TRENDSJOURNAL.com | FORECASTING SINCE 1980 | 21 JUNE 2022

THE TRENDS JOURNAL®

HISTORY BEFORE IT HAPPENS®

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21 June 2022

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About the TRENDS JOURNAL

Gerald Celente is the Founder/Director of the Trends Research Institute and Publisher of the weekly **Trends Journal** magazine. He is the author of the highly acclaimed and best-selling books *Trend Tracking* and *Trends* 2000 (Warner Books).

With a 40-year track record of identifying, tracking, and forecasting trends, Celente is world-renowned as today's #1 Trend Forecaster. Celente has earned the reputation as a trusted name in trends for his many accurate forecasts; among them the 1987 Stock Market crash, Dot com bust, "Gold Bull Run," the "Panic of '08," the rise of organic foods, and the popularity of gourmet coffee long before Starbucks was a household name.

Self-described as a "Warrior for the Prince of Peace," Gerald Celente is also the Founder "Occupy Peace & Freedom," a not-for-profit movement to honor the Constitution and Bill of Rights and restore Freedoms.

INSIDE

MENTAL INSTITUTION

Welcome to this week's **Trends Journal**: "MENTAL INSTITUTION"

That's right, Washington is home to the mentally ill politicians who run and ruin the lives of We The People. By their deeds you shall know them and as evidenced by their track record, they have a non-ending list of dramatic failures. Adding to their insanity they have now dragged America into the Ukraine War.

Illustrating the idiocy of those in charge in dictatorships that pretend to be democracies, we note in this week's issue that Gen. Sir Patrick Sanders, the chief of the British army, warned that troops in the UK must be prepared to "fight and win wars on land." He said there is a "burning imperative to forge an army capable of fighting alongside our allies and defeating Russia in battle."

Such belligerent talk may win praise in the West's mainstream media, but their all war-no peace mantras illustrate the high degrees of their mental illness. Avril Haines, the U.S. director of national intelligence, recently said Russian President Vladimir Putin may turn to nuclear weapons if he senses that his forces face defeat in Ukraine.

So, politicians cheering for a clear Russian defeat seem willing to face the real prospect of nuclear Armageddon. Nuclear war? These mental midgets don't care, as long as Putin is defeated.

Before the war began, **The Trends Journal** had called for negotiations to save the lives of Ukrainians and prevent a world war. Please consider supporting Occupy Peace and please do what you can to join us at our July 23 Peace and Freedom Rally on the Four Corners of Freedom in Kingston, N.Y.

Also, please remember to tune in 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

COMMENTS

BLIND YELLEN SELLIN'
Yellen never should have been considered an economic seer to begin with–none of the Fed members should, considering how often they are critically wrong. All they do is cheerlead. They will never give us a sober prognosis, which works in their favor when the money spigots are on, but we're now seeing how poorly their rosy forecasts hold up with no easy money to keep the economy propped up.

Brettagher

A "GENIUS" ECONOMY
The geniuses with their PhD's in economics are following MMT, which is the root of the problem. There is no accountability in government. All the small businesses have been forced out of the economy, leaving the global corporations to profit.

Bitcoin is turning out to be an illusion, pumped up by the initial investors who have sold off at the top. There will need to be self-regulation by the crypto community, so that the whales can no longer decimate the smaller investors when they sell large amounts.

Kevin Walker

LONG TIME COMING
Yellen and Powell (Fed Chairs) both have ushered the stagflation into being starting in 2008 when monetary easing and taxpayer wealth was physically transferred from the government Treasury to Big Banks and Billionaires and Foreign Entities at zero interest rate.

This allowed the "bigs" to borrow Trillions at no or very little interest while the consumers had to pay 2-5% rates on cash purchases and as much as 17% by Credit Card!!!

