN'S WAR NOT SOLELY TO BLAME FOR INFLATION



President Joe Biden has expressed frustration with polls showing the public holding his administration responsible for rising prices.

"I'm sick of this stuff," he told Congressional Democrats in their annual retreat earlier this month, in comments quoted by Reuters.

"The American people think the reason for inflation is the government spending more money [but] inflation is largely the fault of Putin" and his attack on Ukraine.

Biden blamed January's leap in gasoline prices on Putin surrounding Ukraine with 150,000 troops, saying "the world took notice" and business "anticipated" the attack, implying that companies raised prices because they expected a war that would disrupt supplies.

Biden recently announced that the U.S. would phase out imports of Russian oil by the end of this year.

While that will put upward pressure on the world's oil price, the absence of Russian oil was already being factored into prices, according to the WSJ; insurers and ocean shipping companies are loathe to handle that cargo for fear of running afoul of international sanctions or, more simply, fear of seeing their ships and cargo sail in a war zone.

However, many Americans see Biden's \$1.9-trillion American Rescue Plan, which Congress passed last year, as a source of inflation and that his proposed \$1.7 trillion in new spending under his stalled Build Back Better initiative would make inflation even worse.

"This is Biden's inflation and he needs to own it," Steve Rattner, CEO of Willett Asset Advisors and chief advisor to Barack Obama's task force on the auto industry, wrote in a tweet cited by *The Wall Street Journal*.

However, inflation was firmly entrenched in the U.S. and global economies before Biden arrived in the Oval Office and before Russia's attack on Ukraine disrupted supplies of wheat, oil, and other basic commodities, sending prices even higher, *WSJ* analyst Justin Lahart reminded in an 11 March essay.

U.S. consumer prices rose 0.8 percent in February from the month before, pegging inflation's annual pace at 7.9 percent, a rate not seen in more than 40 years.

A gallon of regular gasoline averaged \$3.52 across the U.S. last month, up by more than a third in three months. The rise in oil prices also spilled over into costs for transporting goods to stores, airline tickets, and similar services, Lahart pointed out.

Prices for services other than those related to energy jumped 0.5 percent month-to-month in February, their biggest gain since October 1992.

The cost of services, which make up the bulk of U.S. consumer spending, rose 4.4 percent over the previous 12 months, their sharpest hike in 30 years.

Labor makes up a greater share of service prices than in manufacturing and wages grew by 5.1 percent in the 12 months ending in February, with those for workers in leisure and hospitality shooting up 11.2 percent.

**TRENDPOST:** It is purely imbecilic to blame the persistent inflation dogging the world's economies as solely the fault of any one person or group or country.

As we have noted again and again, the U.S. Federal Reserve was focused on triaging the jobs market and failed to raise interest rates to curb inflation, letting it run wild, as we have reported in articles including "Powell Warns of Dangers for

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<u>Labor Market"</u> (16 Feb 2021), <u>"Fed Will Hold Policy Steady, Powell Says"</u> (9 Mar 2021), and <u>"Fed Holds Firm on Policy Despite 5-Percent Inflation"</u> (20 Jul 2021).

Besides the near zero and negative interest rates of nations including the U.S. and EU, governments have doled out trillions of dollars to stimulate their locked down economies.

As the COVID War wound down, consumers went on a post-COVID buying spree despite factories' slow return to production and snarls in global supply lines, both of which pushed up prices amid strong demand for a scarcity of goods. We noted this inflationary pressure in "Consumer Spending Gained in June" (3 Aug 2021) and similar articles.

Like the Fed, Biden also chose to downplay the dangers of inflation and managed to squeak his American Rescue Plan through Congress, losing another \$1.9 trillion into the economy, giving consumers even more to spend while goods were still scarce.

All of these factors were in place before Putin massed his troops along Ukraine's borders. Yes, his invasion has added to inflation – but it was icing on a cake that already had been baked.

### **UKRAINE WAR ECONOMIC OVERVIEW**



kind of pre-COVID "normal."

# WAR SCRAMBLES EUROPE'S HOPES FOR ECONOMIC RECOVERY

As Europe's economy struggles to right itself after the Omicron surge and a storm of inflation, Russia's attack on Ukraine has dashed hopes for a smooth return to any

Europe's energy prices had spiked as much as fivefold last fall; the war has now sent them higher, with Brent crude briefly trading as high as \$139 a barrel after Russia's invasion.

Italy's statistics agency said rising energy prices will shave 0.7 of a percentage point from its economic growth this year.

The European Union (EU) is scrambling to replace Russian oil and gas, mainstays of the region's economy and, on 8 March, outlined a plan to free itself from that dependency by 2030.

The EU also has banned Russian iron and steel products.

The war "will have a material impact on economic activity and inflation through higher energy and commodity prices, the disruption of international commerce, and weaker confidence," Christine Lagarde, president of the European Central Bank (ECB), told a 10 March press briefing.

"The risks to the economic outlook have increased substantially," she said, and noted that the bank will consider all options in responding to events.

The Eurozone faces "a high probability of recession if the situation doesn't normalize quickly," chief economist Christophe Barraud at Market Securities told Bloomberg.

Also on 10 March, the ECB's policy committee confirmed its previously announced plan to end its €1.85-trillion bond-buying program by April and revealed a decision to wind down its older bond-purchasing stimulus arrangement before this year's fourth quarter (see related story in this issue).

Until now, the older program had no fixed end date.

Inflation in the Eurozone rose to 5.8 percent in February, a jump from January's 5.1 percent.

At its 10 March meeting, the committee also raised its inflation outlook for this year to 5.1 percent, almost twice the 2.6 percent it had forecast three months ago.

The bank sees inflation settling to 2.1 percent in 2023 and 1.9 percent in 2024. The ECB's target inflation rate is 2 percent.

At the same time, the central bank trimmed its economic forecast for the Eurozone to a 3.7-percent expansion this year, no longer the 4.2 percent it predicted earlier.

Goldman Sachs paints a gloomier picture, pegging the region's growth at 2.5 percent this year, compared to its pre-war forecast of 3.9 percent.

"The prospects for the economy depend on the course of the Russia-Ukraine war and on the impact of economic and financial sanctions," Lagarde said.

The war is a "watershed for Europe," she added.

The bank has left its -0.50 interest rate unchanged and set no time for it to change (see related story in this issue). Lagarde said the rate would increase "some time after" bond purchases end.

While the Bank of England has hiked rates and the U.S. Federal Reserve is poised to do so this week, the ECB is more cautious because Europe's inflation is being driven primarily by energy prices over which the bank's policies have little influence, *The New York Times* said.

**TREND FORECAST:** Unless this trend is reversed and the Ukraine war ends with a peace treaty and the Western sanctions slapped on Russia are lifted, prices will continue to rise higher, forcing Europe into a recession before this year is over.

#### **G7 ENDS RUSSIA'S "MOST FAVORED" STATUS**



The G7 nations—Canada, France, Germany, Italy, Japan, the U.K., and the U.S., with the European Union (EU) as a participating guest—have severed trade ties with Russia and deemed it no longer a "most favored nation."

The "most favored" status enables a country to trade with others on preferential terms established by the World Trade Organization.

As a result, Russian exports will incur higher tariffs when they arrive in G7 countries and the EU, if any continue to be accepted.

The EU has banned Russian iron and steel products; the U.S. will not import Russia's diamonds or vodka, among other products.

The group also has ensured that Russia will not be able to obtain financing from global financial institutions such as the International Monetary Fund and the World Bank.

In addition, the G7 countries say they have taken steps to prevent Russia from using cryptocurrencies to evade sanctions.

**TREND FORECAST:** The further the U.S. and NATO push Russia away from their economies, the closer Russia will build its ties with China, India and African nations. Again, as we note, these sanctions will hurt the Russian people, not the Kremlin. And, not only will they do nothing to end the Ukraine War, the worsening economic relations will foster more geopolitical tensions.

#### **UKRAINE SUSPENDS NEON EXPORTS FOR CHIP INDUSTRY**



Ukraine, which supplies half of the neon used by the world's semiconductor manufacturers, has ended all shipments because of its war with Russia.

Neon is an essential element in the lasers that are used to etch chips. Its market price

has risen as much as 500 percent this year.

The industry used about 450 metric tons of neon last year, data service Technet reported.

As much as 55 percent came from the two Ukrainian companies Cryoin and Ingas, both of which have shuttered their operations because of the war.

"If stockpiles are depleted by April and chipmakers don't have orders locked up in other regions of the world, it likely means further constraints for the broader supply chain and inability to manufacture the end-product for many key customers," analyst Angelo Zino at CFRA said in a Reuters interview.

Ingas was producing 15,000 to 20,000 cubic meters of neon per month for customers in China, Germany, Korea, Taiwan, and the U.S. The chip industry used about 75 percent of that, according to company data cited by Reuters.

The company is located in Mariupol, which has been heavily bombarded by Russian forces.

Cryoin, which processes about 10,000 to 15,000 cubic meters of neon per month, is in Odessa. The firm ceased operations on 24 February to ensure workers' safety, the company told Reuters.

The neon Ukraine firms process is a byproduct of Russia's steel industry.

China is also a significant source of chip-grade neon, but the gas from China is becoming more costly and is subject to the geopolitical ploys of the government there.

Neon prices jumped 600 percent just before Russia seized Ukraine in 2014, according to data from the U.S. International Trade Commission.

Companies in other locales could produce neon but it could take as long as two years to create production lines able to serve commercial markets, Richard Barnett, chief marketing officer of data firm Supplyframe, told the *FT*.

No companies are likely to make that investment until it becomes clear that Ukraine's supplies are not coming back, he said.

**TREND FORECAST:** The loss of a key source of neon will worsen the chip shortage, shrinking production of electronic goods around the globe, heightening inflation, and pushing the world closer to a recession.

#### RATINGS AGENCIES AGAIN DOWNGRADE RUSSIA'S BONDS



Once again, Fitch Ratings has downgraded Russian bonds, this time from B to C, saying that it expects an "imminent" default.

The 9 March decision was Fitch's second ratings reduction in seven days on Russia's

debt.

"Developments have, in our view, further undermined Russia's willingness to service government debt," Fitch said in announcing the reduction.

"More generally, the further ratcheting up of sanctions, and proposals that could limit trade in energy, increase the probability of a policy response by Russia that includes at least selective non-payment of its sovereign debt obligations," the statement noted.

Moody's also cut its ratings on Russian bonds on 9 March.

S&P Global has downgraded Russia's sovereign debt twice since it attacked Ukraine.

Worsening matters, international sanctions on Russia may have rendered \$41 billion in contracts insuring Russia's repayment worthless.

On 9 March, contracts insuring \$10 million in Russian bonds for five years were priced at \$4.6 million on signing, followed by annual premiums of \$100,000, ICE data revealed.

International sanctions may trigger credit-default swaps and prevent the bonds being used to settle the contracts, analysts at Citigroup, Vanguard, and CreditSights wrote in research notes cited by Bloomberg.

The swaps market now is pricing in a 40-percent chance of a Russian default over the next 12 months and a 65-percent likelihood within five years, ICE Data Services reported.

Russia is scheduled to pay \$117 million on dollar-denominated bonds on March 16. Another \$5 billion of international debt will come due by early 2024.

Russia made a payment on a ruble-backed bond on 9 March. However, Russia's central bank has banned transferring funds to foreign investors, so it remains unclear how Allianz, Blackrock, and other bondholders can receive what they are owed.

"This will likely be a technical default," Vanguard's Nick Eisinger, co-head of emerging markets fixed income investments, told Bloomberg.

The world's biggest settlement systems Eurocler and Clearstream are no longer handling Russian assets.

"Western governments' resolve to cut off Russia from the international financial system, combined with a potentially weaker willingness on the part of the Russian government to service its debt on time and in full, raise the probability of more severe credit outcomes for foreign holders of Russian debt securities," Moody's Investors Service said in an 8 March statement.

**TRENDPOST:** Again, we emphasize that sanctions against Russia are, in effect, sanctions against businesses and individuals in the West, raising their costs and costing them returns owed on their investments.

#### AIRLINE HOPES FALL VICTIM TO WAR IN UKRAINE



As the world's airlines were gaining passengers and adding routes after the COVID War, another conflict has spiked oil prices and left travelers skittish once again about venturing out into the world.

"We have dealt with pestilence, only to be visited with a war," Michael O'Leary, CEO of Ireland's Ryanair, said in a comment quoted by the *Financial Times*.

"I think it's going to be very difficult for most airlines for the next twelve months," he said.

"We're looking at a delay or interim setback in the airline path to financial recovery" from the estimated \$260 billion carriers lost during the COVID era, managing director Philip Baggaley at S&P Global told the FT.

Fuel can make up as much as 35 percent of an airline's cost and crude oil has reached as high as \$139 a barrel, a price not seen since 2014.

Normally, airlines hedge in financial markets against swings in oil prices, however, during the COVID-inspired economic collapse, oil prices cratered along with airline travel, and many carriers stopped the practice.

That has left many exposed now to astronomical fuel costs.

Bargain carrier Wizz Air had not resumed hedging and its stock price lost half its value in the past six weeks, reaching its lowest since late 2020. The airline now has begun hedging again.

Ryanair and British Airways have hedged and are managing with oil prices where they are; the largest U.S. airlines halted the practice because consolidation has given them enough heft to negotiate prices, the *FT* said.

Only Alaska and Southwest airlines still hedge. The former has protected about half its fuel supply for the year, Southwest 64 percent, the *FT* reported.

Russia has now banned most major Western airlines from crossing its airspace, which forces flights from Europe to Asia to take much longer routes, burning more fuel.

As a result, Finland's national airline has ceased flights to Asia. The move erased 20 percent of its market value, sent it into talks with the country's government for aid, and forced the company to revise both its schedule and its financial plans for the year.

Domestic and short-hop carriers are likely to weather the current crisis best, the *FT* said, while major international flyers might have a harder future.

"It's not going to stop Brits going to Málaga this summer," Davy analyst Stephen Furlong told the *FT*, "but might Americans not want to go to Berlin?"

**TREND FORECAST:** As we have noted, these sanctions will do nothing to reverse Moscow's war direction and will, in effect, only damage the livelihoods of business and individuals.

Just as the decades of sanctions that were imposed on Cuba, Venezuela and Iran by the United States did nothing to change their government, so too will the U.S. sanctions on Russia do nothing to replace those running the country.

And just as with Cuba, Venezuela and Iran, those who will suffer from the sanctions are not those in power, but the powerless people who are pushed into poverty and declining living standards.

#### WAR SPARKS INFLATION



War and inflation have a long and intimate relationship.

For one thing, war fires inflation in three ways.

First, war places extraordinary demands on military materials—steel, fuel, tires, food—which strains normal production capacities, especially if those capacities have been damaged by bombs or ground attacks.

Second, war disrupts supply chains. Bridges, airports, and rail lines are primary targets for bombing and sabotage; also, as Russia is learning again, allies of warring parties sanction exports and ban imports from opposing countries.

Third, governments pay for wars by printing more money and by keeping interest rates artificially low.

Tamping down the latest spurt of inflation set off by Russia's war on Ukraine will depend on central banks' wisdom and skill in orchestrating monetary policy.

Before the 1930s, the value of a currency was usually tied to gold, which kept inflation in check.

During wars, that connection was either suspended or ended completely, leaving the value of money free to soar on the whims of markets.

As a result, hyperinflation—defined as prices rising 50 percent or more in one year—arose in Germany after World War One, in the Soviet Union following the 1917 Bolshevik revolution, and in China during its war with Japan in the 1930s and its internal Communist revolution in 1949.

In the U.S., inflation also has followed war.

European nations sent gold to the U.S. to help fund its efforts in World War One. That raised the money supply and the U.S. Federal Reserve kept interest rates low to keep the economy on keel.

After the war, prices soared and the Fed engineered a quick recession to bring prices back down.

By World War Two, the U.S. had abandoned the gold standard. The government imposed price controls and the Fed enforced low interest rates.

After the war ended and price controls were lifted, prices soared along with demand for materials not only to rebuild but also to create houses, appliances, and the other goods for returning soldiers and their new families.

In the late 1960s and early 1970s, the dual spending demands of the Vietnam war and Lyndon Johnson's "Great Society" social programs pushed inflation to 7 percent.

Then in 1974, when OPEC imposed an oil embargo on Western nations that had supported Israel during the Yom Kippur War, energy prices soared and inflation did also, reaching 12 percent in that year.

Since then, wars have been regional, not global, making inflation more of a local, rather than global, issue: Russia invaded Afghanistan, the U.S. became mired in Vietnam, a Western alliance sent forces into Iraq.

Now Russia's invasion of Ukraine has globalized war once again.

The chief inflation victim of that conflict is Russia, where analysts forecast inflation will reach as high as 25 percent this year.

In 2020, Russia was already spending 4.3 percent of its GDP on its military, one of the world's highest ratios, according to the Stockholm International Peace Research Institute.

In the wake of the Ukraine invasion, Germany has now announced it will increase its defense spending from 1.5 percent of GDP to 2 percent, a 33-percent hike.

The U.S. already spends 3.3 percent of its GDP on defense, *The Wall Street Journal* reported, but Russia's aggression in Europe makes "a structural increase in deficit-financed spending more likely in the long term," according to Jon Lieber, a Eurasia Group analyst, in a note to clients.

The spending bill Congress is now considering would raise military spending by 5.6 percent, he noted.

#### **UKRAINE WAR TRIPLES TANKER RATES**



The cost to move oil in tankers by sea has tripled since Russia invaded Ukraine, *The Wall Street Journal* reported, even though most insurance and shipping companies

refuse to handle Russian oil traversing the Black Sea.

Daily rates for the standard mid-size tankers working the Black and Baltic seas has leaped from \$10,000 to \$30,000 in the last three weeks.

The few companies willing to sail their tankers in those waters can command as much as \$200,000 a day, brokers told the WSJ.

However, few are taking the risk.

Because of the war, ship traffic at and around Russian ports has plunged by half, data service Windward reported, and the number of Russian vessels available for charter has tripled since 28 February when the war began.

"Because of the complexity, we will stay away from Russia," Lars Barstad, CEO of Frontline Management AS, which runs 74 tankers, told the WSJ.

"There's a lot of money to be made and it's still legal but very difficult to do in a good manner," he said.

Tanker rates could move even higher as the world scurries to replace the 2.5 million barrels of oil a day that Russia used to ship, he said.

Since 4 March, at least 12 tankers loaded with Russian oil have been held at European ports by customs authorities, adding extra days to the cost of moving Russia's crude.

"They'll hold your ship to see if it has any connection with blacklisted Russian companies," one unnamed Greek tanker owner told the WSJ. "It's not worth it."

#### WAR LEAVES MERCHANT SHIPS SHORT OF CREWS



Russia and Ukraine together supply 275,000 of the world's 1.9 million merchant sailors working the industry's 74,000 ships; Ukraine alone provides 5.4 percent of ships' officers.

With Ukrainians returning home to take up arms against the Russian invasion, commercial ships are finding it hard to assemble crews.

Ukrainians "are one of the top five [sources of] officers at sea today," Carl Schou, CEO of Wilhelmsen Ship Management, told the *Financial Times*.

"Losing this source overnight will lead to strain on overall global crew supply," he warned.

Of Ukraine's 80,000 commercial sailors, 55 to 60 percent are now at sea, according to an estimate by the Marine Transport Workers Trade Union of Ukraine, of which about a quarter plan to return home to fight, the union said.

The union has advised them to stay aboard their ships to help keep global supply lines open.

"If most Ukrainian seafarers leave, there'll be no nationality able to take their positions and this will be catastrophic for world shipping," union chair Oleg Grygoriuk said to the *FT*.

The Ukraine conflict is the shipping industry's second recent obstacle. At one point during the COVID War, 400,000 sailors were quarantined aboard ships, stuck for days waiting to load or unload cargo, or kept at home from working, the *FT* noted.

## SPECIAL UKRAINE WAR REPORT



# WARMONGERS INC: WHILE 61 PERCENT OF AMERICANS LIVE PAYCHECK TO PAYCHECK, CONGRESS SEND \$13.6 BILLION FOR UKRAINE WAR

No matter how divided Washington gets, as proven by its steady stream of wars across the globe since the end of WWII, the one thing U.S. politicians can agree on is military spending and funding proxy wars across the world.

Congress on Wednesday passed a \$1.5 trillion spending package that will include \$13.6 billion for Ukraine's military and humanitarian assistance while the country squares off with Russia. The war shows no sign of slowing.

Ukrainian President Volodymyr Zelensky's administration announced Saturday that at least 1,300 of its soldiers have been killed so far during Russia's invasion.

Ukraine put Russia's death toll at 12,000 since the start of the invasion. A U.S. official told *The Express* newspaper that that figure is likely inaccurate and it is more likely that 5,000 to 6,000 of its forces have died.

Senate Majority Leader Chuck Schumer told reporters that the U.S. will give Ukrainians billions for food, medicine, shelter, and support for the over two million refugees who have had to leave Ukraine.

Al Jazeera also pointed out that the funds will also go toward arming Ukrainian fighters with Javelin anti-tank missiles and Stinger anti-aircraft missiles. (See "WAR IN UKRAINE ECONOMIC OVERVIEW.")

President Joe Biden announced Saturday that the U.S. will rush about \$200 million in small arms to Ukrainian fighters standing up against Russian forces.