Now, the debt generated by the Trillions loaned or gifted to the "bigs" has come home to roost and the long planned CBDC currencies being ushered in by Yellen and Powell have culminated in the debt crisis and long term stagflation!!!!

harlow53

ECB RATE HIKE
Food and daily household prices here in the EU jump 10-15% in a month's time. We would have wished it to be the 8% the governments live under. Toilet paper just jumped 20% again and we saw a salesman's display on the high street demonstrating arabic style water genitalia equipped toilets for hand cleaning hygiene. Winters are cold here, and when asked about the method used to offer heated water, he had no answer. The French solved this issue decades ago so this toilet will as well.

joeldee

PREPARING FOR THE GRAND FINALE
Try to get out of debt! That is the only solution. Stack gold and silver if you can. Stock up on items you need for everyday living and prepare to hunker down and defend your castle. Those of us who have seen this coming for quite a while now should have been already doing this and should have a good start towards this goal. I worry for my children and grandchildren so I have been warning them to prepare also but not so easy when living check to check. God Bless us and thanks to Gerald and his team for keeping us informed.

Peter Allen

Gregory years ago on USA watchdog had a correlation between population growth and the growth of debt. Gregory stated, and I am paraphrasing, " When the debt bubble implodes, the effects on the global population will be biblical."

yardscapes1

U.S. WAS LONG RAMPING UP UKRAINE WAR
Just watch Oliver Stone's documentary "Ukraine on Fire" and you'll see that Tyrannical Washington was behind the whole thing in 2014. Insane Mccain,

Hitlerly Clinton and the lot. of course you can't find it on YouTube any more because they have removed it like all other truths that were online.

ronald howell

Business as usual for the death cult. Nothing to see here. Looks like a master stroke to massively accelerate the collapse of the USD fiat debacle.

Mark Mccallum

GENE EDITING AND WHAT "SCIENCE" DOESN'T KNOW

These editing and GMO technologies should be advanced with only the greatest care and a long term stringent follow up on adverse effects of the organism that was gene edited. GMOs are one of the reasons that foods no longer have the overall health benefits that they used to due to altering the specific types of nutrient complexes that food originally had to something of much less value in order to increase production or give it a longer shelf life by turning it into basically a junk food.

a1achiropractic

READY FOR THIS

Shit! As much as we can do to get ready after they cut us off at the f-ing knees!

Celente, Zang, Manarino, Rich Dad, Down and dirty! Fall Back Regroup, assets in hand, assets grow, food, water, shelter, community, armed [to the] teeth.

Martial Training every day.

Gerald Celente as by the Stoics…

What should you say as hard times come to you?

You say to yourself
I trained for this!
I practiced for this!
I am ready for this!

HandsFree

AS RED SAID

Buy a small farm, get some chickens and a few goats grow some veggies. Maybe buy a shotgun or two. And as the old song said.. Make the world go away, get it off my shoulders, say the things you used to say and make the world go away…
And as Red Skelton used to say "Good night and may God bless!"

Tommyod

TRENDS ON THE ECONOMIC AND MARKET FRONT

ECONOMIC UPDATE – MARKET OVERVIEW

ECONOMIC OVERVIEW

Stay in the mainstream, stay stupid, stay out of touch.

Yes, moronic masses swallow the crap and obey what their governments—run by imbecilic, arrogant, mentally ill politicians—flush into the mainstream that their media whores sell.

And by following their leaders and obeying their orders, not only has freedom been stolen, the future has been paved with poverty and misery.

Life, already a daily challenge in so many ways, spiked lower when China launched the COVID War in 2020, on Lunar New Year, The Year of the Rat, locking down cities and imposing unprecedented draconian mandates... that not only persist but have worsened.

Following the path of Communist rule, Italy's politicians, keeping the fascist spirit of Mussolini alive, declared they were in complete control of the people's lives and imposed upon them unprecedented, unscientific mandates to fight the COVID War.

One after another, across the globe, the message was the same: Stay in your homes, don't go to work, don't go to school, close down your businesses, don't travel... "We're fighting the COVID War."

Yes, one after another, politicians spewed out their warmongering fear:

- **President Donald Trump**, "It's a war. I view it, in a sense, as a wartime president." (18 March 2020);
- **Vice President Joe Biden**, "This a crisis. We're at war with a virus." (14 March 2020);
- **NY Governor Mario Cuomo**, "The soldiers in this fight are our health care professionals. It's the doctors, it's the nurses, it's the people who are waiting in the hospitals… they are the soldiers who are fighting this battle for us." (30 March 2020);
- **NYC Mayor Bill DeBlasio**, "We have to understand this is pure war footing." (16 March 2020);
- **France President Emmanuel Macron**, "We are at war… The enemy is Invisible, and it requires our general mobilization." (16 March 2020);
- **Britain Prime Minister Boris Johnson**, "We must act like any wartime government and do whatever it takes to support our economy." (17 March 2020);
- **South Korea President Moon Jae**, "The entire country has entered war against infectious disease." (3 March 2020);
- **China President Xi Jinping**, "A people's war." (13 March 2020);
- **UN Secretary Antonio Gutierrez**, "We are war with a virus and not winning it… This war needs a war-time plan to fight it." (26 March 2020);