Reuters reported that the latest announcement will bring the total amount of security aid to Kyiv to \$1.2 billion over the past year. Senior administration officials told the outlet the U.S. has spent \$3.2 billion on Ukraine since 2014, when Russia annexed the Crimea Peninsula.

The massive amount in spending for Ukraine was panned by some on social media who said the money could have been spent elsewhere.

"Biden signed a bill to send \$13.6 billion in aid to Ukraine; Biden authorized \$200 million in weapons for Ukraine. Shouldn't American taxpayer dollars be allocated to Americans, especially when 71% of small businesses were devastated by disastrous government COVID mandates?" tweeted Jason Bassler, co-founder of The Free Thought Project.

Another posted, "Amazing how @SpeakerPelosi @JoeBiden have no problem sending our hard earned tax dollars, \$13.6 billion to Ukraine, but couldn't fund 6 billion for a secure wall against the invasion coming across the Southern Border."

The White House and prominent members of Congress praised the package's passage. Jen Psaki, the White House press secretary, said in a statement that the bill proves "that members of both parties can come together to deliver results for the American people."

The New York Times reported that Republicans in Congress also claimed credit for getting their colleagues to "accept a \$42 billion increase in military spending, bringing the total this year to \$782 billion."

**TRENDPOST:** The latest military budget further illustrates our forecast that the 20<sup>th</sup> century was the American century and the 21<sup>st</sup> will be the Chinese century because the business of America has been war while the business of China is business.

We have long stated that Washington has never concerned itself with military spending—with nothing to show for it in decades, other than, of course, military contractors taking in billions from the government to fight losing wars. (See "DUH! PENTAGON SURPRISED BY CHINA'S TEST OF HYPERSONIC MISSILE," "PENTAGON: TARGET CHINA" and "U.S. 'ALREADY LOST' AI WAR WITH CHINA, PENTAGON'S FORMER SOFTWARE CHIEF SAYS.")

Brown University's Costs of War Project found that the arms industry has spent \$2.5 billion on government lobbying over the past two decades. The Pentagon has spent \$14 trillion since 2001, and about one-third of the funding went to these companies.

### **High Praise for Ukraine Aid**

Sen. Chuck Schumer, the Senate majority leader, called the package "the strongest, boldest and most significant government funding package we've seen in a long time."

"The brave, freedom-loving people of Ukraine and our allies in the region will receive urgently needed investments to fight Vladimir Putin and the Russians' illegal and immoral invasion," Schumer said in a statement.

**TREND FORECAST:** Chuck Schumer, as with the majority of Washington and the mainstream media, are championing Ukrainians as brave heroes... which they are.

However, as brave as they may be, we have forecast that since neither Napoleon nor Hitler could defeat the Russian military, the Ukraine military will not defeat them either. Therefore, sending billions of dollars to "fight Vladimir Putin and the Russians' illegal and immoral invasion," is a waste of American taxpayer's money and a waste of lives.

Indeed, it is, by the standards of America's Founding Fathers, "illegal," and since it will wrath needless death and destruction, it is illegal.

**TRENDPOST:** We would like to remind our readers that most Ukrainian men, unfortunate to still be in the war-torn country, have been banned from fleeing—most likely because they will be tapped by depleted Ukrainian forces in the later stages of the conflict.

### The Money Flow

Sen. Mitch McConnell of Kentucky, the minority leader, indicated that he was surprised that Republicans had to broker a deal with Democrats when it came to the military spending. He said it put his party "in the surreal position of having to push a commander in chief's party into giving his own commanders the funding they need," according to *The New York Times*.

"But over many Democrats' objections, Republicans made sure this deal gets the job done for our armed forces," he said.

The package earmarks \$145 billion on new aircraft, ships, and other military vehicles, *The Times* reported. The bill will also invest in a dozen F/A-18 Super Hornets and 85 F-35 Joint Strike Fighters, the report said.

**TRENDS FORECAST:** Congress has never been more divided and disagreements seem to border on hatred from every major domestic and international issue... but among the only bills that get bipartisan support are for....more military spending!

Military spending will only continue to surge with new threats from China and Russia, and it will continue to cost millions of lives until there is a legitimate pro-peace leader.

Yet, there are minimal protests among Americans to end the foreign entanglements sapping economic resources of their declining, deep in \$30 trillion nation or further enriching the military/industrial/intelligence complex.

#### **SWEDISH PRIME MINISTER: NO TO NATO**



Last Tuesday, Swedish Prime Minister
Magdalena Andersson said the country will
not attempt to join NATO due to concerns
that its effort will further inflame the continent
amid the Ukraine War.

Andersson said the effort would "further destabilize the security of this particular region of Europe and increase tensions in Europe, and Sweden would contribute to further destabilizing the situation," according to the *Financial Times*.

Finland, which shares an 830-mile border with Russia, is also expected to announce whether or not it will join NATO.

Reuters reported that about 20 percent of the country usually supports joining NATO, but the invasion in Ukraine has more Finns interested in joining. Finland has taken a neutral position.

Russia warned Finland and Sweden of "serious military and political repercussions" if they decided to join NATO. The expansion of the alliance and the possibility of accepting Ukraine as a new member was a red line that Russia put in place during negotiations with the West prior to the war.

Western officials, like U.S. Secretary of State Antony Blinken ignored Russia's stated security concerns.

"Finland and Sweden should not base their security on damaging the security of other countries and their accession to NATO can have detrimental consequences and face some military and political consequences," Maria Zakharova, the spokesperson for the Russian Foreign Ministry, said in a video.

**TRENDPOST:** Shortly after Zakharova issued the warning, the Russian Foreign Ministry reiterated her comments and said it regards Helsinki's commitment "to a military non-alignment policy as an important factor in ensuring security and stability in northern Europe. Finland's accession to @NATO would have serious military and political repercussions."

Former NATO Secretary-General Anders Fogh Rasmussen said NATO is prepared to welcome both Finland and Sweden, and he said the application would likely be approved "more or less overnight," according to Radio Free Europe.

"I think it would be in the self-interest of Finland and Sweden to join NATO right now. Because now they have a window of opportunity. Putin is engaged [somewhere else], so that window might soon close again," he said.

A poll that was recorded recently on Yle, the public broadcaster, showed 53 percent of Finns support joining NATO, which is a significant jump from 19 percent in 2017.

Ann Linde, the Swedish foreign minister, sounded a lot like a Ukrainian leader when she told TT, the country's news agency, that Moscow "has nothing to do with our independent decisions."

Pia Koivunen, an historian at the University of Turku, told Al Jazeera, "NATO has long been a topic that politicians have not wanted to seriously discuss but Russia's invasion of Ukraine radically changed this and opened the floor for NATO talks."

**TRENDPOST:** As NATO's first secretary general put it, NATO was formed in order to keep the Russians out of Western Europe and the Americans in. Instead of disbanding NATO when the Soviet Union collapsed in 1991, Washington dramatically expanded NATO.

In violation of the Reagan-Gorbachev agreements, the Bill Clinton and George W. Bush regimes added constituent parts of the former Soviet empire to NATO—Hungary, Czech Republic, Poland, Estonia, Latvia, Lithuania, Slovenia, Slovakia, Bulgaria and Romania.

France, taken out of NATO by General de Gaulle, rejoined in April 2009, 18 years after the collapse of the Soviet Union, followed by other nations including Croatia, Albania, Montenegro and North Macedonia.

When the Soviet Union broke up, and the U.S. said it would not expand NATO, there were 16 NATO nations. Today there are 30... with some of them on Russia's borders.

Long forgotten was the U.S. and NATO'S pledge not to expand into Eastern Europe following the deal made during the 1990 negotiations between the West and the Soviet Union over German unification.

Therefore, in the view of Russia, it is taking self-defense actions to protect itself from NATO's eastward march.

As detailed in The Los Angeles Times back in May of 2016, while the U.S. and NATO deny that no such agreement was struck, "...hundreds of memos, meeting minutes and transcripts from U.S. archives indicate otherwise." The article states:

"According to transcripts of meetings in Moscow on Feb. 9, then-Secretary of State James Baker suggested that in exchange for cooperation on Germany, the U.S. could make 'iron-clad guarantees' that NATO would not expand 'one inch eastward.' Less than a week later, Soviet President

Mikhail Gorbachev agreed to begin reunification talks. No formal deal was struck, but from all the evidence, the quid pro quo was clear: Gorbachev acceded to Germany's western alignment and the U.S. would limit NATO's expansion."

# BIDEN WARNS AMERICANS HIS SANCTIONS WILL HURT RUSSIA... AND AMERICANS. WRONG ABOUT WHO'LL WIN THE UKRAINE WAR?



Go back to 26 February. Totally dismissing negotiating for peace and ignoring America's long track record of launching wars across the globe that have killed millions (as has the U.S. media), President Joe Biden said there were only two options

following Russia's invasion of Ukraine: "Go to war with Russia, physical... or two make sure that a country that acts so contrary to international law pays a price for having done it."

In response to Biden's statement, Russian President Vladimir Putin said that any other country interfering in the advance on Ukraine would "face consequences greater than any you have faced in history."

And last week, as inflation skyrocketed and gas prices soared, President Joe Biden warned Americans that not only will Russians pay the price for their invasion of Ukraine, so too will Americans bear the pain of his economic sanctions.

"There will be costs at home as we impose crippling sanctions in response to Putin's unprovoked war, but Americans can know this: the costs we are imposing on Putin and his cronies are far more devastating than the costs we are facing," Biden said.

**TRENDPOST:** Again, totally absent in the political and media worlds is a peep about peace talks.

Instead, billions of military weapons are being poured into Ukraine by the U.S. and NATO that will kill more people and economic sanctions that are mutually assured to impose hardship on citizens of Europe and the United States. And, the Biden administration failed to find a diplomatic solution with Russia when Moscow submitted its list of demands about NATO expansion and its relationship with Ukraine. (See <u>"WASHINGTON AND NATO: NO CONCESSIONS TO RUSSIA."</u>)

The White House announced a ban on Russian oil imports, joining Canada and the United Kingdom. Oil prices in the U.S. hit their highest levels since 2008. Prices reached \$130 per barrel last Sunday, which we pointed out. (See <u>"WAR IN UKRAINE ECONOMIC OVERVIEW."</u>)

And this past Friday, Mr. Biden declared, "Democrats didn't cause this problem. Vladimir Putin did," Biden said of the Russian president. "Putin's gas tax has pushed prices higher."

Yet, there was little or no denunciation for this moronic statement, since gas prices were rising before the Ukraine War, and Biden, by his own admission, had made a bad situation worse.

In fact, in response to Biden's claim, Mr. Putin said, "Supplies of Russian oil, say, to [the] American market do not exceed 3 percent. This is a negligible amount. We have absolutely nothing to do with it. They just hide behind these decisions in order to deceive once again their own population.

#### **More Sanctions**

Biden also announced Friday that the U.S. and Western countries would act to revoke Russia's 'most-favored nation' trade status and he signed an executive order banning the import of Russian liquor, seafood, and non-industrial diamonds to the U.S., CNBC reported.

Ukrainian President Volodymyr Zelensky asked Congress to revoke Russia's most-favored-nation status. Russia had been the U.S.'s 23rd-largest trading partner, including \$29.1 billion of Russian goods imported into the U.S.

"Putin's war against Ukraine will never be a victory," Biden said. "He hoped to dominate Ukraine without a fight, he failed. He hoped to fracture European resolve, he failed. He hoped to weaken the transatlantic alliance, he failed. He hoped to split apart American democracy, in terms of our positions. He failed."

**TREND FORECAST:** Again, with not a mention of peace or the reality that Ukraine will not defeat Russia, Biden ramped up the killing machine by stating that "We're going to make sure Ukraine has the weapons to defend themselves against an invading Russian force," he said, vowing to defend "every inch of NATO territory."

Yes, after being unable to win a single war it has started since the end of World War II, Biden's war mongering is cheered by Congress and applauded by the mainstream media.

And we forecast Putin's war against Ukraine will be a Russian victory. And it is pure idiocy to state that Putin "... hoped to dominate Ukraine without out a fight." Of course he expected a fight. But the media and the mass of Americans swallow Biden bullshit, just as they have marched off to every war the U.S. has launched since the end of WWII... including getting jabbed to fight the COVID War.

# **Monetary Warfare**

The Bureau of Labor Statistics announced last week that prices rose 0.8 percent in February, bringing the rate to 7.9 percent in the past year and 8.4 percent in the last three months. *The Wall Street Journal*, citing a separate Labor report released Thursday, found that the real average-hourly earnings dropped 0.8 percent in February.

The president said he is unable to do much to stop the rising gas prices that have risen 38 percent over the past year. The AAA said on Thursday that the average price of a gallon of gas reached \$4.318 on Thursday.

Last year, the price of gas hovered at about \$2.815 per gallon. The White House said it is considering tapping the U.S.'s strategic oil reserves to alleviate the hardships faced by many Americans.

The White House has used Putin as the economic-disaster scapegoat and called it "Putin's price hike." Republicans have seized on the political maneuver.

"Inflation just rose 7.9 percent—another 40-year high! First they said it was 'transitory,' then they blamed supply chain issues, then they claimed inflation 'is actually a good sign.' And now it's Putin's fault. When will the WH admit they are to blame for #Bidenflation?" Rep. Vern Buchanan, R-Fla., tweeted.

**TRENDPOST:** Readers of the **Trends Journal** know that we have rejected claims that inflation was "transitory" for months. (See "INFLATION RISING. NOT 'TEMPORARY' OR 'TRANSITORY.") As long ago as 4 August 2020, we warned in our "Global Economic Trends" section that supply-chain disruptions would lead to inflation and that those disruptions would make inflation a long-term problem ("Consumer Prices Rise in July," 18 Aug 2021).

#### **Who Inflation Will Hurt**

The costs hit low-income workers the hardest because there has been a jump in costs for basic household necessities, like food and energy, *The Wall Street Journal*'s editorial board wrote.

The paper said Biden is going to have a challenging time convincing the American people that Putin's invasion caused the spike in prices since inflation hit 7.5 percent on an annual basis in January. The price of gas was also up 38 percent over the past year.

"The root cause is homegrown: Two years of historically easy monetary policy, and explosive federal spending that fed economic demand even though the economy had long ago emerged from the pandemic recession," the paper wrote.

# **Harris: Pay More at the Pump**

Vice President Kamala Harris said on Friday that Americans should understand that there is a "price to pay for democracy," and they should get ready to continue shelling out money on higher gas prices to punish Russia for its invasion of Ukraine.

Harris was in Bucharest and had a meeting with Romanian President Klaus Iohannis. The two talked about the Ukraine War and the U.S.'s commitment to defend NATO countries.

**TRENDS POST:** It should come to nobody's surprise that NATO countries did not come to the military aid of Ukraine. Both NATO leaders and Washington never promised to defend Kyiv from a Russian onslaught.

Harris' comments followed Biden's decision to ban all U.S. imports of Russian energy products. The goal of Biden's 8 March Executive Order is to "deprive Russia of billions of dollars in revenues from U.S. drivers and consumers."

The vice president told her audience that it has been "painful to watch" the conflict in Ukraine.

#### **Russia Faces Recession**

Kristalina Georgieva, the managing director of the International Monetary Fund, told CBS News program "Face the Nation" on Sunday that she expects a "deep recession" in Russia due to the Western sanctions.

<sup>&</sup>quot;You got to stand with your friends," she said while visiting Romania.

<sup>&</sup>quot;Sometimes it is difficult. Often, it ain't easy."

She said the IMF is increasingly concerned about countries like Moldova, which borders Russia and has more trade ties to Russia than other Western countries.

She said the sanctions were limiting Russia's ability to service its debts, which meant a default was no longer viewed as "improbable," according to Reuters.

**TREND FORECAST:** How will Russia fight against the sanctions being imposed upon it and the scores of businesses and financial institutions leaving the nation?

Russia has bolstered itself over a long period of time—even prior to the Ukraine War—in preparation for the assault by creating as much of a self-sufficient economy as possible, in line with our <u>Top 2022 Trend</u> of Self-Sufficiency.

## **AUSTRALIA: MORE MONEY FOR MILITARY INDUSTRIAL COMPLEX**



Australia announced last week that it will spend about 30 percent more on its military over the next two decades—its largest boost in spending since the Vietnam War.

The budget will allow the country to increase its uniformed personnel to 80,000

and help modernize its defensive response to threats in the region Russia and China. Canberra will use some of its new personnel to operate the nuclear-powered submarines it will receive under the AUKUS partnership.

The extra manpower will also support new surface ships, information warfare, missile defense, satellite operations, and a land-based, long-range strike capability. (See "U.S. LAUNCHES COLD WAR 2.0: CHINA LAMBASTS 'COLD-WAR' MENTALITY.")

Zhao Lijian, the Chinese foreign ministry spokesman, said at the time of the AUKUS deal that it could damage "regional peace" and intensify an arms race. He said Australia and the U.S. hurt their own interests.

**TREND FORECAST:** The AUKUS deal, which includes selling Australia at least 8 nuclear submarines, is about enriching the military-industrial complex, and will do nothing to threaten China's military superiority.

Indeed, only the factual blind would believe the "Five Eyes" which include the U.S., New Zealand, Australia, Canada and the U.K.—with combined populations of 466 million—would pose a real threat to the heavily armed 1.4 billion Chinese nation.

The Times of London reported that military officers from countries like Japan and Taiwan are learning from the Russian invasion of Ukraine and learning how a militarily inferior country could stand up to a more powerful neighbor. In this case China.

But that is pure military officer bullshit. The Ukraine War is just three weeks old. America and its NATO allies lost their 20 year Afghan War, the Iraq and Libya wars, etc.

Australia's announcement comes as European countries revealed an increase in military spending. German Chancellor Olaf Scholz led the way after declaring the country would increase its annual defense spending by 2 percent of its GDP, or about \$113 billion to modernize its military.

We report in this issue how South Korea just elected a president who many believe will bring the country closer to Washington and strike a more belligerent tone with North Korea.

The bottom line, the larger the military budgets, the louder the war talk grows, the faster the world will head toward World War III.

# **Too Small to Fight?**

Australia's Prime Minister Scott Morrison said Canberra will spend about \$28 billion through 2040 on the extra military personnel and has expressed concern in the past over the size of his military, *The Wall Street Journal* reported.

Morrison reportedly irked Beijing when he called for an investigation into the origins of the coronavirus, and the paper said a strategic update from Canberra determined that the chance of a high-intensity military conflict was "less remote than in the past."

Morrison said the investment is Canberra's attempt to counter the "threats and the environment that we face as a country, as a liberal democracy in the Indo-Pacific."

**TREND FORECAST:** The Ukraine War has prompted major countries to announce new military spending instead of taking a diplomatic approach to new threats.

Despite not having won a War since WWII and spending tens of trillions to kill many millions, the U.S. Congress alone passed an omnibus bill that earmarks \$782 billion in military spending and \$13.6 billion in emergency military and humanitarian aid to Ukraine.

Nobody is talking about peace. They only ramp up war talk, the war machine ... and wars.

#### NATO TURNING UP COLD WAR HEAT



Norway is hosting more than 30,000 Western troops for about a month as Europe remains on high alert after Russia invaded Ukraine last month.

Yngve Odlo, a general from Norway, told the *Financial Times* that the conflict in Ukraine "affects the whole European security architecture."

The military exercise—which will include non-NATO members Sweden and Finland—is called Cold Response 2022. The troops will be joined by 200 aircraft and 50 vessels.

"There is no increased threat to Norway and no change in Russian forces close to our border. It's a long-planned exercise, and it's quite clearly a defensive exercise," Odlo said.

Troops from the U.S. and U.K. have already arrived at military camps in the Troms and Nordland regions inside the Arctic Circle, The Barents Observer reported. The news site said most of the exercises will take place about 310 miles west of Russia's militarized Kola Peninsula.

# **Norway Notified Russia About Drills**

Norway announced in January that it notified Russia's Northern Fleet about the military drills and presented "preliminary plans of the upcoming exercise of the armed forces of the Kingdom of Norway and some other member states of the North Atlantic alliance."

Russian Admiral Alexander Moiseyev "thanked the Norwegian commander for the information provided and wished Norwegian counterparts the safe implementation of their military maneuvers," the press said, according to Russia's TASS news agency.

Norwegian Defense Minister Odd Roger Enoksen told the Agence France-Presse that the exercise is "extremely important" for the security of Norway and its allies. "We will practice an allied reinforcement of Norway. It is not being held because of the Russian authorities' attack on Ukraine, but given the backdrop there is a heightened significance," he said.

**TREND FORECAST:** These military drills will amount to nothing, other than provocation. Generals are always fighting the last war.

Despite all of America's tough talk, Gerald Celente has pointed out that other than the savagery of NATO/ American military's Yugoslavia War, they have not won a war since WWII and have been stacking up defeats, including the recent retreat from Afghanistan. (See "DUH! PENTAGON SURPRISED BY CHINA'S TEST OF HYPERSONIC MISSILE," "PENTAGON: TARGET CHINA" and "U.S. 'ALREADY LOST' AI WAR WITH CHINA, PENTAGON'S FORMER SOFTWARE CHIEF SAYS."

And as for the Ukraine War, the **Trends Journal** has reported for months that Russia considered Ukraine a red line when it comes to NATO's expansion east, and now NATO is—once again—instigating a Russian response by placing a massive military exercise right along the Russian border.

Norway insists that the exercises are purely defensive, but a military exercise on this scale seems to add legitimacy to Moscow's long-held position that NATO's encroachment is a security risk.

Yet, as they have since the end of World War II, Washington and their Presstitutes will continue their fear and hysteria Cold War rhetoric to frighten its masses while enriching the military manufacturing mob... and leading nations into mass annihilation.

#### AMERICAN JUNK FOOD AND JUNKY JEANS EXIT RUSSIA



How low can you go when the American media floods the airwave of the "tragedy' Russia will face because two symbols of America—junk food and dungarees, renamed "blue jeans" to sell to the public—McDonald's and Levi's announced last week that they were suspending

operations in Russia.

How sad this is, say the Presstitutes, since they are seen as symbolic of the West ending its close ties to Russia after the breakout of the Ukraine War.

"If the opening of McDonald's in 1990 symbolized the beginning of a new era in Soviet life, one with greater freedoms, then the company's current exit represents not just a closing down of a business, but of society as a whole," Darra Goldstein, a historian, told CNN.

The first McDonald's opened in Moscow 32 years ago and the line stretched hundreds of yards long, *The Guardian* reported.

The company announced that it would temporarily close 850 franchises in Russia. Other companies that pulled back from Russia are Nike, Ikea, Apple, Zara, Netflix, Visa, and Mastercard.

"There's just this sickening feeling that they're going to go back, not to the 1990s, but to the 1970s when you didn't have access to these things, and when you were living isolated from the rest of the world," Angela Stent, a Georgetown professor and former national intelligence officer for Russia on the National Intelligence Council, told *The Guardian*.

# Levi's Represents Lost Era in Russia

The *Financial Times* reported that the classic blue Levi's jeans were once so coveted in Russia that stores found it challenging to keep samples on the floor because they were so often stolen.

Jeans were once tied to capitalism and were barred in East Germany, which was occupied at the time by the Soviet Union. The jeans became a symbol of freedom for ordinary Russians.

The report said the pants, called "dzhins," were once sold on the black market in Russia and, by 1981, cost 200 roubles, which was about a month's salary for a blue-collar worker.

The company announced last week that it will stop any new investment in Russia. CNBC reported that about 4 percent of the company's 2021 net revenue originated in Eastern Europe.

"Given the enormous disruption occurring in the region, which makes normal business untenable, LS&Co. is temporarily suspending commercial operations in Russia, including any new investments," the company said.

Levi's and the Levi Strauss Foundation announced that it would donate more than \$300,000 to nonprofit organizations helping Ukrainians displaced by Russia's invasion, NPR reported.

**TREND FORECAST:** The exit of many companies across the business spectrum will negatively impact Russia's economy. However, to say it is a great loss for Russia to lose symbols of American culture such as its junk foods, junk soda and junk jeans—dungarees that were created for miners during the 1850s Gold Rush in America—signifies how low America has fallen in taste and quality.

Indeed, during the Great Depression, America led the world with the sounds of Big Band Swing and high styles of dress that accompanied it.

And now, as Russia sinks into economic decline, there is an opportunity to fill the junk brand exits by dressing up and eating up to higher levels to lift the nation's spirits and desires.

# U.S. ACCUSED OF OPERATING BIOWEAPONS LABS IN UKRAINE, MOUTHPIECE MEDIA PROMOTES GOV'T LINE



Victoria Nuland, the U.S. State
Department's Under Secretary of State for
political affairs, gave life to Russia's claim
that the U.S. teamed up with Kyiv to
operate bioweapons labs in Ukraine, which
the corporate news media has written off as
bogus.

Nuland—who was a chief architect of the U.S. led coup that overthrew the democratically elected president of Ukraine Victor Yanukovych in 2014 – was asked by Sen. Marco Rubio during a Senate Committee on Foreign Relations hearing last week if Ukraine has these facilities. (See "VICTORIA 'FUCK THE EU' NULAND WHO SPEARHEADED OVERTHROW OF DEMOCRATICALLY ELECTED PRESIDENT OF UKRAINE IN 2014, STILL IN POWER.")

"Are there chemical and biological weapons labs in Ukraine?," asked Rubio.

Nuland said, "Uh, Ukraine has uh, biological research facilities, which, in fact we are now quite concerned Russian troops, Russia forces may be seeking to uh, gain control of. So, we are working with the Ukrainians on how they can prevent any of those research materials from falling into the hands of uh, Russian forces should they approach."

Before she could continue, Rubio shut her down, saying Russian "propaganda" claimed that Ukraine was planning a biological or chemical false flag attack and

asked Nuland if she had any doubt, should such an attack occur, that Russia was actually behind it.

Ned Price, the State Department spokesman, said the U.S. "does not own or operate any chemical or biological laboratories in Ukraine, it is in full compliance with its obligations under the Chemical Weapons Convention and Biological Weapons Convention, and it does not develop or possess such weapons anywhere."

#### **About Face**

Nuland's comment was quickly seized on by President Biden's top critics in the media, and sparked favorable news outlets to circle the wagons. *The New York Ti*mes ran a headline, "Theory About U.S.-Funded Bioweapons Labs in Ukraine is Unfounded."

The paper's evidence? "There is no evidence to support the claims, which President Volodymyr Zelensky of Ukraine, the White House, the Pentagon and the State Department have all unequivocally denied."

Nuland was referring to diagnostic and biodefense labs in Ukraine, the State Department told the *Times*, pointing out a distinction from biological weapons facilities.

WSWS.org pointed out that the *Times* repeated "verbatim" the response from the U.S. government.

The report pointed out that *The Washington Post* also ran a report that quoted Zelensky who said, "No chemical or any other weapons of mass destruction were developed on my land."

China's Foreign Ministry joined Russia in calling for an investigation after Nuland's remarks.

"This Russian military operation has uncovered the secret of the U.S. labs in Ukraine, and this is not something that can be dealt with in a perfunctory manner," Zhao Lijian, a ministry spokesperson, said Thursday, according to The Associated Press. "It is not something they can muddle through by saying that China's statement and Russia's finding are disinformation, and are absurd and ridiculous."

**TRENDPOST:** The separation between the corporate media and the people they cover continues to blur as the Presstitute, media whores who get paid out by the corporate pimps and Washington whore masters keep doing what they are told.

The Ukraine War has been a stark reminder of the dangers of what happens when a news report is formed around a Pentagon or Ukrainian press release, and the "evidence" in the report is the press release itself.

The Times and Washington Post have all repeated the U.S. claim. William Burns, the CIA director, managed to spin Nuland's response and doubled down on Rubio's claim that the Russians could be lining up a biological attack of its own in a false flag operation that could be blamed on Washington.

"This is something, as all of you know very well, is very much a part of Russia's playbook," he said, according to the AP. "They've used these weapons against their own citizens, they've at least encouraged the use in Syria and elsewhere, so it's something we take very seriously."

#### China Side

The China Daily newspaper reported that officials from Russia claimed to have uncovered evidence that these clandestine labs have worked on pathogens such as anthrax, the plague, and Malta fever.

The labs also allegedly carried out experiments using bat coronavirus samples. The report said the U.S. maintains 336 biological labs in 30 countries.

# AFTER DESTROYING VENEZUELA'S ECONOMY, NOW U.S. WANTS THEIR OIL



It's all about the oil, stupid.

After years of trying to unseat Venezuelan President Nicolás Maduro in favor of Juan Guaidó—a nothing of a U.S. puppet pumped up by Donald Trump during his presidency—the U.S. wants to make

friends with Maduro after it banned Russian oil imports and sent oil prices soaring. (See <u>"As forecast: U.S. leads coup in Venezuela,"</u> 31 Jan 2019 and <u>"Regime Change in Venezuela: Made in U.S.A."</u> 15 May 2019)

Maduro's government last Tuesday released two Americans who were imprisoned in the country, which was seen as a major thaw between Washington and Caracas, despite U.S. officials saying the release had nothing to do with potential oil sales to the U.S, according to *The New York Times*.

The paper reported that there have been "back-channel discussions" about resuming the oil trade with the U.S.

Gas prices in the U.S. had been approaching record levels last month—prior to the Ukraine War. Russia normally ships about 90,000 barrels of crude oil per day to the U.S. Washington hopes that Venezuela could make up for the missing Russian barrels.

Jake Sullivan, the White House national security adviser, told NBC's "Meet the Press" on Sunday that the U.S. would only lift sanctions on Venezuela if it is tied to "concrete steps" from Maduro's administration.

Sen. Bob Menendez, the chair of the Senate Foreign Relations Committee, expressed concerns that purchasing oil from Maduro would lead to a more destabilized region and impact an entire generation.

"Nicolás Maduro is a cancer to our hemisphere and we should not breathe new life into his reign of torture and murder. As such, I would strongly oppose any action that fills the pockets of regime oligarchs with oil profits while Maduro continues to deprive Venezuelans of basic human rights, freedoms, and even food," Menendez said, according to *The Hill*.

The **Trends Journal** has long reported on the U.S. effort to prop up Guaidó and recognize him as the country's true leader. (See <u>"VENEZUELA: GUAIDÓ BLOCKED, GUAIDÓ BACK"</u> and <u>"EUROPEAN UNION SNUBS GUAIDÓ."</u>)

President Trump once declared, "Maduro is no longer president of Venezuela. Trump's administration launched the propaganda campaign branding Maduro's victory as "heavily rigged," "fraudulent," "a sham," "a joke" and "a disgrace."

Trump's White House ended oil shipments from Venezuela and his team tried to inspire a coup.

But, in fact, the elections in Venezuela were regarded as among those closely monitored and legitimate. Several international monitoring organizations observed the elections and affirmed their fairness.

But a lot can be forgiven when it comes to oil prices.

Officials from Washington joined Maduro in his palace over the weekend, which *The Washington Post* pointed out was the highest-level U.S. contact with the country in years. Guaidó, the opposition leader, was nowhere to be found.

The paper, citing four U.S. officials, said the officials were in touch with Guaidó during the visit, but they did not meet face to face. The hope of the meeting was to "drive a wedge between Caracas and Moscow, the *Post* reported.

Besides oil prices, the Biden administration is concerned that Venezuela could become a security risk as the war with Russia and Ukraine drags on. There is fear that Moscow could deepen military ties with Caracas.

The paper wrote that the meeting "strengthened Maduro at a time when Guaidó and his allies, still recognized by the United States as Venezuela's interim government, struggle to remain relevant." *The Wall Street Journal* reported that Maduro gave a speech and bragged about the meeting.

"The loser in all of these actions by the United States is the opposition, but especially the interim government," an opposition figure told the *Post*.

Guaidó, the opposition leader, said Wednesday that only a democratic nation could be "a reliable and efficient energy supplier for the world."

Biden said Guaidó was aware of the meeting with Maduro, and his administration continues to recognize him as the legitimate president, El País reported.

Brian Winter, vice president of the Council of the Americas, told the AP that clearly a "decision was made to abandon some of the pillars of the U.S. policy toward Venezuela these past few years."

"But until we know precisely what the Biden administration is trying to achieve, it'll be difficult to evaluate how far this détente can go," he said.

**TRENDSPOST:** The U.S.'s overture to Venezuelan President Nicolás Maduro, who Washington denounced as its illegitimate leader is further proof that Oil Talks and Bull Shit Walks. The Biden administration has reached out to Venezuela, Iran, and Saudi Arabia after its fallout with Moscow.

Helima Croft, the head of global commodity strategy at RBC Capital Markets, told The Wall Street Journal that the Biden administration's effort is akin to "a scavenger hunt."

"Given the potential magnitude of the Russian losses, the White House will need something akin to a straight flush to pull it off," she said.

Rep. Gregory Meeks, chairman of the House Foreign Affairs Committee, said in a statement Wednesday that the "Trump-era oil sanctions currently in place have only deepened the suffering of the Venezuelan people and failed to weaken Maduro's control of the country."

Indeed as we had noted in 2019:

"In addition to the Trump administration putting a \$15 million bounty on President Maduro and accusing him of being a narco-terrorist, as recently as 1 April, President Trump announced that U.S. Navy ships were ordered to the coast of Venezuela to prevent drugs from leaving the country bound for the U.S.

"Again ignoring the economic terrorist sanctions imposed by Washington, Secretary of Defense Mark Esper stated at that time, "The Venezuelan people continue to suffer tremendously due to Maduro and his criminal control over the country, and drug traffickers are seizing on this lawlessness."

**TRENDPOST:** What applied back then, when Donald Trump attempted to overthrow the Venezuelan government, applies now with the media coverage of the Ukraine War and the United States arrogant hypocrisy. In January 2019 we wrote:

"Absent from all of the media coverage and analysis by their 'experts,' is the fact that the United States has absolutely no moral or legal right to intervene and dictate how other countries choose their leaders.

"Yet, this is the same America that condemns other nations for the same actions that it takes. For example, the U.S. and its media have continually condemned Russia for its involvement in Ukraine, a neighboring country. And both Iran and Russia are chastised for their involvement in Syria, even though they were invited to intervene by the nation's president.

"And this is the same America that is overtly "meddling" in Venezuela's elections, while condemning Russia non-stop for allegedly meddling into its 2016 elections."

**TRENDPOST:** Before Trump's Crusade to overthrow the Maduro government, in 2015, the Obama administration officially declared Venezuela to be an "unusual and extraordinary threat" to national security, officially declaring: "We are committed to advancing respect for human rights, safeguarding democratic institutions, and protecting the U.S. financial system from the illicit financial flows from public corruption in Venezuela."

# FEATURED ARTICLES BY GUEST WRITERS



## **UKRAINE HOSTED ILLEGAL U.S. BIOWARFARE LABORATORIES**

By Paul Craig Roberts, Institute for Political Economy

The Russian Foreign Ministry confirmed last Tuesday that Ukrainian authorities destroyed inventories of plague, anthrax, tularemia, cholera and other deadly pathogens in illegal U.S. biowarfare laboratories in Ukraine operated and funded by the U.S. Department of Defense to prevent them from falling into Russian hands. U.S. Under Secretary of State Victoria Nuland confirmed the reports.

These laboratories are in violation of Article I of the UN Biological Weapons Convention. This violation makes the U.S. government a clear cut War Criminal subject to the death sentence under the Nuremberg Laws established by the United States Government itself.

What was Washington going to do with these pathogens? Which populations were going to be recipients of these gifts from Washington? Russia? Europeans and blamed on Russia? Was there to be a new outbreak to be used to destroy whatever remains of civil liberty in the Western world? Now that the U.S. government has united with the Ukrainian neo-nazis, how long before the swastika flies over the Western world?

The Chinese government is demanding to know from Washington why Washington was hiding its illegal war criminal behavior in Ukraine. The Chinese Foreign Ministry demands that Washington "release relevant specific information, including what viruses are stored and the research that has been carried out."

Dumbshit Americans do not understand that "their government," actually the government of the greed and power driven elite governing group, is a criminal enterprise. Americans wrapped in the flag will go to their deaths in total ignorance.

Chinese government spokesperson Zhao Lijian said that the U.S. Department of Defense controls 336 biological laboratories hidden in 30 countries and that the U.S. biowarfare activities in Ukraine are only "the tip of the iceberg."

So, what the Russian invasion of Ukraine has brought forth is hard evidence that Washington is in violation of the biowarfare convention which Washington signed and hides its illegal engagement in biological warfare research not only within the U.S. but also in 30 other countries.

The evil that resides in Washington is unprecedented in human history.



# A SCIENTIFIC LOOK AT BOTANICAL PLANTS AND SUPPLEMENTS AGAINST CORONAVIRUS

By Richard Gale and Gary Null PhD, The Progresive Radio Network

During the past two years the coronavirus pandemic has dominated the news at the expense of everything else that is critical and urgent in our lives. As panic decreases and less cases are reported daily, health-minded people are eager or even desperate to know whether there are ways to strengthen the body's immune system to offer some protection from SARS-2 and other viral upper respiratory infections.

At the time that the pandemic was declared in March 2020, there were six known strains of coronavirus, four which were associated with the common cold or mild to moderate respiratory infections. Everyone has likely had a coronavirus infection at some time in his or her life. However, before SARS-CoV2, two strains—Severe Acute Respiratory Syndrome or SARS and Middle East Respiratory Syndrome (MERS)—were more severe.

Between the years 2002-2004 and 2014-2018 these strains respectively were observed to be lethal. However, during these same periods, total deaths were under one thousand.

Compared to other viral infections that target the respiratory tract, especially influenza, until recently there was less research either to understand the pathway of infection and the drugs or natural substances to battle the virus.

<u>During an early coronavirus task force meeting</u>, the White House asked whether the flu vaccine would protect against the coronavirus. The flu vaccine is not only influenza-specific, it is also flu strain specific. It offers no discernable protection to other viruses.

There was a caveat to this strategy despite later CDC recommendations that the flu vaccine might lessen SARS-2 risks.

In January 2020, the journal *Vaccine* <u>published a study</u> conducted by the Armed Forces Health Surveillance Branch at Wright Patterson Air Force Base. Researchers investigated viral interference due to receiving the flu shot; in other words, does the flu vaccine make a recipient more susceptible to other non-influenza respiratory viral infections? The study's conclusions state "Vaccine derived virus interference was significantly associated with coronavirus and human metapneumovirus."

This was not the first time that viral interference from the flu vaccine has been associated with an increase in non-influenza respiratory infections. A more thorough study, an actual clinical trial, was conducted by the University of Hong Kong in 2012. The double blind randomized controlled trial followed a group of flu-vaccinated versus placebo-vaccinated children between 6 and 15 years of age over the course of nine months to determine infection rates from 19 other respiratory viruses.

The study found "no statistically significant difference in the risk of confirmed seasonal influenza infection between recipients of the [influenza vaccine] or placebo." However, it was the dramatic number of incidences of non-influenza

infections found in the flu-vaccinated group (105 cases), which included coronavirus, as opposed to 54 cases among those who received a placebo.

In other words, the results suggest that receiving the flu shot may increase one's risk of contracting respiratory viruses by almost 100 percent.

A <u>Swiss study</u> noted that the SARS coronavirus and influenza share two of the same proteases in targeted cells—TMPRSS2 and HAT. These are responsible for activating the spread of the virus at the point of infection and contribute to their pathogenesis in an infected cell.

Therefore it may be proposed that natural supplements and botanical remedies that have been shown effective against influenza may more or less be effective against coronavirus as well.

In fact, <u>a study released</u> by Shengjing Hospital of China Medical University in the *Journal of Medical Virology* recommended that patients' nutritional status be evaluated before any conventional treatment. The hospital recommended a regimen that included Vitamins A, B, C, D, E, Omega-3, Selenium, Zinc, gamma globulin administered intravenously and Chinese traditional medicine.

Natural botanicals remain the most successful source for leads in drug discovery. Due to botanicals' unique structural diversity, nature remains our greatest resource to identify unique molecules for treating disease and infection.

Therefore we have scoured the peer-reviewed literature on the National Institutes of Health's Library of Medicine database to identify compelling studies that may warrant vitamin, antioxidant, and botanical supplementation as a means to protect ourselves from coronavirus and other respiratory infections.

These have been shown to either have strong antiviral properties in general or have known biomolecular effects to strengthen the immune system against microbial infection. We are not offering prescriptions. This is just a summary of some important scientific information for you to make better informed decisions for protecting yourself while the coronavirus wends its course.

#### **BOTANICALS**

# **Astragalus**

In Traditional Chinese Medicine (TCM), coronaviral infections belong to a specific epidemic disease category. Astragalus is not only a very popular plant used in TCM, but it is also one of the most researched and promising botanical plants shown to have antiviral properties.

In both TCM and Indian Ayruveda medicinal formulas, astragalus has been prescribed for centuries because of its effectiveness against infections and over-stressed respiratory conditions. Compounds, <u>notably saponins</u>, found in astragalus have been well researched and found to hinder influenza proliferation. The U.S. Department of Agriculture's Avian Disease and Oncology Laboratory found it inhibits avian flu viruses.

Jinlin Academy of Agricultural Sciences in China <u>conducted a study</u> published in the journal *Microbiological Pathology* that concluded:

"Astragalus exhibits antiviral properties that can treat infectious bronchitis caused by [avian] coronavirus."

In China, which has a large poultry industry, avian coronaviruses are a serious threat to chicken farmers. Chinese farmers will often include astragalus in feed to protect the birds from infection as well as <u>pig feed</u> to ward off porcine circovirus.

In early 2020, Beijing University of Chinese Medicine completed an analysis of previous research looking at the benefits of Chinese herbal formulas against the SARS and H1N1 flu (swine flu). In three studies, among participants who took formulas against SARS, none contracted the illness. Nor did any contract H1N1 influenza in four additional studies. A primary ingredient in these formulas' was astragalus.

That same year, researchers at Beijing Children's Hospital at the Capital Medical University provided an overview of recommended diagnostic procedures and treatments for specific symptoms witnessed in Covid-19 infections that included both allopathic and traditional Chinese medicine.

In cases where there are signs of severe weakness and stress observed in the lungs and spleen, a formula called Liu Jun Zi was prescribed, which includes astragalus and ginseng as two primary botanicals.

The prestigious journal *Science* published a review out of Yun-nan Academy of Agricultural Sciences in China that investigated the great disparities in infection and mortality rates between different provinces—Wuhan being the most severe. In the provinces with the lowest infection rates, there was between an 84 percent to 98 percent use of TCM formulas. Again, two of the main ingredients were Astragalus and Ginseng.