- **U.K. Health Secretary Matt Hancock**, "We are in a war against an invisible killer, and we have to do everything we can to stop it." (16 March 2020).
- **World Health Organization Director General Tedros Adhanom Ghebreyesus**, “We are at war with a virus that threatens to tear us apart.” (26 March 2020)

Saluting those in charge, the mainstream media parroted their leaders’ war declarations along with their so called “health experts” of what to do and how to do it to “stay safe.” And the majority—with an untarnished track record of supporting every war their “leaders” declare—obeyed government orders and marched off to fight the COVID War.

Stupid Jerks!

And for all of those, such as the **Trends Journal**, who challenged them with the facts of who was dying from COVID and why—and that their mandates were not based on science but rather political science—the politicians and Presstitutes denounced us as “conspiracy theorists” and imposed strict censorship.

In the “Land of the Un-Free” and “Don’t Think For Yourself,” the only stream for We the People to follow is the mainstream. If you don’t obey, you will pay.

Not only did the masses march off to their “leaders” orders... those refusing to get the drug dealers’ Operation Warp Speed gene therapy jab injected into their body were fired. No Jab, No Job. See:

- “Want to Keep Your Job? Get the Jab!” (14 Sep 2021)
- “Hong Kong: No Jab, No Job. No Freedom” (4 May 2021)
- “UCLA Doctor: No Jab. No Job. Call the Police” (12 Oct. 2021)
- “Citigroup on Board with No Jab, No Job” (2 Nov 2021)
- “No Jab, No Job. Vaccine Mandates 'Working'” (5 Oct 2021)
- “No Vax, No Job, No Future: Biden Knows Best” (24 Aug 2021)
- “No Jab = No Job” (23 Feb 2021)
- “New York Unions Fighting Vax Job Demands” (26 Oct 2021)
- “New Trend: Jab Hectoring” (23 Feb 2021)

If you did not get the shot in the arm, you were not permitted to travel or enter buildings and offices.

Beyond the fear and hysteria that politicians and Presstitutes continually sold in championing the COVID War that sucked the joy out of life, the economic damage they have inflicted is unprecedented.

Besides the COVID War having destroyed billions of lives and livelihoods across the planet, who would have ever believed that people would not want to go back to work?

After being forced to stay at home to fight the COVID War, people assessed how miserable their lives were when they worked full-time at jobs that did not satisfy them financially or mentally, so they dropped out of the mainstream workflow.

From hospitality to healthcare, and from construction to aviation, “Help Wanted” is the sign of the times.

And for all those who are too blind to see, just take a trip on the unfriendly skies.

Despite airline travel being down some 13 percent last week compared to 2019, when there was no COVID War being fought, this past weekend in the U.S.S.A. more than 20,000 flights were delayed or canceled.

The reason for the flight mayhem is a shortage of baggage handlers, airport staff, flight crews and pilots.

What caused the job shortage? Why are they not being filled?

It’s all because the COVID War ignited The Great Resignation. Last year, 71 million people quit their jobs and the “Forever Resignations” continue, with 4.4 million Americans quitting their jobs in April, according to the Bureau of Labor Statistics.

But the connection between the airline Armageddon and The COVID War that launched the Great Resignation is not mentioned by the Presstitutes who just keep sailing down the mainstream.

Even small businesses are having a hard time hiring workers. Companies with up to 50 employees saw their head counts decline in three of the past four months, according to ADP.

As reported today in *The Wall Street Journal,* a survey conducted for them by Vistage Worldwide, found that 63 percent of small-business owners said that hiring challenges are affecting their ability to operate at full capacity.

High Times

Yes, it was the COVID War that has caused this hiring crisis that is essentially ignored by the same media whores who kept selling the Bankster bullshit that inflation was "temporary" and "transitory" and only quote the same cast of "economic experts" that are members of "The Club"... while chastising those of us who see it for what it is and not what we want it to be as "gloom and doomers."

And for some more of the inflationary evidence that was created by the Banksters and governments injecting cheap money to artificially inflate Wall Street and Main Street with record-low interest rates and trillions of "stimulus" dollars, for the plantation workers of Slavelandia, the median existing-home sale price in the U.S. home spiked to $407,600 in May.

TRENDPOST: *Politicians and "mainstream economists" like to blame the Ukraine War for spiking inflation and energy prices due to supply chain issues and sanctions imposed on Russia. But to make this perfectly clear, as we had noted, inflation was spiking long before the Ukraine War and the continuing spike in U.S. home prices have zero to do with the invasion.*

On the downside, with housing prices rising—along with mortgage rates which are more than double the average 2.65 percent rate last year—sales of existing homes in May dropped 3.4 percent and were down 8.6 percent from May 2021.

With prices spiking higher, in a May survey conducted by Fannie Mae, just 17 percent said it was a good time to buy a home. Down from 35 percent from May 2021, it hit a record low from data going back to 2010... The Great Recession.

The share of first-time buyers in the market fell to 27% in May, from 31% a year earlier. About 25% of May existing-home sales were purchased in cash, up from 23% in the same month a year ago, NAR said.

And as a result of the COVID War, which the mainstream ignores, less homes are being built because home builders can't find workers and supply-chain disruptions. According to the National Association of Home Builders, U.S. home-builder confidence slumped in June to the lowest level in two years.

Last week the U.S. Commerce Department reported that housing starts fell 14.4 percent in May from April, and residential permits, which are a key indicator for future home construction, dropped 7 percent.

TREND FORECAST: *It is all about the bottom line. And the bottom line of cheap money is falling out. Therefore, the equation is simple. The higher banks raise interest rates and the less money governments pump into their economies, the deeper equity markets and economies will fall.*

And while inflation in some sectors will ease, we still maintain our forecast for rising inflation and declining economy which equals "Dragflation"... and not the "stagflation" being sold to the public, since many GDPs will not stagnate, they will decline as inflation climbs higher.

Where will the equity markets go? What will go up and what will go down? Read Gregory Mannarino's article, "Central Banks Are Now Taking 'EMERGENCY MEASURES' To Stabilize the Debt/Credit Markets."

LAST WEEK: MARKETS TANKED ON INFLATION, RATE FEARS

Last week, the Dow Jones Industrial Average and NASDAQ each lost 4.8 percent, sinking the Standard & Poor's 500 index by 5.8 percent, dropping the S&P into a bear market and booking the index's worst week since March 2020 when the COVID War began.

Ten of the S&P's 11 sectors have fallen at least 15 percent from their recent highs and seven are down 20 percent or more, crossing the threshold into bear markets.

The S&P's index of consumer discretionary stocks has crumbled by 33 percent, the tech sub-index has spun down 28 percent, real estate has given up 25 percent, and consumer staples are off 10 percent.

The S&P's energy sector is the only one still buoyant. Although it dropped by 13 percent last week, its share price edged up past $648 on 8 June, its highest in a year, *The New York Times* noted.

Investors fear softness in consumer spending, which we report in "Retail Sales Slip in May as Prices Continued Their Rise" in this issue.

Markets also fear that the U.S. Federal Reserve will raise rates so high so fast that the economy will tip into recession, which is defined as two consecutive quarters of contraction.

The Fed's recent rate increases have driven mortgage rates to their highest in 13 years, halting the housing boom, as we report in "Mortgage Rates Rise at Fastest Pace in 35 Years" and "Housing Boom is Officially Over, Zandi Says" in this issue.

On Friday, the yield on the benchmark 10-year treasury note edged down to 3.238 percent. Yields fall as securities' prices rise.

Gold closed the week up a fraction at $1,841.

Brent crude oil lost 7.5 percent on the week, closing Friday at $113.12 over fears that central banks' higher interest rates will slow the economy and cut oil demand. U.S. price benchmark West Texas Intermediate's price dropped 9 percent to $110.48.