# Cannabinoids (CBD)

During the past two years, some of the most exciting research published about natural treatments against SARS-2 infections focuses on cannabinoids.

In a cohort study, University of Chicago researchers observed that the group of persons previously taking cannabinoids (CBD) "had significantly lower SARSCov-2 infection incidence. The scientists recommended that CBD was a potential preventive agent and therapy for early SARS-2 infections.

A later Chicago study observed that human lung cells exposed to CBD for two hours before being exposed to the SARS-2 virus did not replicate in the cells. However, this effect was only observed in CBD minus hemp's psychoactive molecule THC.

Research out of Oregon State University showed that both "cannabigerolic acid [CBDG] and cannabidiolic acid [CBDA] prevented infection of human epithelial cells by a pseudovirus expressing the SARS-CoV-2 spike protein and prevented entry of live SARS-CoV-2 into cells."

Research has already identified CBDs' effectiveness as an antiviral against hepatitis C and Kaposi sarcoma-associated herpesvirus. Similar to inexpensive repurposed drugs shown to dramatically reduce the severity of Covid-19, Israeli scientists at University of Haifa and Rambam Health Care argue CBD will "prevent the progression from mild to severe disease."

Besides cannabinoids' allosteric properties, there is also evidence that they may significantly repress host inflammatory responses that might lead to hyper-inflammation and cytokine storms.

Separately, the University of Campania in Italy and the Medical College of Georgia noted that stimulation of cannabinoid receptor type 2 (CB2) reduced the release of pro-inflammatory cytokines.

The latter study suggests that CBD may be a powerful treatment for severe SARS-2 respiratory infections. It may be noted that because CBDs target the spike protein, phytocannabinoids are potentially effective and safe preventive remedies against post-Covid vaccination adverse effects.

# **Licorice Root (Glycyrrhizin Acid)**

In traditional medicine, licorice root has been used to relieve and treat ulcers, sore throats, bronchitis, coughs, adrenal insufficiencies and allergic diseases.

Ancient manuscripts from China, India and Greece each include licorice for treating respiratory tract infections and hepatitis.

Licorice's main antiviral compounds are known as glycyrrhizins (GL), a potent immune-active anti-inflammatory agent.

For 20 years Japan has used glycyrrhizins intravenously to treat chronic hepatitis B and C infections with very rare side effects. It has also been shown to induce apoptosis in lymphoma cells and Kaposi sarcoma related to herpes virus.

Therefore it was an unexpected surprise to discover that there is notable research on glycyrrihizin's effectiveness against coronavirus and in particular SARS.

Japan's National Institute of Infectious Disease reported GL's effectiveness against coronavirus and severe acute respiratory syndrome (SARS) as well as Epstein Barr virus and human cytomegalovirus.

After the deadly SARS outbreak in 2012, virologists at Frankfurt University Medical School <u>investigated several antiviral compounds</u> to treat patients admitted with SARS coronavirus infections. Of all the compounds tested, licorice's GL was the most effective. The scientists concluded that "Our findings suggest that glycyrrhizin should be assessed for treatment of SARS."

The above research was later replicated at Sun Yat Sen University in China and published in the Chinese journal *Bing Du Xue Bao*. The researchers identified several derivatives of glycyrrhizin as primary molecules with antiviral properties. In addition to being effective against the SARS coronavirus, they also found it may be effective against herpes, HIV, hepatitis and influenza.

<u>Earlier in 2005</u>, a team of scientists from Goethe University in Germany and the Russian Academy of Sciences had already identified the antiviral activity of GL against SARS.

The molecule showed a ten-fold increase in anti-SARS activity compared to other potential treatments tested. One conjugate of GL had a 70-fold increase. That study was published in the *Journal of Medical Chemistry*.

<u>During that same year</u>, the Chinese Academy of Sciences screened over 200 botanical plants used in Traditional Chinese Medicine to find those with the strong potency SARS activity. Four botanicals stood out. One of the four was licorice's glycyrrhizin.

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Early during the pandemic, researchers at the University of Lille in France provided a rationale for combining GL with hydroxychloroquine as a safe protocol for treating Covid-19 patients.

Other recent studies that have positively investigated GL's effectiveness against SARS-2 replication have been published out of the University of Essen in Germany, the University of Florida, the Medical University of Warsaw, and University Marburg.

Extract of licorice root is the most effective and glycyrrhizin is also available as a separate botanical supplement.

# Elderberry (Sambucus nigra)

Elderberry has become a popular supplement for relieving symptoms of the common cold and flu infections. It is found worldwide and is part of many of the world's indigenous pharmacopeias.

There are many species of elderberry; the species *Sambucus nigra* seemingly has been shown to have the most medicinal properties.

Most research has focused on elderberry's therapeutic value against influenza. Hadassah University Hospital in Israel found that elderberry was effective in vitro against 10 different influenza strains. Cytokine activity for IL-1, TNF-a, IL-6 and IL-8 all significantly increased thereby confirming its anti-inflammatory and antiviral properties.

Another Israeli study by Hebrew University in Jerusalem and published in the *Journal of Internal Medical Research* found that participants enrolled with existing flu-like symptoms who took 15 ml of elderberry syrup 4 times a day recovered four days earlier than those on medications or a placebo.

Finally, a University of Sydney study observed that certain compounds in elderberries inhibit the flu virus's entry and replication in human cells.

However, there is also research showing elderberry's positive impact on coronavirus infections.

In 2014, researchers at Emory University noted that elderberry extract inhibited coronavirus virility at the point of infection. The scientists hypothesized that elderberry rendered the virus non infectious.

One of the better studies came out of National Sun Yat Sen University and the China Medical University Hospital in Taiwan in 2019. The researchers used an ethanol extract of Sambucus stem (not the berry) and observed its potential against coronavirus strain NL63.

In addition to its antiviral properties, elderberry is also effective against pathogenic bacteria. Under laboratory conditions at Justus Liebig University in Germany, elderberry was shown to be very effective against several bacteria that are responsible for pneumonia during SARS-like and flu-like infections, and against Influenza A and B viruses in particular.

#### **Echinacea**

A systematic review of the existing research before 2011 by the University of British Columbia and published in the journal *Pharmaceuticals*, concluded:

"All strains of human and avian influenza viruses tested (including a Tamiflu-resistant strain), as well as herpes simplex virus, respiratory syncytial virus, and rhinoviruses, were very sensitive to a standardized *Echinacea purpurea* preparation."

There are different species of Echinacea. The species *Echinacea purpurea* has been observed to be most effective and targets the most infectious pathogens.

Echinacea does present limitations depending upon the severity of an infection. Once a cold caused by any one of the various cold viruses, including coronavirus, more deeply infects the bronchia and the lower lung, echinacea does not appear to be helpful. It is more effective with upper respiratory tract infections.

One of the largest placebo double blind studies on echinacea was conducted by Cardiff University in the UK. The study followed participants for four months and confirmed the safety of long term echinacea supplementation. It also observed a statistically significant decrease in cold episodes in the echinacea group.

There are no strong studies showing echinacea's effectiveness against coronavirus. Up until 2014, only one study looked at its bioactivities against coronavirus and that was a mouse model which required high doses of the plant extract.

In 2012, Griffith University in Australia undertook one notable double blind study to determine whether echinacea provided protection to air travelers.

# The study concluded:

"Supplementation with standardized Echinacea tablets, if taken before and during travel, may have preventive effects against the development of respiratory symptoms during travel involving long-haul flights."

As a piece of consumer advice, a Cornell University study looked at the medicinal properties throughout different parts of the echinacea plant: leaves, stems, bark, roots, etc. The scientists noted that only echinacea extracts that contain the root showed significant antiviral properties.

Echinacea appears to modify the clinical course of flu-like respiratory infection by acting upon IL-8, IL-10 and IFN cytokine activity beneficially.

#### **Olive Leaf**

Oleuropein (OLE) is the most important biomolecule in the olive tree that contributes to its antioxidant, anti-inflammatory, anti-atherogenic, anti-cancer, antimicrobial and antiviral activities and effects.

One advantage of olive leaf is that it is highly bioavailable to the body's cells.

There are almost 10,000 studies in the National Institutes of Health literature database referring to OLE, olive leaf, and olive oil, most with respect to its strong antioxidant and anticancer properties.

According to analysis conducted by the Regina Elena National Cancer Institute in Rome, oleuropein content is most potent in the plant's buds and flowers.

Olive leaf has not been shown to be particularly effective against viral upper respiratory infections; however there is considerable evidence to support olive leaf's ability to strengthen the immune system against infectious viral diseases in addition to possessing other anti-inflammatory qualities.

There are only a few studies showing olive leaf's effectiveness against respiratory viruses. One randomized trial performed by the University of Auckland in New Zealand suggests olive leaf can contribute to treating respiratory illnesses, including coronavirus.

A <u>2001 study</u> out of the University of Hong Kong identified 6 separate antiviral agents in olive that were effective against parainfluenza and respiratory syncytial virus (RSV).

Olive leaf is also effective against bacterial pathogens. Most bacterial pneumonias are gram-positive. According to a joint study by Arab American University and the University of Central Florida College of Medicine, OLE worked best against gram-positive pathogens but gram-negative organisms appeared to be resistant to OLE (eg, E coli, Salmonellas, etc.).

New York University biochemists identified olive leaf extract's anti-HIV activity to modulate the host cell gene expression due to HIV infection.

In fact, olive leaf extracts reversed HIV-1 infections. This was published in *Journal of Biochemical and Biophysical Research*. The conclusions state, "Treatment with OLE reverses many of these HIV-1 infection-associated changes."

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Another joint study by NYU and Harvard Medical School concluded that OLE from olive leaf is "a unique class of HIV-1 inhibitors" and is "effective against viral fusion and integration."

# **Oregano Oil**

Oregano possesses a compound called carvacrol that has been shown to be antiviral.

<u>Soochow University in China and the University of Oklahoma</u> published a study in the *BMC Journal of Complementary and Alternative Medicine* focusing on oregano's antiviral properties against influenza viruses.

Although oregano did not kill the virus it nevertheless inhibited the virus' ability to translate proteins responsible for the viral binding to cells.

A <u>University of Putra Malaysia</u> meta-analysis of existing research of different plant essential oils reported oregano was strongest against the flu-like viruses adenovirus and coxsackie virus.

A <u>2010 randomized double blind study</u> study published in *Evidence Based Complementary and Alternative Medicine* suggested oregano was beneficial as a throat spray and showed significant and immediate improvement of upper respiratory infectious ailments.

<u>University of Arizona</u> published a paper in the *Journal of Applied Microbiology* investigating oregano's antiviral properties when used as a sanitizer. The study focused on one flu-like virus, novovirus. If sprayed on surfaces, carvacrol will kill the virus within 15 minutes of exposure. The most recent research into Covid-19's surface life—living outside of an animal host—is 9 days.

Finally, it is worth noting a Harvard Medical School study published in the November 2021 issue of *British Medical Journal*, which analyzed data gathered from nearly 600,000 participants comparing Covid-19 symptom rates with diet. Persons eating a healthy plant-based diet were associated with lower risk and

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severity of Covid-19. This was the case even after accounting for other lifestyle measures and behavior.

#### **SUPPLEMENTS**

#### Vitamin C

Unlike the U.S., most of the world, especially in Asia and continental Europe, recognizes Vitamin C as an important anti-viral agent. It is also a remarkable antioxidant shown to ward off infections.

China has conducted several clinical trials with intravenous Vitamin C to treat patients infected with the Covid19 strain. The city government of Shanghai is actively treating patients with intravenous Vitamin C.

A trial at Zhongnan Hospital in Wuhan uses 24,000 mg per day intravenously. The Wuhan study can be viewed on the US National Library of Medicine's website <a href="here">here</a>.

A multi-institute review of twelve Vitamin C studies, five randomized controlled, was published in the November 2021 issue of *Life*.

Patients suffering from severe Covid also appear to have suboptimal levels of Vitamin C. The analysis concluded that for severe Covid cases, intravenous Vitamin C improved oxygenation parameters and decreased hospital stays and mortality. High doses of Vitamin C orally also increased recovery rates from mild infection

<u>Seoul National University College of Medicine</u> concluded that Vitamin C is an essential factor for antiviral immune responses at the early stage of Influenza A infection.

In 2017 the <u>University of Helsinki</u> reviewed 148 studies that indicated Vitamin C may alleviate or prevent infections caused by bacteria and viruses. The most extensive indication studied was the common cold.

Among people who are physically active, Vitamin C was most beneficial. However, many studies relied on very low Vitamin C doses, which likely contributed to the minor benefits observed. Some of these were as low as 100 mg daily.

In addition, the studies showed that colds' duration was frequently shorter and less severe among people with sufficient Vitamin C levels.

An early randomized double blind trial to investigate Vitamin C's ability to protect elderly hospitalized patients from acute respiratory infections was conducted at Huddersfield University in the UK. The study relied on a very low dose of 200 mg per day. Nevertheless, those who received the vitamin fared significantly better than those taking placebo.

Finally, there was <u>another controlled placebo study</u> involving 715 students between the ages 18-32 taking 1000 mg four times daily. The test group had an 85 percent decrease in flu and cold symptoms compared to the control.

#### Vitamin D

Barely a week goes by without another study appearing in the peer-reviewed literature that looks at either Vitamin D's therapeutic characteristics against viral infections or the risks of Vitamin D deficiency.

A high number of otherwise healthy adults have been reported to have low levels of vitamin D, mostly at the end of the Winter season. Deficiency rates vary between 42 percent for the entire population to 82 percent for Black Americans and 63 percent for Latinos.

People who are housebound, institutionalized and those who work night shifts are most likely to be vitamin D deficient. This includes many elderly people who receive limited exposure to sunlight.

It has been <u>shown</u> that Vitamin D deficiency is associated with an increased risk in autoimmunity illnesses and greater susceptibility to infection. It also boosts up

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the body's mucosal defenses which are critical for protecting ourselves from infectious respiratory viruses.

Research continues to pile up showing that Vitamin D is crucial both for the prevention and treatment of Covid-19 cases. However, sadly health officials continue to ignore the importance of this vitamin to lessen symptomatic Covid cases.

Yet the research is near conclusive. An Israeli study conducted at Galilee Medical Center reported that 26 percent of Covid patients who died were Vitamin D deficient, compared to 3 percent among other patients.

A separate study conducted by the German Cancer Research Center estimated that Vitamin D insufficiency may account for almost 9 of 10 Covid-19 deaths. They also report that Vitamin D suppresses excessive cytokine release that may contribute to a cytokine storm.

Dr. Michael Holick, a medical professor at Boston University School of Medicine is regarded as an expert in Vitamin D. In his 2020 led study, Dr. Holick looked at 190,000 Covid cases representing all 50 states, and found that sufficient levels of the vitamin could reduce the risk of infection by as much as 54 percent.

In addition to Vitamin D supplementation, ambient ultraviolet B light, which is key for the vitamin's production in the skin, is strongly protective against severe Covid-19 illness and death. This was the conclusion of a joint study conducted by Trinity College in Ireland and the University of Edinburgh, which enrolled almost a half million individuals in the UK.

Harvard and Massachusetts General Hospital in conjunction with a global collaborative study to follow up on a Cochrane analysis of 25 randomized controlled trials involving 11,000 participants confirmed that vitamin D. taken daily or weekly significantly cut the risk of respiratory infections in half.

<u>Jikei University School of Medicine</u> in Japan conducted a randomized double blind placebo trial to measure the rate that Vitamin D reduced seasonal influenza

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A. Almost twice as many participants in the placebo group came down with the flu compared to the Vitamin D group. The Japanese scientists also observed that people with a history of asthma were best protected.

For children, a <u>Childrens Hospital of Philadelphia</u> meta review identified 13 of 18 studies confirming that Vitamin D deficiency was associated with increased incidences of acute lower respiratory infection.

# **N-Acetyl Cysteine**

Oxidative stress is a well known pathway for microbial infections such as viruses and bacterial pneumonia, especially in the lungs.

When the lungs are subject to serious oxidative stress, there is an increase in inflammatory cytokines, especially IL-1, IL-8 and Tumor necrosis factor or TNF.

Each of these cytokines have been shown repeatedly in clinical research to play a role in different respiratory infections including influenza, coronavirus, echovirus, adenovirus, coxsackie virus and others.

Therefore, certain antioxidants can alleviate lung damage due to oxidative stress.

N-acetyl cysteine is one of these extremely important antioxidants. It exhibits both direct and indirect antioxidant properties. The indirect benefit is that it increases the concentration of another important antioxidant, glutathione, in the lung cells.

Before the pandemic, there was already substantial evidence that NAC significantly reduces the rate of influenza clinical symptoms.

Johann Goethe University Department of Virology observed that NAC inhibits the replication of seasonal human influenza A viruses by decreasing several of these pro-inflammatory molecules. The scientists recommend that NAC should be included as an additional treatment option in the case of an influenza A pandemic.

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An Italian randomized placebo study conducted at the University of Genoa found that subjects who were already suspected of having contact with the H1N1 flu virus who were placed under NAC treatment had a 25 percent rate of experiencing symptoms compared to 79 percent in the placebo group.

Since the pandemic, however, the body of research showing that NAC's immune modulating characteristics is also effective against SARS-2 has multiplied. It is very inexpensive and has an extreme low toxicity. It has been FDA approved for many years, despite federal efforts to suppress its use for treating Covid-19 cases.

#### L-Lysine and Melatonin

Since amino acids have been implicated with viral infection and replication, research is underway to identify very cheap and effective therapies to fight SARS-2 infections and lessen their severity.

Among them, L-lysine and melatonin have shown the greatest promise.

The journal *Biomacromolecules* reported in early 2022 that Tsinghua University in Beijing L-lysine extended protection to and stabilize Covid-19 neutralizing antibodies.

China Medical University in Taiwan likewise found the amino acid could be used as a safe prophylactic to be added in daily dietary regimens. The Taiwanese study observed that lysine and lysine-ester was especially effective in blocking SARS-2 early stage entry.

Similarly, the amino acid melatonin may serve as an adjuvant therapy against Covid-19.

Researchers at Wayne State University have shown that melatonin intervenes with the SARS-2 virus at several cellular sites associated with decreased oxygen saturation—a frequent symptom in severe Covid cases.

Another study conducted by Jagiellonian Medical College in Poland came to the same conclusion. In fact melatonin has been approved by the FDA for inclusion in an emergency authorized drug-based cocktail to manage viral progression.

A Texas Tech University Health Center review of the existing scientific data concludes that it reduces "reactive oxygen mediated damage, cytokine-induced inflammation and lymphopenia."

Another supplement shown to be effective is NAD+. NAD+ regulates immune responses during viral infections.

Researchers at Harvard Medical School believe it may be a promising therapeutic target against SARS-2 to strengthen the body's antiviral defenses. The scientists noted that low levels of NAD+ "might exacerbate Covid-19 severity," and boosters either through NAD+ supplementation or with the derivative nicotinamide mononucleotide (NMN) is necessary.

#### Colloidal Silver

Nanoparticle or colloidal silver has been studied extensively for its anti-bacterial properties but less so for infectious viruses. <u>Most studies</u> for silver's antiviral activities have focused on HIV-1, Hepatitis B, herpesvirus and respiratory syncytial virus or RSV.

In a 2005 issue of the *Journal of Nanotechnology*, the University of Texas and Mexico University observed that silver nanoparticles could kill HIV-1 within 3 hours, and they suspected that this may be true for many other viruses as well. However, this conclusion may be too premature and more research is necessary.

There are studies showing silver's efficacy against respiratory viruses. One large study by Japan's National Defense Medical College Research Institute, published in the *Journal of Molecular Sciences*, recommended that Japanese healthcare workers take nanosilver to protect them from viruses including coronavirus.

In 2010, the <u>University of Naples</u> measured silver nanoparticles' capabilities to reduce and prevent infection from the parainfluenza type 3 virus. The scientists hypothesized that the silver may block the virus' interaction with the cell. Then a joint study by Deakin University in Australia and Osaka University in Japan found that colloidal silver significantly protected cells from H3N2 flu infection and prevented viral growth in the lungs

Finally, colloidal or nanoparticle gold has also been shown to inhibit the flu virus' binding capacity to a cell's plasma membrane. That research was carried out by <a href="Freie University in Germany">Freie University in Germany</a>.

#### Conclusion

Yes, we should be concerned about serious symptomatic SARS-2 infections. At the moment, the primary solution for managing the crisis has been to spend billions of dollars on experimental vaccines and novel patented and yet to be proven drugs.

These are the only talking points in the mainstream media. Otherwise, there is no mention about what we can do to strengthen our immune system.

On the other hand, the recommended natural solutions shared above, supported in the peer reviewed scientific literature, is something everyone can do. Besides, it is safe and not expensive. Therefore these natural solutions too should be considered as a viable and effective recourse to prevent and lessen SARS-2 infections.

# TRENDS IN THE MARKETS



# (FALSE FLAG). BE READY FOR ANYTHING!

By Gregory Mannarino, <u>TradersChoice.net</u>

The Mainstream Media Propaganda Machine continues to push the never-ending CRISIS to CRISIS narrative while keeping the FEAR storyline in full swing.

CHEMICAL ATTACKS, ENERGY AND FOOD SHORTAGES, SURGING INFLATION, and every other manner of mind control psyop is currently being broadcast to a dumbed-down public.