Bitcoin continued its slide, falling almost 9 percent to trade at $20,554 at 5 p.m. U.S. eastern time on 17 June. It briefly sank below $18,000 in weekend trading.

Overseas, the European Stoxx 600 index dove 4.2 percent as Western central banks boosted interest rates, as we report in "Central Banks in Europe Suddenly Hike Rates, Sinking the Dollar" in this issue.

Japan's Nikkei 225 gave up 4.2 percent after the central bank announced it would not lift its key interest rate and would continue its daily bond purchases to hold yields at 0.25 percent. (See "Yen Slides Further as Bank of Japan Holds to Negative Interest Rate" in this issue.)

The South Korean KOSPI retreated 4.6 percent over fears for the future of the country's export-dependent economy if a recession occurs. Hong Kong's Hang Seng bounced through the week, ending virtually flat at 21,162.

On China's mainland, the SSE Composite and CSI Composite indexes both rose 1.9 percent as the nation's economy continued to reawaken after anti-COVID lockdowns were lifted.

YESTERDAY: BITCOIN STEADIES AT $20,000, BANKS IN EUROPE LEAD GAINS

Many financial eyes, especially those of the Metaverse, have been glued the cryptocurrency bitcoin in recent weeks due to turbulent price swings that saw the world's largest crypto fall as low as $17,663 on Saturday night—representing a more than 70 percent drop since its highs in November.

Bitcoin steadied at about $20,000 per coin on Monday. Some observers said that although they are relieved that the price is back up above the $20,000 mark, there is a chance that this is a "dead cat bounce."

The overall crypto market capitalization is roughly $877 billion, Coinmarketcap said. The peak was when the crypto market hit $2.9 trillion in November.

ProShares on Monday announced that it launched the first short bitcoin exchange traded product in the U.S., *The Financial Times* reported. Michael Sapir, chief executive of ProShares, which has $62bn under management, told the paper, “We are optimistic that there will be interest in the fund, particularly given what has happened in the market in the past few months, and particularly the past week.”

He said U.S. investors who believe the price will continue to fall have “very limited and complicated ways of obtaining short exposure.”

U.S. markets were closed Monday for the Juneteenth holiday.

Elsewhere, the Stoxx Europe 600 rose 1.0 percent to its lowest closing value in over a year and the FTSE, the U.K. benchmark, gained 1.5 percent. Banks led the way and jumped 3.3 percent.

There was no glaring news that sent stocks higher and some economists said the price increases were due to the fact that there was no crushing news that things have gotten worse. European stock prices have been impacted by soaring inflation and energy prices, supply chain issues due to COVID-19 lockdowns in China, and central bank monetary tightening to fight the inflation.

Traders in Europe are waiting for the U.K.’s producer price index due on Wednesday, which is expected to jump. Retail sales numbers are also expected later this week and they are expected to show shoppers spending less.

Catherine Mann, the Bank of England interest-rate setter, also said that the bank should raise rates faster because the pound’s value is contributing to inflationary pressures due to an increase in import costs. She said money could flow from the U.K. to the U.S. due to the higher interest rates in the States and it is important for the bank to be competitive.

"In my view, a more robust policy move ... reduces the risk that domestic inflation already embedded is further boosted by inflation imported via a sterling depreciation," Mann said, according to *The Guardian.*

GOLD: Spot gold shed 0.2 percent on Monday to about $1,839 per ounce, as of 1:40 PM ET due to continued pressure from an elevated dollar. U.S. gold futures were flat at $1,840.30.

As the **Trends Journal** pointed out, gold loses its appeal when the dollar is strong and central banks hike up interest rates. Gold yields no interest.

TODAY: DOW UP NEARLY 642 POINTS, ONLY A PAPER MOON?

The Dow Jones Industrial average jumped 642 points today to end the session 2.15 percent higher at 30531.77. The benchmark S&P 500 also saw a 90 point increase to close at 3764.84.

The Nasdaq Composite was up 270.95, or 2.51 percent to 11069.30.

The market was closed on Monday for a federal holiday and the price jump was embraced by traders coming off last week's deep declines after the Federal Reserve announced that it will raise interest rates by 75 basis points to tackle surging inflation.

Investors are trying to determine what the increase means for stocks and whether the day's gain is a true bounce. Banksters from Goldman Sachs said in a note to investors on Monday that they see a 30 percent probability of a recession over the next year. They previously put the number somewhere around 15 percent. Mike Wilson, the Morgan Stanley chief U.S. equity strategist, also told CNBC that the odds of a recession is at about 50 percent. He believes that stocks can fall another 20 percent if a downturn continues.

The S&P, which was down nearly 6 percent last week and over 20 percent off its highs, saw all 11 of its sectors in the green. Energy companies saw some of the most significant gains, including Exxon Mobil that was up nearly 7 percent and Diamondback Energy, which was up over 8 percent.

"Do I think we have hit bottom? No. I think we are going to see more volatility, I think the bottoming process will likely take some time," Kristina Hooper, chief global market strategist at Invesco, told Reuters. "But I do think it is a good sign to see investor interest."

Fed Head Jerome Powell will testify before Congress later this week and investors will try to get a sense of whether or not he will commit to hiking interest rates another 75 basis points during next month's FOMC meeting.

TREND FORECAST: *The **Trends Journal** has long warned subscribers that the central bank Banksters were either too stupid to see inflation rising, or are totally in the game of rigging the markets, and were fully aware that the higher interest rates reach, the harder the market will fall.*

As we continue to note, while the average person feels the economic pain as inflation rises and it costs them more to buy less, the true levels of economic devastation will not be realized by the general population until Wall Street crashes. Therefore, the Bankster Bandits and The Wall Street White Shoe Boys will do all they can behind the scenes to delay the market crash.

Europe's Stoxx 600 was up 1.46 points, or 0.36 percent to 408.60, and Britain's FTSE 100 was up 0.42 percent to 7152.46. South Korea's Kospi was also up 17.90, or 0.75 percent to 2408.93. Japan's Nikkei jumped 475.09 points, or 1.84 percent to end at 26246.86. It was a volatile day in the European market with stocks suffering their sixth-consecutive session with losses.

The Stoxx 600 is down 17 percent after touching its all-time high in January. Stocks in Europe saw their third straight trading day of gains after getting pounded last week due to inflation concerns.

Despite the positive day in Europe, concerns remain given the soaring prices of energy since Russian sanctions were imposed. Germany's Bundesverband der

Deutschen Industrie, an industry association, said Tuesday that a recession in Berlin is inevitable after cutting its economic growth forecast to 1.5 percent for this year. Prior to the Ukraine invasion, the growth forecast for Europe's biggest economy this year was at 3.5 percent. The association blamed Russian gas supply issues.

As we point out in this week's issue, Russia has already cut off some European countries from its gas supply and dramatically reduced flows to others. These countries blamed Russia of weaponizing its gas supply. European countries are rushing to get their storage facilities to about 90 percent by November. They are at about 55 percent capacity now.

Christine Lagarde, the European Central Bank president, announced Monday that the risks to financial stability in Europe have "perceptibly increased" since January.

"While the correction in asset prices has so far been orderly, the risk of a further and possibly abrupt fall in asset prices remains severe," she said.

Stocks in China were higher on Tuesday, with the Shanghai Composite was down 0.26 percent to close at 3306.72. The Shenzhen Component fell 63.27 points, or 0.51 percent to about 12423.86. Hong Kong's Hang Seng gained 395.68 points, or 1.87 percent, to close at 21559.59.

Traders, like those elsewhere, continued to express concerns about recessions due to central bank moves to combat inflation. Mizuho Bank's Tan Boon Heng said in a note to investors that "market moves by and large bear the hallmarks of measured short covering after the brutal sell-off last week, not unbridled strengthening."

GOLD/SILVER: Gold was down 0.2825 percent to 1835.20 per ounce at 3 p.m. ET on Tuesday as U.S. Treasury yields rose.

The 10-year Treasury note increased by 6 basis points to 3.3 percent and the 30-year Treasury bond also saw its yield increase by 7 basis points to 3.368 percent. The higher yields and recent interest rate hikes by the Federal Reserve was blamed for taking some of the wind out of gold's sails in recent weeks. As the **Trends Journal** has long pointed out, gold prices are vulnerable to higher Treasury yields and interest rates.