Distractions, deceptions, misinformation, and outright lies are the norm today as the public is dragged along into yet another blood-soaked conflict being used as a scapegoat for the world's ills.

The fact of the matter is this: engineered crises must be created to keep the debt-based system functioning, and it cannot stop.

Moreover, every crisis must be prolonged by every imaginable means so as to allow the scheme to balloon into a money-creating/debt-inflating mechanism—and they will spill the blood of MILLIONS of people to keep the debt-creation mechanism functioning.

It seems like they are determined to expand this war. The mainstream media is relentlessly pushing the "chemical attack" narrative as a method to lessen the shock WHEN it happens... This will obviously be a FALSE FLAG event being utilized to widen, deepen, and PROLONG war.

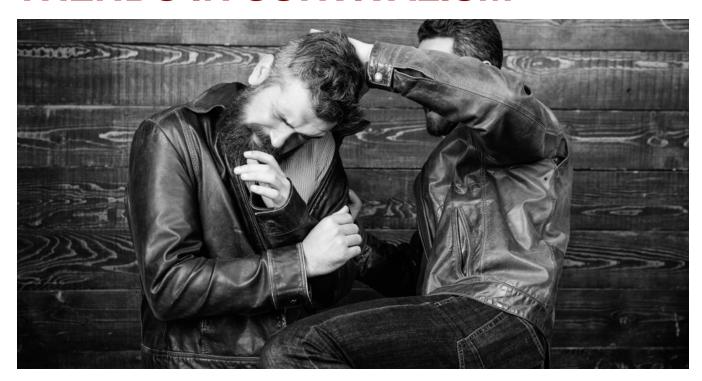
Most people do not realize that war, and the propagation of war, generates more money for the corporate agenda than any other agenda on Earth! Therefore, it is only logical that yet another war would be used for that purpose.

I am personally expecting that a major false flag event will occur, and we should all expect it.

If we were to look back on history—every single major war was preceded by a false flag event. A false flag event invariably gets the public to rally behind expanding military action, and VAST increases in military spending—which is of course the real reason behind the false flag.

So, be ready for it.

# TRENDS IN SURVIVALISM



#### **ACTUAL DEFENSE AND COMBAT**

By Bradley J. Steiner, American Combato

When the idea of allowing full contact in karate sparring arose (i.e., mid to late 1970's) it sparked a powerful response from martial arts enthusiasts. "Wow! That will really get you ready to kick ass in the street!", "Ultimate realism!", "This will let people prepare for actual combat when no one 'pulls' their blows", "No more 'theory' here! Now we will really get to see how effective karate is!", and so on.

We even knew the Top Full Contact Fighter at the time: David Wells. He was a fabulous fighter, strong as three men combined, and—despite his size—Dave was fast as a cat! He worked out in the gym we ran in The Bronx. Dave was also a gentleman of the highest order.

We knew that this trend in karate was a serious error, and that instead of better preparing students to defend themselves, it misled them and gave them a most unreal idea regarding what hand-to-hand combat is, and what one needs to be able to handle genuine dangerous violence.

First, sparring is unrealistic and counterproductive in readying anyone to deal with a violent offender or an enemy in military close combat.

Any sparring . . . with or without contact.

Sparring is a great sport (if you forbid contact), and no one can argue that those who train for competition are as legitimate and respectable as those who train for real combat. Do whatever you enjoy or find most fulfills your purpose in training. But understand what you are doing, how it will condition you, and exactly what your participation will and/or will not prepare you for.

If contact is permissible in sparring, then RULES must enter what sort of contact you can make. Obviously, you cannot make solid and fierce contact with the eyes, throat, ears, neck, sternum, testicles, knees, shinbones, insteps, kidneys, solar plexus, liver, spleen, bridge of nose (or philtrum), bladder, pubic bones, spine.

Note that originally, when karate sparring was first introduced as a method not of competing, but of developing combat skills, NO CONTACT was the absolute rule, only black belts were permitted to begin sparring, and all of the vital target areas were allowed. Sparring was rigorously controlled, and no contact was the guiding rule. Period. No exceptions.

That rapidly changed because the inevitable viewing of this exchange of techniques as a sport intrigued many people. Especially in the West, where the public loves sports, (but, alas, hates disciplined, regular, hard drill) karate sparring took off. It was (as it is today) touted as an "exciting sport and a method of self-defense."

The latter has been diluted, however, to a dangerously low point.

Competitive karate sparring (or any competitive match-type "fighting") is not, regardless of what people like to believe, a reliable method of all-in self-defense and close combat. That it (like judo, boxing, wrestling, kickboxing, etc.) can be adopted by a highly proficient individual to a self-defense emergency is hardly surprising, and neither we nor anyone else (as far as we know) denies this.

But full contact karate instills and conditions in the participant the use of benign techniques . . . so that they can make contact! Since participation in the activity involves intense concentration, and the techniques become automatic, one who participates in full contact karate will doubtless—unconsciously—resort to that which he competes with in an emergency.

(Note: we have seen karate and MMA fighters already do this. Yes, it is sometimes effective; but it is not the best way to go against truly lethal assailants. And one must be an experienced, in-his-prime actively competing athlete for this to work. A typical Joe will simply get bashed in the mouth and stomped).

And there is this: In full contact karate matches (or "contact matches" of any kind) participants get used to being hit.

But any average person or woman in decent shape (and sometimes in not-such-good shape) will be able to handle that kind of "being hit" easily, in a real encounter.

Fear, adrenaline flow, increased blood pressure, etc. that naturally occurs in an emergency, will permit Mr. and Mrs. average person to absorb and assimilate sporting-type blows and contact. They do not need to smash each other about in sparring matches.

And no amount of conditioning from "sparring" and "competition" will enable anyone to withstand a broken knee or shinbone, gouged eyes, a crushed throat, powerful impact to their carotid artery, blows to the testicles, smashed kidneys or pubic bones, a ruptured bladder, burst eardrums, or a broken spine. We do not say all of this to be dramatic; simply to point out the truth.

Real combat (and real self-defense!) demands that truly destructive actions be made reflexive, spontaneous, and automatic, on the part of the defender . . . or he may end up dead.

We have no quarrel with anyone who wishes to pursue any form, style, or school of martial art that he prefers. Nor do we argue against competitive sports. Do what you enjoy, and that which meets the objectives you wish to attain. Just realize that to prepare for actual close combat and real-world self-defense, no sport, and no sporting venues will fill the bill.

Combat/defense training is a different animal. You cannot change that fact; and you cannot ready yourself reliably for self-defense by participating in contests and sport, regardless of what anyone—or any fad—may insist. Full contact training—full contact karate, etc.—is not the way to go for hand-to-hand combat training. Please do not find that out the hard way.

# TRENDS IN TECHNOCRACY



By Joe Doran

# SYNBIO AND BIO PHARMA: YES, THERE'S HUGE UPSIDE

It's not exactly a secret at this point that tech billionaires who propelled and profited off computer and internet waves from the 1970's to the early 2000's, are laser-focused on Synthetic Biology (SynBio) and Bio Pharma.

Bill Gates, Eric Schmidt and Elon Musk, among others, are raking in money and placing even bigger bets on the sector, indicating that they believe it's a gigantic next wave of wealth creation.

This past week there was news of "Bill Gates" GMO mosquitoes being introduced in parts of Florida. Aedes aegypti, the mosquito species in question, is known to carry and transmit infectious diseases to humans.

Via a Bill and Melinda Gates Foundation grant, a company called Oxitec developed modified male mosquitoes that pass on a genetic defect that causes offspring to die before maturity.

It sounds like a reasonable use, in one sense. But then, a lot of genetic innovations do. But as COVID mRNA therapies, among other things, have shown, scientists often have little idea of all the possible consequences, or even actively conceal the not-so-bright aspects of their creations.

A lot of information regarding the dangers of elitist conceits and control-freak power mania are being compiled in my new book, *LEAVING HUMANITY: The Corrupt Designs of Technocratic Elites* (with a Forward by the esteemed publisher of the **Trends Journal**, Gerald Celente).

With that said, there are undeniably positive ways that properly constrained and transparent SynBio and Bio Pharma initiatives can contribute.

The abilities and use cases of SynBio are growing by the day.

According to a recent MarketWatch report, so-called "platform" companies (or companies which provide infrastructure for other firms to do research and create specific products or solutions) might lead the way in terms of early investment potential.

Some of the companies mentioned in the report include Novozymes, Merck, Intrexon, Amyris, Genscript, Integrated Dna Technologies, Synthetic Genomics, Dsm, and Locus Biosciences.

People who do their research into the platforms and companies making promising SynBio related technologies and products, and invest wisely, could gain from what is quite literally a transformative, yet still early-stage industry.

But bright line boundaries must be established via the widest possible consensus. Humans and the natural world should be the beneficiaries of

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innovations, not the outmoded or cast-aside collateral damage on the quest to some transhuman or even non-human ascendance.

No government entity or corporation should be allowed to engage in experimentation that spawns manmade organisms that could wipe out humankind. That's madness. And yet, that's part of the tragic story of the just experienced COVID War.

Another lesson of that war: no one should ever be forced to take genetic therapies, or buy only SynBio products like lab grown meat or other foods, etc. If a product is truly beneficial, let it be adopted freely by transparency and informed consent.

# SynBio and Bio Pharma: Some Differences

Bio Pharma techniques, using CRISPR gene editing to alter the genetic code of organisms, including food plants, insects, viruses and humans, is obviously one of the most controversial technologies, for good reason.

Synthetic Biology involves genetic manipulation as well, but it has important differences, at least in much of its research and applications thus far.

In practice, SynBio often involves reprogramming cellular production in yeast, bacteria, or microalgae to generate new, natural molecules such as proteins and enzymes.

The phrase "synthetic biology" was developed to describe the "biosynthesis" of new molecules from other cells.

In contrast to CRISPR style gene editing, the resulting products of many SynBio processes are genetically "natural;" that is, their genetic composition is no different than natural DNA of biological products in nature.

As a Medium article <u>forecasting</u> the growth of SynBio noted, in this sense there's nothing "synthetic" or "artificial" about it.

One of the first breakthroughs of Synthetic Biology dates back to 1978, and the creation of synthetic insulin, by the company Genentech. Because of that work, the former method of acquiring insulin via the slaughter of animals like pigs and cows, has largely ceased to exist.

#### Lab Grown Materials and Real World Environmental Solutions

The exponential advances in computers have allowed scientists to "program" novel genetic sequences and speed biological processes in ways that were science fiction only a few years ago.

Cotton provides one instance. One SynBio investment analyst recently pointed out that cotton, still used for almost half of all textile production, hasn't had a significant innovation since the Cotton Gin, until now.

Researchers at a Massachusetts lab using genetic sequencing technology have figured out how to grow cotton much more efficiently than traditional farming techniques. That research may soon vastly reduce the commercial costs of producing cotton textiles.

Grown naturally, it takes 180 days and 10 tons of water to produce enough cotton for one pair of blue jeans.

Lab engineered cotton, on the other hand, can be grown 10 times as fast (18 days instead of 180), using 80 percent less water, and nearly as much savings of land.

Wood is another material that is being bio-engineered to be produced more efficiently and inexpensively, with less environmental impacts, which could leave more trees in the natural world to anchor ecosystems.

Exxon is investing in SynBio <u>algae technology</u> that currently produces 10-thousand barrels of eco-friendly bio fuels a day.

SynBio is being used to help save American Chestnut trees from a pathogenic fungus introduced from East Asia in the 1900's. And in Hawaii, SynBio has helped preserve and revitalize Papaya production.

These are just a few examples. Synthetic Biology is set to disrupt many current processes and industries.

Again, It's important to have as many people plugged in and involved in "genetic" sector oversight as possible. That means average citizens in grass roots organizations, religious communities, environmental groups and more.

There's only one world, and it belongs to everyone, not a just self-appointed and entrenched cabal of elites who are only too adept at rigging systems and technological innovations for their own extremely narrow benefit.

Note: Nothing here is meant as specific investment advice, and is presented for the purposes of journalism and commentary.

For Further reading, see:

- "GENETIC MODIFICATIONS BEING PREPPED TO "SOLVE" EVERYTHING" (18 Jan 2022)
- <u>"CRISPR CREATOR SAYS GENE EDITING JUST GETTING STARTED"</u> (22 Jun 2021)
- <u>"ARE HUMANS ALREADY BEING GENETICALLY LEGISLATED?"</u> (8 Jun 2021)

# WAR, PROFIT AND TRANSHUMANISM: THE QUEST FOR THE "SECOND QUANTUM REVOLUTION"



A consistent theme of technocratic pursuit is that while it may crow loudly about widespread benefits to mankind, it is too often tied to more sinister motives.

With a new DARPA (Defense Advanced Research Project Agency) call to work with

mega tech companies to speed a "digital arms race" to quantum computing, the dynamic appears to be at work again.

In the wake of war between Russia and Ukraine, and continued rivalry between the U.S. and China, national leaders are framing quantum technology as crucial to military deterrence and use.

U.S. defense researchers recently moved to partner with the private sector to strategically explore building the world's first practical quantum supercomputer.

Joe Altepeter, a program manager for DARPA's Defense Sciences Office told corporate-government tech hub platform <a href="Nextgov">Nextgov</a> this past week:

"There's a lot of hype in the commercial space and there's a lot of people claiming that they've figured out a path to a really big, really useful quantum computer. And we would like to listen—like, if somebody thinks that they cracked the secret code to make any quantum computer, then we would love for them to apply for this program. And we want to be really flexible in how we work with companies."

Altepeter is heading a new Underexplored Systems for Utility-Scale Quantum Computing (US2QC) initiative.

The project is seeking to produce a utility-scale functioning quantum computer faster than current timetables predict.

## **What Is Quantum Computing?**

Quantum technology involves the ability to work with and manipulate so-called "quantum level systems" such as atoms, ions, electrons, photons, molecules and various quasiparticles. It's the smallest measurable state currently known to science.

More specifically quantum technology has been <u>defined</u> as:

"an emerging field of physics and engineering based on quantum-mechanical properties—especially quantum entanglement, quantum superposition and quantum tunneling—applied to individual quantum systems, and their utilization for practical applications."

The <u>first quantum revolution</u> was ushered in at the dawn of the 20th century, by scientists like Max Planck (who first determined a level of energy he termed "quanta"), Albert Einstein, Niels Bohr, Werner Heisinger and others.

Theories and experiments eventually brought astounding new practical technologies, including semiconductors, modern communications technology, magnetic resonance imaging, lasers and digital cameras.

The first quantum revolution also resulted in nuclear weapons and energy, and laser weapons, which are fast maturing as a technology.

The currently emerging "second quantum revolution" involves greater understanding and more precise manipulations of quantum level states.

Wide-ranging military applications will leverage quantum advances, according to "Quantum technology for military applications." a research paper authored by Michal Krelina and published on the peer-reviewed open science research platform <a href="SpringerOpen.com">SpringerOpen.com</a>:

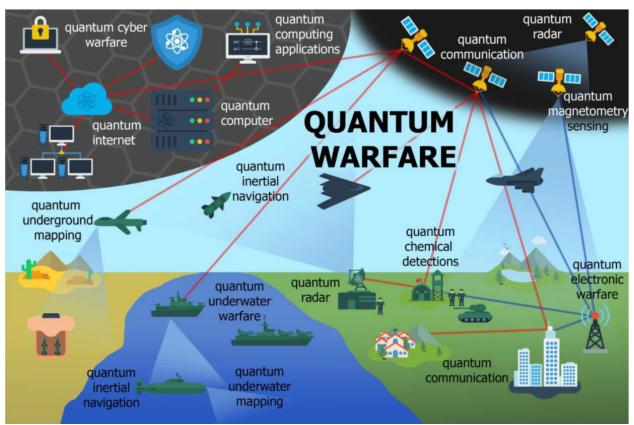
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"Quantum technology does not bring fundamentally new weapons or standalone military systems, but rather significantly enhances measurement capability, sensing, precision and computation power and efficiency of the current and future military technology."

Krelina, a Professor of Nuclear Sciences and Physical Engineering at the Czech Technical University in Prague, says much of this technology is characterized as "dual use"—that is, it is projected to have civilian and military utility.

"Particular military applications of quantum technology are described for various warfare domains (e.g. land, air, space, electronic, cyber and underwater warfare and ISTAR—intelligence, surveillance, target acquisition and reconnaissance), and related issues and challenges are articulated."

The following graphic gives an idea of just how much quantum technology may transform future battlefields:



#### A Quantum Race to Change the World Balance of Power

What kinds of military applications will quantum technology transform and introduce?

Quantum computing, already noted as a top priority of DARPA, is not envisioned as replacing general purposes and usages of current technologies any time soon.

But where quantum computing could make its first major impacts is in the arena of solving very complex mathematical problems. To that end, within 20 years, a quantum computer will likely be able to crack the complex current cryptographic security.

And leading tech companies have quantum projects that are fast advancing quantum computing capabilities, Krelina notes:

"The anticipated timelines as imagined by the quantum computing roadmap by IBM and Google are the following: IBM plans a 433-qubit quantum processor in 2022 and 1121 qubits by 2023 [26]. Google has announced a plan to reach a quantum module of 10,000 qubits. All other quantum processors would consist of such modules up to 1 million qubits in 2029 [27]. Based on a survey among leaders in key relevant areas of quantum science and technology, it is likely that quantum computers will start to become powerful enough to pose a threat to most of the public key encryption schemes (for more details, see Sect. 3.2.2) in about two decades [28]."

A quantum system could allow for intercepts of crucial information of an adversary. Though not yet available, the promise of coming systems that can crack the most complex current cryptography is likely already leading military agencies to store encrypted intelligence of adversaries that can't yet be cracked:

"An adversary or foreign intelligence could intercept and store encrypted traffic until the quantum cryptoanalysis becomes available. Because the time of declassification of many secrets is far beyond the expected timelines for powerful quantum computer delivery, such a threat can be considered genuine, nowadays."

It's easy to see how the first power to gain a quantum key to unlocking encrypted military info would gain a huge, immediate advantage.

#### **Quantum Powered AI Still Limited**

Over the last quarter century, Artificial Intelligence (AI) has gone from niche applications and research, to being woven into virtually every technological area.

As one researcher observed:

"Al is currently deployed at multiple domains, it is forecasting revenue, guiding robots in the battlefield, driving cars, recommending policies to government officials, predicting pregnancies, and classifying customers. Al has multiple subareas such as machine learning, computer vision, knowledge-based systems, and many more..."

One of the current forecasted limits of quantum technology powered AI, involves the important area of machine learning. There are significant current limitations in the ability to transpose huge amounts of existent classical data into a quantum form that could fuel such learning.

But in the nearer term Al neural networks, or systems which are modeled on the way human brains work and process information, may benefit from quantum advances said Krelina:

"quantum-enhanced ML/Al can be introduced, where quantum computing can improve some machine learning tasks such as quantum sampling, linear algebra (where machine learning is about the processing of complex

vectors in a high-dimensional linear space) or quantum neural networks [54]. One example is the quantum support vector machine [58]."

# **Other Military Quantum Technologies**

In addition to quantum computing and crypto-analysis, and quantum powered AI, there are a host of other areas where quantum technology is expected to make transformative impacts.

#### Some of these include:

- Quantum Communication Networks: such communication could offer ultra secure communication, via quantum-resilient cryptography
- Quantum Sensing and Imaging: one of the most mature areas of quantum technology, quantum sensing and imaging has been used in global GPS systems and imaging systems since the 1970s. But new advances promise a level of precision and detail that qualify as revolutionary. For instance, Quantum navigation systems being developed by DARPA offer much greater resistance to jamming, and whole new levels of tracking precision for military assets and enemy combatant systems
- Quantum ISTAR: ISTAR (Intelligence, Surveillance, Target acquisition and Reconnaissance) will be improved via quantum technologies in processing and imaging; undersea and underground mapping are two areas that have been outland as especially benefitting. At the moment, "quantum sensing technologies—magnetometry, gravimetry and gravity gradiometry—can reach very high precision, at least in the laboratory," according to Krelina. Eventually, technologies will also be applicable to space warfare, via satellite communications and tracking of objects in the earth's atmosphere and beyond.
- Quantum Underwater Warfare: Related to the above, quantum underwater warfare will introduce enhanced magnetic detection of

submarines and underwater mines, enable more precise sonars, and other capabilities.

- Quantum Electronic Warfare: Electronic Warfare (EW) will be disrupted
  by quantum technologies which can evade current systems designed to
  eavesdrop, image and even deliver direct energy weapons. Quantum
  systems will offer all those abilities on a level that current technology won't
  be able to counter.
- Quantum Radar and Lidar: though still very much in its infancy, the
  prospect of long range, detailed surveillance via quantum radar has
  already been recognized as "a powerfully disruptive technology that could
  change the rules of modern warfare," says Krelina. "Therefore, attention is
  being paid to this topic internationally, despite the immaturity of the
  technology, and the many doubts about whether the quantum radar could
  work as the standard primary surveillance radar."
- Chemical and Biological Simulations and Detection: abilities to detect chemical and biological weapons, and traditional weaponry including explosives, will be greatly enhanced via quantum technology. Specifically, air sampling and direct samples subjected to quantum analysis will allow much finer detection levels. But an even more game-changing use will be the ability, according to Krelina, to "design and precise simulation of structures and the chemical properties of new small- to medium-sized molecules that could play the role of chemical warfare agents similar to, for example, Cyanogen, Phosgene, Cyanogen chloride, Sarin or Yperit." Quantum abilities could also spur advances in research "on protein folding, DNA and RNA exploration, such as motifs identification, Genome-wide association studies and De novo structure prediction [which] could impact the research on biological agents as well."
- **New Material Design:** New materials including better camouflage, stealth (electromagnetic absorption), ultra-hard armor and high-temperature tolerance materials are all being worked on using quantum innovations and quickly advancing knowledge of quantum level particle / energy states

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 Brain Imaging and Human-Machine Interfacing: Quantum enabled real-time brain activity imaging will eventually lead to tightly integrated human-machine interfacing, including with machines and autonomous Al systems. Think of it as transhuman capability brought to soldiering, adding to other initiatives including robotics and even genetic enhancements that will all be part of a coming super soldier designs

# **Quantum Security or Quantum Carnage?**

Concerning this research on military applications of quantum technology, Krelina is careful to note that obtaining specific info is naturally hard, given the classified nature of much of the research:

Krelina says "Quantum technology military applications described [here] are based on public-domain, state-of-the-art research supplemented by various reports and newspaper or magazine articles about defense applications."

But even given those caveats, the recent DARPA call to tech companies reported by Nextgov, clearly shows that the U.S. government very probably has "Manhattan Project"-like ambitions concerning the second quantum revolution.

Nextgov noted that DARPA has released a detailed solicitation for entities and organizations interested in creating a fault-tolerant quantum computer (FTQC). They're invited to submit initial proposals by 23 March, 2022.

"We want to go into this with our eyes open, knowing that there's a lot of companies who are already doing this," said DARPA's Altepeter.

Are China and Europe likely just as engaged in the Quantum arms race? No doubt.

Meanwhile, the current world crisis of the Russia-Ukraine conflict, riddled with political and diplomatic blunders, has the world on the edge of another nuclear crisis, courtesy of the first quantum revolution.

The state of affairs demonstrates again how technological innovations should never be confused with automatically equating to human progress. The unbounded quest for god-like powers which technology is delivering at an ever faster pace, comes with an unbound hubris that we are capable of wielding that power for an overall good.

Would it be better for humans to recognize that the quest for unlimited technological advancement may have the most ironic and perverse outcomes imaginable, given the limits of human nature?

Technocratic elites have an answer to that, of course. With quantum technology, Al, robotics and genetic manipulations of biopharma, they intend to change humans too.

#### For Related articles, see:

- "SPACE CHIEF'S' VISION OF FUTURE WARS" (4 May 2021)
- "ARMY DEVELOPING WAR MACHINE 'FLESH' ROBOTS" (27 Apr 2021)
- "QUANTUM COMPUTING MAKES A QUANTUM LEAP" (20 Jul 2021)

# TRENDS IN CRYPTOS



#### A TOKENIZED PLANET

Ernst & Young, one of the world's four biggest accounting and professional services firms, recently produced a decidedly bullish report on tokenization.

Titled "Tokenization of Assets: Decentralized Finance (DeFi), Volume 1", it <u>predicts</u> that tokenization of assets, both digital and real world, are set to transform powers of ownership and commercial interaction.

According to the firm, Distributed Ledger Technology (DLTs) representations of assets via digital tokens will unlock asset usage and efficiencies that will "reinvent the way companies do business."

# What Makes DLT / Blockchain Tokenization Special?

The paper offers a description of what tokenization via blockchain technology is, and why it represents a leap forward:

"Tokenization can turn almost any asset, either real or virtual, into a digital token and enables the digital transfer, ownership and storage without the necessary need of a central third party/ intermediary...

"...the fact that a token runs on DLT/Blockchain differentiates it from other digitalization methods. Using a DLT/Blockchain to create a digital token enables the collaboration of different companies, which in turn allows the aggregation of otherwise fragmented information into one digital token. Moreover, all parties can update information seamlessly and verify their correctness."

At this point, many people have heard about NFTs (Non-Fungible Tokens). But there's confusion about what they represent, and whether they are of dubious value.

Unfortunately, the focus on fads like ownership of pixelated artworks has obscured the much broader implications of tokenization.

As the E&Y report points out, almost any physical, digital or conceptual object or asset can be tokenized. And tokenizing, depending on the asset, brings many possible advantages.

To illustrate how encompassing tokenization might become, the report lists areas and specific examples of things that either are already being tokenized, or likely will be in the future. They include:

# Physical Objects and Financial Products

- Collectibles & Unique Objects
  - Fine Art
  - Automobiles
  - Medical Devices
  - Virtual Collectibles
- Precious Metals
  - Silver / Gold / Platinum, etc.
- Financial Instruments

- Real Estate
- Certificates
- Fixed Income
- Equities
- Consumables
  - Food & Beverages
  - Pharmaceuticals

#### Intangible Assets

- Licenses
- Patents
- Intellectual Property
- Royalties
- Trademarks
- Various other rights

## Payment Options

- Fiat Currencies (Government issued legal tender)
- Central Bank Digital Currencies (CBDCs)
- Cryptocurrencies
- Corporate Points
  - Loyalty points (eg. for Airlines miles, etc)
  - Meal points, etc.

The report notes that NFTs may contain a variety of information and features, including unique serial numbers, but also dynamic information like location, size, or provenance of the item.

Some early examples of tokenized assets have included physical objects such as bottles of wine, jewelry, or medications that are part of a standardized supply chain from manufacturer to consumer.

The tokenization of the objects allows for real-time product tracking and allows the manufacturer to detect probable fraudulent usage.

#### **How Can Tokenization Produce Value?**

The E&Y report breaks down four key areas where tokenization can produce value:

- Operational Efficiency
- Assets Fractionality
- Transparency
- Single Source of Truth for Extended Ecosystems

The report considers aspects of each area in detail. To give just a few illustrations:

**Asset Fractionality:** By allowing ownership over only a portion of an asset (eg. a percentage of royalty rights to a recording artist's song or album), DLT/Blockchain enables a greater liquidity. By reducing price barriers to investment, and enabling automation and reduction in intermediaries concerning payments, etc, a wider range of people can buy/invest in assets.

In traditionally rather illiquid markets (e.g. real estate, fine art) this technology can help sellers to more easily find a counterpart to perform a transaction.

An NFT with fractional ownership rights can be held in a crypto wallet, just like any other crypto asset. Payments can be made to a wallet that holds the NFT, and other benefits can confer to the holder.

Single Source of Truth for Extended Ecosystems: Corporates often acquire a substantial quantity of data for a given asset, but mapping and interlinking data points for items such as intellectual property rights, licenses, and ownership products is challenging, since information is often fragmented in different databases, documents, etc.

This fragmentation makes it environmentally unmanageable and leads to unnecessary waste.

Because DLT/Blockchain creates a single IT layer of trust for enabling business partners or rivals to exchange data, numerous players in an organization might benefit from tokenizing an asset.

Widely connected ecosystem can interact with the same digital representation of an item, resulting in increased efficiency.

As an example, in the trade finance industry, recent tokenization initiatives have allowed firms to communicate information about assets that are being transported throughout the globe, automating and simplifying the process for large volume trading, utilizing smart contracts.

Smart Contracts are essential software programs on a DLT that automatically execute functions according to criteria contained in the programs.

## The Utility Age Of Blockchain DLT Is Just Beginning

As the Earnst & Young report on tokenization demonstrates, the potential for adding value and efficiency to current areas of commercial industry are significant, and even revolutionary.

There are countless ways in which an investor might choose to leverage this still very new technology to participate and profit.

One might choose to purchase a fractional investment in real estate or precious metals, for example.

Or an investor might look at the backbone DLT / blockchain networks and initiatives enabling different utilities, and accrue the crypto tokens of networks which seem well positioned to play a major role in NFT innovations.

As always, performing due diligence and research before investing in anything is strongly advised.

For related articles, see:

- "NFTS: MUCH MORE THAN DIGITAL ART" (15 Feb 2022)
- "THE CRYPTO 'AGE OF UTILITY' HAS JUST BEGUN" (12 Oct 2021)

#### CBDC ON THE SLATE FOR COUNTRIES AROUND THE GLOBE



The Biden administration took a big step toward an eventual Central Bank Digital Currency last week with the President's Executive Order on Cryptos.

The directive mandates a comprehensive analysis of the CBDC's potential advantages and dangers for consumers, investors, and the larger financial system in the United States, with an assessment timetable of six months.

The Treasury Department will head the assessment, but other agencies including Commerce and Homeland Security have been tapped to take a role.

Biden's order noted that over a hundred countries are at some stage of exploring CBDCs.

Many Americans have deep reservations that a government CBDC will effectively be a financial surveillance coin, that gives unprecedented new powers to the government to cut off the medium of exchange and common store of value for the labor of average citizens.

Canada recently demonstrated dismaying authoritarian control over financial accounts of the Truckers Convoy protest leaders, participants and even donors.

And the U.S. government exercised similar measures, including rifling through bank accounts of suspected January 6, 2020 election protestors.

The Russia Ukraine conflict has seen a whole new level of financial sanctions taken by the international banking citizen not onl against the Russian government, but citizens of that country.

It portends that government CBDCs are about more than simply making financial transactions more efficient.

Nonetheless, with crypto assets offering an alternative store of value and means of transaction to debased overprinted currencies and corrupt banking and political policies, more countries around the world are moving quickly toward CBDCs.

## **Nations Powering Up Digital "Money"**

Among nations with active CBDC projects are several that have chafed under the so-called Petro-Dollar and the dollar led international SWIFT payments settlement system.

India, one of the world's major economies, announced that it would <u>implement a digital rupee</u> by 2023, according to Investopedia.

Brazil expects to launch a "beta" digital real this year, with a final version planned by 2024.

Unsurprisingly, Russia is also working on a CBDC, which was first announced back in 2017.

Brazil, Russia, India and China, the world leader in government digital currency creation, via the digital yuan, are part of BRICS, an economic block that launched an initiative to give those countries and others an alternative to the SWIFT international payments settlement system.

At least some crypto analysts believe the U.S. plans for a CBDC will not ultimately undermine crypto industry innovations. Others are not so sure.

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According to Yahoo News, the U.S. will seek private-public partnership with crypto and blockchain experts in development.

"The work to build private-public partnership for digital asset experimentation takes time," Digital Dollar Project Executive Director Jennifer Lassiter commented to crypto news outlet CoinDesk.

The **Trends Journal** has been covering issues surrounding CBDCs in articles such as:

- "DIGGING INTO THE FED'S LONG AWAITED REPORT ON A U.S. CBDC" (25 Jan 2022)
- "U.S. CBDC TAKING ITS TIME RISING WITH PROJECT NEW DAWN?" (21 Sep 2021)
- <u>"A PERVERSION OF CRYPTOCURRENCY"</u> (12 Oct 2021)

#### HEDGE FUNDS EXPANDING REACH INTO DIGITAL CURRENCIES



Brevan Howard Asset Management and Tudor Investment Corp. are broadening their work in cryptocurrencies.

Brevan Howard's crypto fund, launched in January, soon will open itself to outside

investors, The Wall Street Journal reported.

In addition to betting on price directions, the fund will arbitrage different cryptos against each other and invest in blockchain technology, the WSJ said.

The firm created a crypto division last September and now has 12 portfolio managers and \$250 million under management, according to the WSJ.

Tudor has been buying crypto to hedge against inflation, persons familiar told the WSJ.

"More funds see crypto as a fifth asset class," in addition to bonds, commodities, currencies, and stocks, Robert Bogucki, co-head of global trading at Galaxy Digital Holdings, told the WSJ.

Crypto "is big enough now," he said.

That means trading volumes have grown large enough that hedge funds can buy and sell without skewing the market with single transactions.

"The crypto universe is now liquid and large enough to be tradable," Michael Botlo, former chief of the Quantbot technical trading fund, confirmed to the WSJ.

"Hedge funds are seeing their own investors demand that the firms get involved," he said.

Though large, the crypto market is young and still shows inefficiencies that enable large firms with up-to-the-minute information to bag solid profits, the *WSJ* noted.

The market also is rife with individuals, dabblers, and inexperienced traders who often lack the data, time, and skills to react to market moves.

Still, not all hedge funds are wading in; some still see crypto as an unreliable place to store value or as a reliable hedge, since cryptos' prices now move more closely in tandem with those of stocks.

Paul Singer, founder of Elliott Management Corp., has been vocal about his skepticism. Citadel Securities founder Ken Griffin still harbors doubts but, bowing to the market, Citadel might open a crypto market for clients, he told the *WSJ*.

**TREND FORECAST:** Digital currencies continue to work their way into the economic mainstream and will become a respectable asset class to invest in and trade by the middle of this decade, especially as government regulators structure a framework for oversight that ensures investors' safety.

We have documented cryptos progress toward acceptance in articles such as <u>"El Salvador Recognizes Bitcoin as Cash"</u> (15 Jun 2021), <u>"State Street Launches Digital Currency Unit"</u> (15 Jun 2021), <u>"Switzerland Approves Digital Stock Exchange"</u> (14 Sep 2021), <u>"Cryptos Go Mainstream"</u> (21 Sep 2021), and <u>"SEC Push to Regulate Crypto"</u> (7 Dec 2021), among others.

#### **BLOCKCHAIN BATTLES**



BORDERLESS CITIZENS AND
BLOCKCHAIN CITIES. "Anything different is good." —Phil Connors, from the movie Groundhog Day.

Young people want something different. And looking at the current sorry state of

world affairs, who can blame them?

It may sound pie-in-the-sky (or maybe that's blockchain in the ether), but younger people see the crypto revolution as more than just investments. It represents a new way of doing things.

They see cryptos as enabling a type of life and world they want to create. It's not a world of lockdowns and elite driven wars, though there hasn't exactly been a youth rebellion against the COVID War, or U.S. led manipulations and blunders that fomented the Ukraine disaster.

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Dial back to 2019, and a picture of young people prioritizing travel, flexible kinds of work and education, and flexible means of exchanging goods and services, all were key descriptive points of 20-somethings.

They present an odd mix of "classic" liberal and conservative traits. They're less nationalistic and concerned with borders. But in many ways, they're more individualistic and self-directed. They like the idea of collective action—but they want the freedom to enter or exit ad hoc and digital global spanning initiatives and causes.

How does crypto technology fit into all that? The answer lies in the solutions that things like DeFi, DAOs, NFTs, and even the dreaded oncoming metaverse can supply.

A recent Cointelegraph.com article (written by a millennial) noted that decentralized finance fits with the type of lifestyle and world younger people want.

It opens up financial and banking participation, and opportunities for wealth accumulation that aren't typically available to people just starting out. And with the days of securing a lifetime job at a paternalistic large employer long gone, having options with little to show in the way of collateral or stability is important.

# What DAOs Mean to The New (and Old) Orders

DAOs, or Decentralized Autonomous Organizations, give people a chance to connect with others around the world to share and contribute in an endeavor or cause, while also seeing a return on investment.

DAOs seek to organize productivity, rewards, and participation differently than traditional companies and even traditional government entities.

They are highly disruptive. The legitimate ones also operate via communities that are committed to transparency, and operate smart contract code that all can inspect and see.

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Even bonafide fuddie-duddie John Naughton recently <u>observed</u> in The Guardian that DAOs are "member-owned communities promising transparency, democracy and security," though he adds that "the financial reality doesn't always stack up."

In his article on DAOs, Naughton seemed to relish a case where the SEC cracked down on a Wyoming based DAO, American CryptoFed. That DAO had been designed as a monetary system with zero inflation and deflation, and zero transaction costs (see **Trends Journal** article <u>"WYOMING OKAYS NATION'S FIRST DAO 'CRYPTO LLC',"</u> 13 Jul 2021).

Naughton declined to mention the rapacious plundering of the traditional banking and financial system, which has sent the world into its current chaos of overwhelming debt, spiraling inflation, and gaping, ever widening inequality of wealth and power between the cabal that controls it, and the rest of humanity.

Instead, Naughton makes would-be wry observations like:

It's difficult to see how any DAO could actually meet the requirements of any financial regulator, anywhere, at the present time. There's a lovely passage in the [SEC] ruling that illustrates this. It reads: "The individuals and entities to whom American CryptoFed planned to distribute Locke tokens are not employees of American CryptoFed, as the Form 10 [a filing with the SEC] itself said that American CryptoFed will not have any employees but instead 'will be operated automatically by smart contracts and direct voting by Locke tokens'." The regulator and the regulated inhabit different legal universes."

Yes, the old guard that pretends to moral authority while presiding over a system that sees Central bank presidents, Congress members, Presidents and judges play the rigged system for all the rest of us are worth, does live in a particular legal universe.

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But they have thoroughly screwed the pooch, as all noble classes do sooner or later. Their universe is crumbling and meeting resistance. And it isn't the 1960's or 70's anymore. The West is out of gas, literally and figuratively.

Drastic change of some kind is in the wind. Better it be with DAOs and greater freedom for a new generation to try to make a fairer financial and social world peacefully, than for them to be crushed to the point where they see no future except to take up arms (and pitchforks).

### **Blockchain Cities**

Seoul, South Korea, is one city leading the way in creating a crypto friendly environment. Years ago they devised a plan to become a worldwide leader in blockchain technology by the year 2020, as noted by Cointelegraph.

At this point, the city has adopted blockchain technology not only in terms of attracting talent and business, but in governmental functions including direct democracy via blockchain voting, online blockchain verification, and even mileage management through S-Coin, the Seol Citizen card.

In Nevada, bitcoin billionaire Jeffrey Berns has been trying to establish a blockchain principality that uses blockchain voting and other initiatives similar to Seoul. Unsurprisingly, perhaps, he's met opposition from politicos.

Dubai is another city, along with the entire UAE, that has embraced blockchain technology, with a recent initiative to move 50 percent of government transactions to blockchains.

Other cities like Miami and even New York have created their own crypto city coins to attract investment in initiatives that city dwellers can choose to support by holding tokens.

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## Of Digital and Physical Stuff: NFTs

As a previous article in this section noted, tokenization goes far beyond digital art and collectibles.

But even in the area of status symbol, art and fashion holdings, it's easy to see why a younger generation might be drawn to digital rather than physical objects.

No one complains anymore that whole libraries of books or collections of music exist in digital form. There's an advantage to not having to store and lug around thousands of CDs, record albums, or physical books.

And as much as an older generation may treasure their collected antiques and artifacts of a lifetime, any estate sale will serve as a ready reminder that one person's treasure, even physical, is another person's junk.

For a generation looking to be mobile practically to the point of borderless, to travel light and live in mobile dwellings or "tiny houses" (and let's face it, they've been effectively priced out of the American Dream of home ownership anyway), NFT ownership is certainly an understandable phenomenon.

## **Voting For Blockchain With Their Digital Feet**

In one sense, participating in blockchain technologies, with their permissionless, decentralized access, that surpass nations and borders, is a way to circumvent locally imposed miseries. It's a kind of moving with digital feet.

And the adoption of bitcoin, the first world-spanning crypto network asset, as legal tender in El Salvador, has been perhaps the most disruptive statement to date about trying something different.

Add it all up, and it's apparent that, like it or not, the blockchain and the kinds of things it already offers a younger generation that sees value differently than many older people are able or willing to wrap their minds around, is a key part of just maybe creating a different world than the present one.

And looking at the present mess the world is in, that may not end up to be a bad thing. Yes, present powers will do all they can to hold onto their private money printing press, via CBDCs, and crypto regulations disguised as "protecting consumers."

Some regions, nations and states will be more welcoming. This column predicts they will gain commensurately, since freedom of action of the many to decide their own interests trumps authoritarian control of the few.

The authoritarian elite may wage further wars and plagues to serve and protect their own power.

But the death may well be of an old system that clearly isn't serving wide swaths of humanity.

At least the crypto punks who planted the seeds of it all a mere decade ago were striving for something better than the meager gruel being handed to them by governmental and financial elites.

For related articles, see:

- "ONLY CRYPTOPLORABLES HAVE USE FOR BITCOIN, SAYS NATIONAL REVIEW" (19 Oct 2021)
- <u>"A PERVERSION OF CRYPTOCURRENCY"</u> (12 Oct 2021)
- "THE GEOPOLITICS OF BITCOIN" (27 Jul 2021)
- "HUMAN RIGHTS FOUNDATION HEAD SAYS 'BITCOIN IS THE REVOLUTION'" (29 Jun 2021)
- "WILL BLOCKCHAIN SAVE THE DAY?" (20 Apr 2021)

**AS NY CONTINUES TO RESTRICT CRYPTO PLATFORMS, ONLINE GAMBLING SPIRALS.** As previously noted, the same regulators in New York making it incredibly onerous for residents to trade cryptos, are literally promoting and profiting to the gills off of online sports gambling.

"It is an epidemic in the making," Felicia Grondin, the executive director of the Council on Compulsive Gambling of New Jersey (CCGNJ) has noted. New Jersey was the first state to offer legalized online sports gambling, after a favorable Supreme Court ruling in 2018.

New York followed suit in 2021.

According the CCGNJ website, which observes that thousands of NJ residents struggle with a gambling addiction every day:

"Gambling disorder – frequently referred to as "gambling addiction" – refers to an almost uncontrollable urge to gamble, despite the consequences it has on one's health, happiness, or financial security. Activities that involve gambling trigger the brain's system in much the same way alcohol and drugs do. If left untreated, problem gambling can lead to bankruptcy, imprisonment, or even suicide.

"Disordered gamblers can range from military veterans with a gambling problem in Freehold, NJ to elderly folks who spend their life savings on gambling in Monmouth, NJ. Anyone could potentially become a problem gambler; however, there are certain factors that can increase their vulnerability to such behavioral disorders. People with this disorder often use gambling as a respite from the symptoms of mood disorders like depression and anxiety."

While New York has actively aided in gambling operations and wall-to-wall gambling advertisements enticing sports fans into betting, they are one of the least friendly states to crypto exchanges.

As a recent vox.com article <u>reported</u>, gambling giants like MGM, DraftKings and FanDuel are pouring billions into advertising, all with the blessings of state governments sharing in the spoils. As the current March Madness basketball is underway, so is the madness of throwing money away on a proposition that almost never pays off.

Meanwhile, New Yorkers have few options beyond Coinbase, a compliant but decidedly limited crypto exchange, for purchasing and holding crypto tokens.

The list of utility-driven tokens not available on Coinbase is plentiful: Ripple XRP (the sixth-ranked crypto asset in the world), Hedera HBAR (the leading DLT used by enterprises around the world), Xfinity XDC, Terra LUNA, Constellation DAG, (used by some U.S. Federal Agencies)... the list goes on and on.

Yet some of the world's largest exchanges, that could offer wider investment opportunities to New Yorkers, have either not met, or chosen not to try to meet New York's highly restrictive "BitLicense" regulatory requirements.

Among those exchanges include Binance and Etoro.

New York's hypocritical doublespeak concerning looking out for the interests of its residents is just one more reason why the state is losing long-time residents to freer pastures.

For related information, see <u>"SPORTS GAMBLING IN NEW YORK EASIER THAN</u> BUYING CRYPTOS," 1 Feb 2022.

RIPPLE (XRP) A STEP CLOSER TO REPLACING SWIFT? Alright, that headline may be just slightly optimistic. Entrenched government-tied banking interests make huge amounts of money off the relative inefficiency of the legacy international currency settlements system.

But Ripple CEO Brad Garlinghouse does believe the recent Biden administration order regarding cryptos actually helps Ripple technology and the crypto sector in general.

Garlinghouse tweeted on 9 March:

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"First and foremost, [the EO] is an affirmation that crypto is here to stay. Thoughtful policy involves timely input from players (and there's a lot!) across the federal govt. I don't want to mistake activity for progress, but this does feel like it could be a turning point."

Ripple has been embroiled in a litigation with the Securities and Exchange Commission (SEC) for years. He sees a whole government approach as rightly taking some of the power away from the SEC and broadening perspectives and possible regulatory frameworks around blockchain technologies.

Ripple's network token XRP saw a brief spike following the release of the Biden EO, before settling back around 76 cents.

What does Ripple technology do? Very briefly, it allows banks (and governments) to exchange local currencies using the intermediate Ripple token, near instantly, and at a fraction of the transaction fees of the legacy SWIFT system.

Easy to see why certain interests might not be quite ready to see that kind of technology take-over, even though the liquidity Ripple brings has enormous financial upside. Asia certainly recognizes it, and Ripple has continued to gain institutional adherents there despite the dragging on of litigation in the U.S..

If the SEC suit is settled favorably...and if the Russia-Ukraine conflict can be de-escalated via negotiation...it could boost the whole crypto sector. Significant and major if's, but that's the way the world works.

# TRENDS IN THE COVID WAR



## HERE WE GO AGAIN: CHINA RAMPS UP COVID WAR AS KEY CITIES SHUT DOWN

Is history repeating itself?

Go back to January 2020 when, in celebration of Chinese Lunar New Year, The Year of the Rat, China launched the COVID War and locked down cities across the nation.

Now China, the country that led the way in 2020 when it came to extreme COVID-19 lockdowns and mandates, is at it again and announced that it will shut down key cities due to what it considers to be a spike in new cases.

One of the industrial plants impacted by the newly announced seven-day lockdown is the Foxconn plant in Shenzhen that assembles Apple iPhones. Beijing has been enforcing a Zero COVID policy during the pandemic and has

been closely monitoring an outbreak in Hong Kong. (See <u>"HONG KONG UNDER PRESSURE FROM CHINA TO WIN THE COVID WAR."</u>)

Shenzhen, a city of about 17 million people that borders Hong Kong, recorded 66 new cases on Sunday. China, a country of 1.4 billion, recorded 3,122 new cases on Sunday. Beijing, a city of 21.54 million, recorded six new cases and shuttered the office buildings where these cases were discovered, The Associated Press reported.

Yet, despite the lockdowns, there have been no reported deaths. And since the COVID War began, China, a nation of 1.4 billion people, has recorded just 4,636 virus deaths. This compares the U.S., with 332 million people of which recorded 991,037 deaths from the coronavirus.

### Chinatown

"Every day when I go to work, I worry that if our office building will suddenly be locked down then I won't be able to get home, so I have bought a sleeping bag and stored some fast food in the office in advance, just in case," Yimeng Li, a resident in Shanghai, where there were 41 new cases on Sunday, told the AP.

Shanghai, a city of 26.32 million, recorded 713 cases in March, the report said. Six hundred and thirty-two were asymptomatic cases.

The U.S., a country of 329.5 million, averages 37,147 new cases a day as of 9 March but has largely moved away from COVID-19 restrictions due to the number of those already infected and the lower risks tied to the Omicron variant.

The Foxconn plant was described in the *Times* as the size of a midsize city and it will reopen when the city's government determines it is safe. Some of the plant's productions have been taken on by other facilities to try and alleviate the impact on the supply chain.

Chinese President Xi Jinping has been one of the world's last remaining holdouts to enforce a "zero COVID" policy, which means any small outbreak

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results in an immediate lockdown until any risk of further contamination is snuffed out.

Hundreds of members of the military responded to an outbreak of the "stealth omicron" in Jilin, another industrial province in the country's north, the AP reported.

China has teams working around the clock to erect a 6,000-bed isolation hospital in Jilin. The last time the country had such a dramatic response was in Wuhan back in 2020.

"I have a bad feeling again—China is reinstating measures & has fired the mayors of two key cities," Dr. Eric Feigl-Ding, an epidemiologist and health economist, tweeted. "Thus far, China has shut down an industrial city, urged residents not to leave Beijing and closed down schools in Shanghai due to increase of #COVID19."

## **Hong Kong-COVID Rising**

However, in Hong Kong, a city of some 7.5 million, over 700,000 COVID-19 cases have been reported and about 4,200 deaths... most of them in the past three weeks according to Reuters.

Already imposing some of the strictest COVID mandates on the planet, the government only permits two people to get together, schools and most venues are shut down and people must wear masks at all times... indoors and outside.

**TRENDPOST:** China has been one of the world's last remaining holdouts trying to enforce a Zero-COVID policy, which has proven to be ineffective in Hong Kong amid its own major outbreak. The Financial Times reported that as of Sunday, the city recorded 3,993 deaths—three-quarters of which occurred in the past two weeks. Health authorities in the city reported 26,908 new infections on Monday with 249 deaths, Reuters reported.

Chinese President Xi Jinping expressed concerns about the situation in Hong Kong on Friday during an annual parliamentary session, The South China Morning Post reported, citing a top official who was there. XI called on the city to take an approach as "precise as acupuncture."

Zhang Wenhong, Shanghai-based virologist, told ABC News that the flare-up was the "most difficult moment in the past two years."

The **Trends Journal** has reported extensively about the mental health problems that could result in these mandatory lockdowns. (See <u>"COVID LOCKDOWN: MENTAL ILLNESS BLUES," "LOCKDOWN LUNACY CREATING 'MENTAL HEALTH PANDEMIC"</u> and <u>"LONG LOCKDOWNS = MENTAL HEALTH CRISIS."</u>)

Police in Hong Kong reported three suicide attempts in 27 hours in February at one of the city's quarantine camps.

**TREND FORECAST:** As goes China, so goes the rest of the world? Following the announcement of strict COVID War measures that the Chinese government has imposed on its population, oil and commodities across a broad spectrum have dramatically declined.

With fears that the government will continue to impose its Zero-COVID Policy, oil prices sank to a two-week low today on concerns that with these strict mandates in place, demand for oil and a range of commodities will decrease.

And despite Chinese industrial output rising 7.5 percent year-on-year in January and February as compared with a year earlier, and retail sales in China up 6.7 for the first two months of the year... far outstripping expectations for a 3 percent rise, its equity market was hit hard. The Shanghai composite fell nearly 5 percent and the Shenzhen component slumped 4.36 percent.

Over in Hong Kong, the Hang Seng dove 5.72 percent, hitting its lowest point since February 2016 percent.

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Therefore, should these strict lockdown mandates continue, not only will China's economy continue to decline, there will be more supply chain disruptions which will push inflation higher.

Also, with fear of a new virus variant spreading, it may entice Western nations to again follow China's lead in fighting the COVID war by imposing new rounds of mandates and vaccine requirements.

### U.S. DECREE TO STAY MASKED UP IN THE AIR = MASK STUPIDITY



Mandatory masks for air travelers in the U.S. seem to be one of the last vestiges of the COVID War that was launched about two years ago... a war that has 10's of millions of more lives, livelihoods and untold psychological devastation than the virus.

The Transportation Security Administration announced through the Centers for Disease Control and Prevention that it will extend the requirement for planes, inside airports, and other forms of transportation until at least 18 April.

Under the TSA's mandate, everyone 2 years old and older must wear face coverings in airports, planes, trains and other forms of public transport.

**TRENDPOST:** Why not April 17<sup>th</sup> or April 19<sup>th</sup>?

Why not everyone 3 years old, or 5 years old and older much wear a face covering?

Why? Because these bureaucrats—people that can't get jobs in the real world but suck up to the political system and get paid by We the People so they can tell us what to do—are making these dates up based on not a scintilla of scientific data.

The mandate extension comes after the CDC announced that it no longer recommends face coverings in public indoor settings. About 90 percent of the American population lives in areas that are considered to be a low or medium risk for infection.

#### Mask Refusal

Since the mask implementation rule on airplanes in 2021, there have been more than 6,000 incidents involving unruly passengers, ABC 7 NY reported.

The rule was supposed to expire on 18 March. There is still some concern about the virus and individuals with underlying conditions who are more likely to experience worse symptoms from the virus.

The Federal Aviation Administration said that as of 7 March there were 814 unruly passengers in 2022 alone. Of those, 535 cases involved face coverings. Bloomberg reported that the federal government is eyeing a no-fly list for those who refuse to comply with the requirement.

Henry Harteveldt, a travel-industry analyst with Atmosphere Research Group, told the station that he took about four recent flights and noticed that a lot of these airlines seem to have little interest in enforcing these requirements.

"I noticed there were passengers who did not wear their masks even when they were not eating or drinking, and the flight attendants did not ask them to put them on," he said.

## **Mask Stupidity**

The **Trends Journal** has reported extensively on the decision by the federal government to impose the mask mandate on planes. It became a running joke since individuals are allowed to take their masks off while eating or drinking during a flight.

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So, based on the rule, a passenger who is a slow eater could spend the duration of a flight nibbling on his Terra chips. (See "MASKS ON PLANE= MASS STUPIDITY," "ELITES ARE THE PROBLEM THAT MUST BE FACED" and "CAPITOL HILL DROPS MASK MANDATE.")

**TRENDPOST:** As we have forecast over two months ago, the COVID War would end by late March, mid-April. And as illustrated in our February 2022 **Trends Journal**, the COVID War would bleed into the Ukraine War, and absent a universal peace movement, the Ukraine War will escalate into World War III.

The **Trends Journal** last year mocked the government's plane mandate as sheer lunacy because these masks can be removed for eating, drinking and taking medication. Why? Obviously, in the New Abnormal world of lost freedom and intelligence... the virus will not enter one's mouth between sips and bites!

However, now that China—where the COVID War was first launched in 2020 in celebration of Chinese Lunar New Year, The Year of the Rat—is reigniting the COVID War to fight rising COVID cases, other nations may again obey the Chinese way and impose more lockdown mandates.

# UNITED AIRLINES TO ALLOW UNVACCINATED WORKERS TO RETURN TO WORK



And just like that, the COVID War has ended.

United Airlines, which was a leader in enforcing vaccine mandates for employees, announced last week that it will allow unvaccinated individuals to return to work

at the end of the month, further cementing our forecast that the COVID War is wrapping up.

Kirk Limacher, the airline's vice president for human resources, said in a note to employees that the company expects the case count in the U.S. to continue to decline "and, accordingly, we plan to welcome back those employees," according to *The New York Times*.

The **Trends Journal** has covered the airlines' push for universal vaccination and its legal fight for implementation. (See <u>"UNITED AIRLINES EMPLOYEES SUE TO RESIST VAX MANDATE"</u> and <u>"UNITED AIRLINES CEO: JAB THE STAFF."</u>)

In August, United became one of the first large U.S. companies, and the first major airline, to announce that it was requiring all U.S. employees to be vaccinated against COVID-19 or face termination.

President Joe Biden praised the company for leading the way. But six employees brought a lawsuit, saying they hoped to represent a class of over 2,000 United employees worldwide who have sought exemptions.

The airline fired more than 200 people who refused the jabs, and they will not be invited back, *The Wall Street Journal*, citing unnamed sources, reported.

**TREND FORECAST:** You know the facts, we have been reporting on them since the COVID War broke out. Across the business spectrum—from health care workers to truck drivers, from retail shops to drug stores—there is a dire shortage of workers.

Airlines fared no better. Last December, executives from major airlines told the Senate Commerce, Science and Transportation Committee that they are struggling to hire pilots, flight attendants, and other personnel.

The country's easing "No Jab, No Job" mandates that were imposed by governments and businesses contributed to the job shortage and these executives are trying to correct the issue.

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Last month, the Fifth Circuit Court of Appeals ruled that a judge who denied the employees' request for a preliminary injunction on the vaccine mandate needs to reconsider the ruling.

The judges said that United employees who were on unpaid leave were essentially "being coerced to violate their religious convictions," amounting to irreparable harm, *The Chicago Tribune* reported.

#### PFIZER CEO SELLING "GET YOUR FOURTH SHOT"



Albert Bourla, the CEO and top salesman of Pfizer, said Sunday that the U.S. will need a fourth dose of the COVID-19 vaccine due to the threat of new variants and the drug's loss of effectiveness over time.

"It is necessary, a fourth (dose) for right now," Bourla, who made \$21 million in total compensation in 2020, told CBS' "Face the Nation."

Bourla told the network that Pfizer just submitted data to the Food and Drug Administration for approval. He said the company's goal is to come up with a vaccine that is effective for "at least a year."

"And if we are able to achieve that, then I think it is very easy to follow and remember so that we can go back to really the way (we) used to live," Bourla said.

The **Trends Journal** has reported on how COVID-19 vaccines have proven to be the most lucrative product in history and has made drug-lord billionaires. (See "PFIZER DRUG LORD PUSHING YEARLY COVID JABS. CALLS THOSE WHO WON'T SWALLOW BULLSHIT, 'CRIMINALS,'" "JAB KIDS WHO WON'T DIE OF

THE VIRUS: THERE'S NO BUSINESS LIKE THE VAX BUSINESS" and "MORE COVID JABS, MORE BIG BUCKS FOR DRUG LORDS.")

Bourla said the protection from the third shot is still good enough to prevent hospitalizations and deaths.

"It's not that good against infections but doesn't last very long. But we are just submitting those data to the FDA, and then we will see what the experts also will say outside Pfizer," he said.

Israel and other countries have already recommended the fourth dose for some groups.

**TRENDPOST:** As for the efficacy of the Operation Warp Speed inoculation? When it was hawked to the public back in 2020, it was sold that two shots would have 95 percent efficacy rate. However, according to the Israeli health ministry back in July 2021, that number has shrunk to 39 percent. And now two shots won't do the job... it's doubled up to four. Yet, there is not a mention of this in the mainstream media.

### **Vaccine Gold Mine**

Moderna and Pfizer say they will earn a combined \$51 billion in vaccine sales in 2022, despite the drop of infections in many parts of the world, CNBC reported.

The report, citing fourth-quarter earnings statements released by the companies last month, said Pfizer expects to pull in \$32 billion in vaccine sales and Moderna believes it will sell at least \$19 billion.

Moderna CEO Stéphane Bancel pulled in \$18.2 million in cash, stock, and options last year, according to *Barron's*. The amount is more than double what he earned in 2019, prior to the COVID-19 outbreak. His pay spike comes as the Massachusetts biotech company generated \$18.5 billion in revenues last year, FiercePharma.com reported.

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CNBC reported that Moderna's board showed its appreciation to the sales increase and approved a "golden parachute" for the CEO that amounts to more than \$926 million—most tied to company stock.

**TREND FORECAST:** Just like the flu shots, a sizable number of fearful people will get a yearly COVID Vax shot.

Furthermore, the drug dealers plan to develop vaccines that target particular variants of COVID-19, and people could be encouraged to get them annually, on the model of flu shots.

**Trends Journal** reported in <u>"DRUG COMPANIES CASHING IN ON COVID"</u> (11 May 2021) that Pfizer considers COVID-19 as providing a "durable revenue stream."

## Here We Go Again...New Variant Discovered in Europe

A new coronavirus variant—dubbed Deltacron—has been discovered in European countries and is being investigated by scientists who currently believe there is no change in severity.

The variant is considered a hybrid that combines both the Delta and Omicron variants that have already spread throughout the world. Reuters reported that there have been 17 confirmed cases in France, the Netherlands, and Denmark.

Maria Van Kerkhove, a World Health Organization COVID-19 technical lead, said scientists have not seen "any change in the epidemiology with this recombinant."

"We haven't seen any change in severity. But there are many studies that are underway," she said, according to Reuters. The WHO has not called Deltacron a variant of concern.

Dr. John Swartzberg, a professor of infectious diseases at the University of California, said the name Deltacron invokes worry because people likely

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remember the Delta variant as being more severe and Omicron being more contagious.

"There is absolutely no evidence that this new recombinant virus has those qualities at all," he said.

**TRENDPOST:** Deltacron gives politicians and their mouthpieces in corporate media the opportunity to scare the public again to drive up ratings and make a fourth jab being sold by drug companies all the more reasonable. COVID-19 has been the pandemic of fear because our "leaders" know that a public that is frightened is a public that can be controlled.

# CDC RESEARCHERS: DEATH RATE 1.3 PERCENT FOLLOWING GENE THERAPY "VAX"



The overall death rate from COVID has been much disputed.

But even the most hardline advocates of lockdowns and vaccine mandates probably could agree that the overall death rate from

COVID is well under one percent, with the very old being by far the most at risk of death.

Now comes research from the CDC that the rate of death following mRNA gene treatments deceptively equated to traditional vaccines has been reported at over one percent.

That reported rate is significantly higher than the overall death rate from COVID.

Atlanta-based researchers for the government agency made news this past week for their findings that 13 out of every 1,000 reports to the federal

government's Vaccine Adverse Event Reporting System (VAERS), cited death as a result of vaccination.

Their report, published in *The Lancet* medical journal, also said that over 6 percent of adverse vaccine events in the VAERS database qualified as "serious", resulting in permanent disabilities, birth defects and other <u>maladies</u>, according to justthenews.com.

Other reporting on CDC data delving into the death numbers has brought disheartening news to younger people who otherwise faced little serious risk of death from the COVID virus, in any of its variants.

Speaking on Steve Bannon's "The War Room," podcast, a former portfolio manager with the BlackRock investment firm delved into the numbers.

"The Millennials, about ages 25 to 40, experienced an 84 percent increase in excess mortality in the fall," said number crunching expert Edward Dowd.

Dowd called it the "worst-ever excess mortality, I think, in history."

# TRENDS IN GEOPOLITICS



# SOUTH KOREA NEW GOVERNMENT = ESCALATION OF MILITARY TENSIONS

South Korea last week elected a former prosecutor who will likely push the country closer to Washington but anger China in the process.

Political observers said the election was "not an election for the future but an election looking back," according to *The New York Times*.

"By electing Yoon people wanted to punish Moon's government they deemed incompetent and hypocritical and to demand a fairer society," Prof. Ahn Byong-jin, a political scientist at Kyung Hee University in Seoul, told the paper.

Moon Jae-in served one five-year term based on the hope that he could lead the country beyond the scandals of Park Geun-Hye. She was pardoned by Moon after being sentenced to a prison term for bribery and other crimes.

Park is a conservative and Moon is a liberal. His decision to pardon her in December was seen as an attempt to bolster his own chances at re-election by splitting the opposition. The Associated Press reported that Park has insisted that she is a victim of political revenge.

### South Korea Moves Closer to U.S.?

Yoon is seen as a conservative who will likely align closer to the U.S. and is expected to take on a more hawkish position against North Korea. The U.S. keeps about 30,000 troops in South Korea since the Korean War ended in an armistice. The troops have been stationed there ever since Seoul and Washington signed a treaty of mutual defense.

Reuters reported that South Korea is the third-largest American military presence outside the U.S. behind Japan and Germany.

The report, citing South Korea's Defense White Paper that was issued in December, said U.S. Forces Korea maintains about 90 combat planes, 40 attack helicopters, 50 tanks, and about 60 Patriot missile launchers in the country.

Yoon's election may be welcome news for Washington since there has been concern that Seoul has not stood up to China when it comes to Taiwan aggression. (See: "SOUTH KOREA'S BOTTOM LINE: THEY WON'T SUPPORT TAIWAN OR U.S. AGAINST CHINA.")

We reported that China is a major trade partner with Seoul. One observer described South Korea as the "shy girl at the prom" when it comes to China, which is "sitting by the punch bowl."

Moon also tried a diplomatic approach to North Korea, while Yoon has already called for new military drills with the U.S.

Yoon has also expressed interest in joining The Quad, the military alliance formed by the U.S., Australia, and Japan. Moon "maintained South Korea's strong military, but otherwise sought to focus on economic development rather

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than play an active part in global or even regional affairs," Henry Olsen, a columnist at *The Washington Post*, wrote.

"Yoon sees the world completely differently. He wants to strengthen the alliance with the United States and plans to acquire increased missile and air defense capability, including allowing the United States to station more Terminal High Altitude Area Defense (THAAD) anti-ballistic missile units in South Korea. China vociferously protested the initial THAAD deployment because it believes it could be used to combat its own nuclear capabilities," he wrote.

Yoon, a member of the right-wing People Power Party, took a tough stance toward China during the campaign, which Politico pointed out "could reshape the balance of power in East Asia."

He won by fewer than 300,000 votes. Some of the other key issues of the campaign were public inequality, unemployment, and #MeToo scandals within Moon's own government.

The *Times* reported that the country is also struggling on the domestic front, from skyrocketing home prices, economic uncertainty, and a falling birth rate.

"We are the betrayed generation," Kim Go-eum, 31, who works at a convenience store chain, told the paper. "We have been taught that if we studied and worked hard, we would have a decent job and economically stable life. None of that has come true."

**TRENDPOST:** Washington is no doubt celebrating Yoon's election, but – as we see in Ukraine, there are times when expanding alliances can lead to war. China has recently started speaking out against the growing push by the West to form an Indo-Pacific NATO. (See: "U.S. LAUNCHES COLD WAR 2.0: CHINA LAMBASTS 'COLD-WAR MENTALITY.")

"China sees itself surrounded by hostile forces (save for Russia and the DPRK), so they view this as a literal existential threat whereas the U.S. is protected by the Pacific and the Atlantic," Nydia Ngiow, managing director at

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BowerGroupAsia Singapore, said. "North Korea is China's only ally, and Russia's invasion of Ukraine has strained its relationship with China. Its strong relationships within the region with Pakistan, Myanmar, Cambodia and Laos also lack the depth compared to the U.S. and its allies. The Belt and Road initiative has also not been as successful as China would like."

Wang Yi, China's foreign minister, said Monday that the U.S.'s "real goal" is to form a NATO-type alliance in the Indo-Pacific, which he said runs "counter to the common aspiration of the region for peace, development, cooperation, and win-win outcomes."

"They are doomed to fail," he said.

Wang reiterated that Beijing is not pleased with Washington's recent overtures to Taiwan.

"This would not only push Taiwan into a precarious situation but will also bring unbearable consequences for the U.S. side," Wang said. He said, "Taiwan will eventually return to the embrace of the motherland."

**TRENDPOST:** Under the Trump administration, war "games" by the United States and South Korea near North Korea were suspended... and so too was the war talk.

Rather than making peace and friendship—as with the U.S. led "hate and fear Russia" Cold War that has been raging almost non-stop since the end of World War II—the "hate and fear North Korea" campaigns have been going on since the end of the Korean War in 1953.

None of the sanctions and other restrictions imposed by the United States on these and other nations, such as Cuba and Venezuela, has changed their political directions or derailed their national initiatives.

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The only bearers of bad sanction news have been the general public who pay the price while the political leaders continue to live in the higher life styles they have been accustomed to.

#### IRAN MISSILE ATTACK HITS ISRAELI TARGET



Iran's Revolutionary Guard announced Sunday that it was responsible for the ballistic missile attack on an Israeli "strategic center" in Erbil Kurdistan, a region in northern Iraq, which was seen as a clear message to the U.S. and Israel about its military capabilities.

The missiles were fired from Iran and hit near a U.S. Consulate that was being developed in Erbil, *The Jerusalem Post* reported. There were no reports of injuries. The paper pointed out that the Kurdistan Region is an autonomous area and the U.S. has forces there.

Middle East Eye, which first reported on the Revolutionary Guard claiming responsibility, reported that about a dozen missiles struck Erbil at 1 a.m. on Sunday. The IRGC said its target was a "strategic center for conspiracy and mischiefs of the Zionists."

The **Trends Journal** has been reporting on tensions between Israel and Iran-backed forces in Syria. Haaretz reported that there has been a covert drone war between Iran and Israel for months. (See <u>"ISRAEL KEEPS BOMBING"</u> SYRIA," <u>"ISRAEL CONDUCTS SERIES OF DEADLY AIRSTRIKES IN SYRIA"</u> and <u>"ISRAELI AIRSTRIKES KILL 3 SOLDIERS IN SYRIA."</u>)

Iran accused Israel of killing two Revolutionary Guard officers and said the strikes were retaliatory.

Jake Sullivan, the White House national security adviser, said the U.S. will support Iraq, which has condemned Iran for the attack.

"The United States of America stands behind the full sovereignty, independence, and territorial integrity of Iraq," he said. The Associated Press reported that the presence of U.S. troops in Iraq has been a source of contention for Iran.

Iran-aligned militias have been blamed for attacking U.S. military sites in the country but have denied the claims.

Reuters pointed out that the last time Iran launched missiles at U.S. military targets was shortly after the drone assassination of Iranian commander Qassem Soleimani. Ain Al Asad airbase in the western region of Iraq was targeted and dozens of U.S. forces suffered brain injuries.

Rep. Liz Cheney took to twitter to condemn the Iranian attack and said the Biden administration must end its nuclear deal negotiations "immediately."

Reuters reported that 49 of 50 Republicans in the U.S. Senate said they would not back a new nuke deal between the U.S. and Iran. Sen. Rand Paul was the only member to decline signing the statement and said, "Condemning a deal that is not yet formulated is akin to condemning diplomacy itself, not a very thoughtful position."

The Wall Street Journal's Editorial Board wrote that the missile attack was a significant departure from norms in the region. "Iran typically commits mayhem through proxy militias, but this time Tehran took credit," it wrote.

**TRENDPOST:** The **Trends Journal** has long reported on how hypocritical it has been for the U.S. to ever lash out at other countries over missile strikes given Washington's history of killing thousands of innocent civilians abroad.

As we have noted:

"After being silent for nearly 10 years, last week the U.S. Senate Judiciary Committee held its first hearing about the U.S. military's use of drones in the Middle East and the number of civilians who have died in bombings.

"Sen. Dick Durbin, the chairman of the committee, said up to 30,000 civilians have been killed in U.S. drone strikes since the last meeting occurred in April 2013. (See: "BIDEN PRESIDENCY= OBAMA 2021.")
"These are not just numbers," Durbin said, according to Middle East Eye. "These are real people."

The U.S. once again finds itself in the crosshairs because of its insatiable drive to position troops where we have no business to be. One of the key reasons Russia invaded Ukraine was because of U.S. missile systems popping up in Baltic States.

**TRENDPOST:** Also not mentioned, is President Barack Obama, the Nobel Peace Prize winner, was a master at mass drone murders. Back in 2014, with the nation in a vacation state of mind as it celebrated July 4, the White House released its tally of civilians killed in drone strikes outside battle zones such as Iraq, Afghanistan and Syria from when Obama took office in 2009 until 2015.

From the man who spends his "Terror Tuesdays" signing a "kill list" and was quoted in the book "Double Down" that "I'm really good at killing people," Obama launched over 10 times as many drone strikes as former murderer-in-chief, George W. Bush.

Although the administration put the number of civilians killed between 64 and 116, human-rights organization Reprieve said over 4,000 innocent men, women and children have been killed by Obama drones: "What little the Obama administration has previously said on the record about the drone program has been shown by the facts on the ground, and even the US government's own internal documents, to be false," Reprieve said regarding the White House report.

"It has to be asked what bare numbers will mean if they omit even basic details such as the names of those killed and the areas, even the countries, they live in," the group wrote.

Considering all males between ages 18 and 80 blown to death by US Hellfire missiles automatically are deemed "combatants" and are not counted as civilians killed—and considering that Afghanistan, Iraq and Syria were not included in the White House report—human-rights organizations had brought the death tally much higher.

## TRENDS-EYE VIEW



# UNIONIZATION ON-TREND KEEPS GROWING: MINNEAPOLIS TEACHERS ON-STRIKE

Unionization was one of our <u>Top Trends for 2022</u>, and as we have been reporting each week, across the work spectrum, it's "on-trend."

Teachers from Minneapolis Public Schools and other workers in the system announced last Tuesday that they will strike over wages and working conditions. *The Wall Street Journal* reported that one of the demands is raising the starting salaries for support staff from \$24,000 to \$35,000 a year.

"We're here to say this isn't working," Greta Callahan, the president of the union's teachers chapter, told the paper. "You have been hemorrhaging families, you've been hemorrhaging educators. Our students don't have stability. They deserve a high-quality education."

More than 4,500 employees are calling for more mental health support, smaller class sizes, and living wages. Those striking have called on the state to tap into its \$9.3 billion of surplus funds to meet the demands.

The Minneapolis Public Schools (MPS) said it offered teachers "significant" proposals to get students back into the classroom. (Schools have been closed since last Tuesday and will be closed through the strike.)

TRENDPOST: The shortage of workers and the desire of employed workers to organize and go on strike share a common root cause: people are far less inclined to perform menial, unfulfilling jobs for meager pay. (See: "STARBUCKS STORE TO UNIONIZE, A TOP TREND FOR 2022?" "ACTIVISION STUDIO GROUP WILL FORM A UNION, SOLIDIFYING TRENDS JOURNAL FORECAST," "POLITICO JOURNALISTS FORM UNION. A TREND OF THE TIMES" and "REI: UNIONIZATION TREND EXPANDS AS FORECAST.")

Like in other instances that we have reported on, the MPS has been accused of spreading misinformation, releasing details about the negotiations to the press, and "demonizing educators to make them look greedy," BringMeTheNews.com reported.

The school district claims that it has a budget gap of \$97.2 million for the 2022-23 fiscal year due to several reasons, including small enrollment numbers.

Minnesota Public Radio reported that district leaders have warned that the budget shortfall could mean layoffs. Ed Graff, the Minneapolis superintendent, said the budget gap means the district will have to make a reduction in staff.

"It will mean consideration of consolidating programs and perhaps schools. These are things that we cannot avoid based on what we're seeing with our revenue and expenditures," he said, pointing out that he believes teachers and staff should be earning more.

Minneapolis teachers make an average of \$71,535 per year, which is about \$14,000 less than St. Paul teachers make on average, MPR reported.

Callahan has said that securing \$35,000 per year for education support professionals is her top priority. Their starting salaries are \$24,000 per year.

The school system has lost more than 640 educators in the last 18 months and Callahan accused the district of "power hoarding."

**TREND FORECAST:** Unionization will continue to be a Top Trend; the more limited the supply of workers made worse by "No Jab, No Job" mandates; (see <u>"WANT TO KEEP YOUR JOB? GET THE JAB!"</u> and <u>"NO JAB, NO JOB. VACCINE MANDATES 'WORKING'"</u>), the more powerful the trend toward unionization will be.

February's consumer price index was up 7.9 percent, which was the biggest jump in 40 years, and the price impacted household goods. Inflation is expected to continue to rise amid the growing conflict in Ukraine and sanctions leveled by the U.S. against Russia.

CNBC reported that the Fed is expected to announce its first rate hike this week "to curb inflation before it becomes too entrenched."

And, as inflation continues to rise faster than wages, corporations that wish to incentivize their workforce to do and give the best they can, will raise the pay scale to levels higher than inflation rates. In doing so, they will create atmospheres of mutual appreciation.

# TOP TREND 2022: 3 MORE STARBUCKS LOCATIONS IN BUFFALO VOTE TO UNIONIZE



The National Labor Relations Board on Wednesday announced that three additional Starbucks locations in Buffalo, N.Y., voted to unionize—following stores at two other locations in the city. (See "STARBUCKS UNIONIZATION: 2022 TOP TREND ON THE RISE.")

Reggie Borges, a spokesman for the coffee chain, said in a statement that the store will "respect the process and will bargain in good faith guided by our principles. We hope that the union does the same."

The New York Times reported Workers United, an affiliate of the Service Employees International Union, accused the chain of "systematically cutting hours" to purge itself of veteran employees who are more open to union representation. There have also been allegations that the company has retaliated against pro-union workers.

Starbucks Workers United took to Twitter on Saturday to announce that eight stores have filed for unionization in Buffalo. The group posted a letter from the unions to Kevin Johnson, the president and CEO of the coffee chain.

## The letter read in part:

"Since the union campaign launched in late August, we have been micro-managed, threatened, and lied to. Starbucks corporate consistently ignored our voices and ignored what we were telling them we needed. From having a 'manager' that trained at our store sexually harass us for four months, the constant lying and gaslighting and false hope from corporate, we are all beyond tired and burnt out. We have been told that

we're replaceable and unimportant in the company. This is *not* the same company that so many of us have worked for years now."

Colin Cochran, an employee at one of the Buffalo locations, told NPR that his store first petitioned the company six months ago.

"It's been a slog of a legal process," he said. "It shouldn't be this hard... but at the end of the day, winners win."

TREND FORECAST: The Trends Journal has reported on the shift to unionization during the COVID-19 outbreak, when major companies saw record profits and stock prices, while the vast majority of their employees toiled in low-paying jobs with little hope of career advancement. (See "UNIONIZATION: TOP TREND FOR 2022, ON-TREND," "ACTIVISION STUDIO GROUP WILL FORM A UNION, SOLIDIFYING TRENDS JOURNAL FORECAST" and "SPOTLIGHT: WORKERS ON DEMAND.")

# TOP TREND 2022-UNIONIZATION: LACK OF COMPETITION CUTS WORKERS' LEVERAGE



The labor market is tight as a drum, with workers walking away from one job and right into another that pays better, the story goes.

The reality is not so simple, says a new

report from the U.S. Treasury department.

Too often, employers face little competition for workers, allowing companies to dictate pay rates and conditions of employment, the report found.

The report recognizes "that the idea of a competitive labor market is a fiction," assistant treasury secretary Ben Harris told *The Wall Street Journal*. "This is a sea change in economics."

Because employers face little competition for employees, workers often are paid as much as 25 percent less than they would in a jobs market in which companies had to work to attract the best workers, the report said.

Employers facing little competition also can skimp on safety or rest periods, switch schedules on short notice, monitor workers' personal social media, and otherwise make job conditions dismal, the report added.

Employers throttle competition for workers in several ways.

Some businesses require workers to sign "noncompete" agreements that bar employees from working for a competitor, or even in the same field, for a period of time after leaving their current job.

Companies sometimes demand workers sign "nondisclosure" agreements that forbid them to discuss wages or working conditions with anyone, including fellow employees.

If there was greater competition for talent, a worker might still sign such agreements but would be in a better position to negotiate a higher salary or greater benefits in return.

"There is a long list of insidious efforts to take power out of the hands of workers and seize it for employers' gain," Seth Harris, deputy director of the National Economic Council, said to the WSJ.

Also, structural changes in the economy have robbed workers of their power.

Outsourcing services such as janitorial work, food service, and security have transferred jobs from individual companies to agencies, which compete to offer the lowest price to clients, which means cutting wages to the bone.

The rise of the gig economy is the ultimate form of outsourcing. Freelancers—who must pay their own medical insurance premiums, save on their own for retirement, and cover 100 percent of their own Social Security taxes—compete against each other to provide clients the greatest amount of work for the lowest price.

If another freelancer is willing to work cheaper and offers the same level of quality, the lowest-earning freelancer gets the job.

Mergers and acquisitions among hospitals, food service businesses, and other businesses create financial "efficiencies" by consolidating work in a central place that previously was done in several. That means not only fewer jobs, but a smaller number of companies in the industry that might offer displaced workers new jobs.

From 1975 to 2021, mergers pared the number of U.S. hospitals from 7,156 to 6,093, the report noted, citing data that the shrinkage has cut wages for nurses, pharmacists, and other skilled workers.

Unions, traditionally the lever that gave workers bargaining power, "are virtually irrelevant across much of the labor market," the WSJ said.

Only 6 percent of private-sector workers are union members, the report found.

Passing laws limiting noncompete and nondisclosure agreements might be possible, the report concluded, but strengthening workers' ability to unionize or raising the federal minimum wage from its current \$7.25 will continue to face hurdles in Congress.

**TRENDPOST:** While the study cites past conditions, our <u>Top 2022 Trend</u> of workers unionizing and reclaiming their power looks ahead: we see employees organizing, bargaining for better conditions, and winning more and more of those fights, as we have documented in stories such as <u>"Unionization On-Trend: Amazon Workers Vote to Unionize"</u> (8 Feb 2022).

For more evidence that this trend is taking root, see "'Big Quit' Continues as Employers Struggle to Fill Jobs" in this issue.

# TRENDS IN HI-TECH SCIENCE



By Ben Daviss

### ARE COWS THE KEY TO RECYCLING PLASTIC?

Nations have laid plans to negotiate a legally binding global treaty to reduce plastic pollution.

Cows aren't at the table for the discussions but they may play a part in making the treaty work.

One of the four chambers in a cow's stomach is the rumen, which incubates the bacteria that break down the coarse vegetation that cows eat.

The vegetation that cows eat contains a substance called cutin, which makes up the waxy outer wall of plant cells and is common in apple peelings and tomato skins. Cutin has a chemical structure similar to PET, the common plastic used to make soda bottles, food packing, and synthetic fabrics, among other things.

Researchers at the University of Minnesota figured that if cows can digest cutin, maybe they could digest PET.

So the scientists analyzed liquid from cows' rumens and found bacteria producing enzymes that break down not only PET, but also the plastics PBAT, used to make compostable plastic bags, and PEF, a plant-derived, water-resistant plastic.

When the team soaked the targeted plastic in rumen juice for a few days, they found that the bacteria degraded all three forms of plastic, PET most effectively.

Looking at the bacteria's DNA, they found the bacteria were cousins to several other species that are known to be able to digest plastics.

**TRENDPOST:** The process for growing massive batches of working bacteria in vats is well-known. A process could easily be designed to produce plastic-eating bacteria by the barrel.

More difficult: setting up an infrastructure that will collect the process, feed it to the bugs, then dispose of the effluent.

### SLOWING AGING BY REPROGRAMMING CELLS



Scientists at the Salk Institute delayed aging in mice by genetically engineering their cells to produce more of four molecules known as "Yamanaka factors," which control how accurately DNA is copied and also foster the creation of stem cells.

Trying the technique with mice, the researchers found it had a rejuvenating effect on kidneys, skin, and the body as a whole. Also, injuries to the mice's skin healed more quickly and with less scarring.

More broadly, the treated mice showed less susceptibility to the inflammation, physiological stress, and cellular "old age" common in aging animals, including humans.

The treatment caused no apparent negative side effects.

The "but": the treatments were carried out for significant spans of the mice's life and the treatment was only effective after a long time.

One group of mice was treated regularly for what, in humans, would have been the ages of 50 to 70; another group from the equivalent ages of 35 to 70; and a third group for the human analog of three years starting at what in people would have been age 80.

The 80-year-olds showed no effects. In the two other groups, the treatment began to show impacts only after it was more than halfway through its course.

**TRENDPOST**: Such long-term treatment may be impractical as a general age-defier for humans, but could become a treatment to restore failing organs instead of relying on transplants, with their attendant trauma, ongoing health risks, and costs.

### COVID SPEEDS SHIFT TO HOME DIAGNOSTICS



In the age of smartphones, personal portable devices give everyone the ability to diagnose an illness, as we've reported in articles such as "Doctor in Your Hand" (23 Sep 2015) and "Cough, Cough...Your Doctor is on the Phone" (19 Jul 2017).

That trend has been evolving. Now, after COVID, it's exploding.

"All of a sudden, home diagnostics and home testing became a thing," Amy Beckley, CEO of MFB Fertility, told *The Wall Street Journal*.

Beckley's company has been cleared by the U.S. Food and Drug Administration to offer Proov, its test to let women read their hormone levels for 20 consecutive days and see when they're most likely to become pregnant.

Medical Electronics Systems makes an app-based test to tell men what their fertility levels are and instructs them to see a physician if their results aren't within a normal range. Other companies are prepping at-home test kits for flu and strep throat.

Before the COVID era, many medical and public health professionals hesitated to embrace home diagnostics, fearing that too many people would be unable to interpret results properly.

COVID changed many of those minds, the WSJ said.

"COVID has paved the way for home testing," Nitika Pai, professor of medicine at McGill University, said to the WSJ.

While many people still prefer the security of being tested by a physician or technician in a doctor's office, Quest Diagnostics finds an increasing interest

among patients to check their conditions at home, Cathy Doherty, Quest's chief of consumer testing, told *The Journal*.

"We think there's room for both," she added.

**TREND FORECAST:** The market for home tests will flourish as tests become easier to use and interpret and as visits to doctors' offices become more expensive. Insurance companies likely will begin to cover the cost of more home tests that otherwise would require a trip to a clinic.

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