The strength of the U.S. dollar compared to other currencies has also made gold a less appealing option for foreign investors. The U.S. dollar is trading at its highest level ever against the South Korean won, for example, and the Japanese yen crashed to 1987 levels today.

TREND FORECAST: *We maintain our forecast that for gold to maintain strength, prices must stay in the high $1,900 per ounce range and when they solidify above $2,200 per ounce, gold will spike to new highs. On the downside, should gold fall below $1,800, its bottom will be in the $1,730 range.*

OIL: Oil was up 0.931 percent on Tuesday to 110.58 per barrel. Brent crude was up 0.27 percent to 114.43 per barrel and West Texas Intermediate was trading 0.931 percent higher at 110.58 as of 3 PM ET.

Treasury Secretary Janet Yellen said a day earlier that Washington and its allies are discussing a price cap on Russian oil with the intention of pushing down the price of Russian oil and depress Russia President Vladimir Putin's revenues. European countries, which are more reliant on Russian energy, are skeptical of the plan.

One German official told Bloomberg that Yellen's idea is interesting, but would require reworking EU sanctions, a process that may be too complicated to implement.

President Joe Biden also said Monday that he may seek a "gas tax holiday" to ease high fuel prices while the national average price for regular gasoline hovered around $5 per gallon. Suspending the federal gas tax would require Congress' approval and lower the cost per gallon by 18.4 cents.

TREND FORECAST: *The picture is clear. The higher oil prices rise, the faster inflation will rise and the greater the pressure on central banks to raise interest rates. And the higher interest rates rise, the deeper equity markets and economies will fall.*

BITCOIN: Bitcoin continued its move upward on Tuesday after some panic selling over the weekend and was trading at 21135.20 per coin as of 3:17 p.m. ET.

The world's most popular crypto has lost more than half its value since November when it hit $68,982 per coin.

Crypto traders said that they are prepared for more volatility and do not necessarily believe that the coin reached its nadir. They are monitoring the macro environment and future moves by central banks to raise interest rates. These rates set by the Fed can impact cryptos because of an increased competition for capital. Speculative investments, like cryptos, tend to lose. These rising rates are seen as altering the risk-reward calculation for major investors and hedge funds.

TREND FORECAST: *We had long forecast, the downward breakout point is when prices fall below $25,000 per coin. They are now below that breakout point, thus bitcoin could fall back to $10,000 per coin or lower. On the upside, we maintain our forecast that bitcoin will find strength to hit new highs when it breaks above $55,500 per coin.*

We have long noted that cryptos would be hurt when governments act to regulate these trades. Christine Lagarde, the European Central Bank president, called for new oversight during an appearance at the European Parliament.

She told parliament that since "decentralized finance" risks financial stability, it should be fully covered in a second regulatory framework, rather than just limit itself to financial intermediaries, Fortune reported.

INVESTORS DUMP CORPORATE BONDS

During the week ending 15 June, investors took $6.6 billion out of funds that buy high-yield “junk” bonds, raising the total withdrawal this year to $35 billion, data service EPFR reported.

The spread between treasury yields and those of junk bonds moved up two-thirds of a point last week to 5.17 points, the widest gap since March 2020 when the COVID virus tanked the economy and sent junk bonds crashing.

The larger the spread, the more investors worry that junk bonds are likely to become actual junk.

Funds that are focused on higher-grade bonds bid goodbye to $2.1 billion, the largest outflow since April 2021.

Investors re-evaluated their ownership of fixed-rate instruments as inflation continued to rise, *The Wall Street Journal* said.

Also, the growing prospect of an economic downturn or recession as interest rates rise is stoking investors’ fears that more corporations might be unable to repay their debts, the *WSJ* noted.

When interest rates rise, bond prices fall to compensate for the reduced real returns that investors will make.

The U.S. Federal Reserve’s suddenly aggressive interest rate policies also raised fears of a recession, the *WSJ* said.

“Central banks don’t have the antidote for this market,” John McClain, portfolio manager at Brandywine Investment Management, told the *WSJ*.

“Hiking rates will slow the economy but it won’t stop war in Ukraine and it won’t alleviate supply chains,” he said.

“Banks led us into the [2008] financial crisis,” he added. “Central banks will lead us into this one.”

TREND FORECAST: *Bonds often do well in a recession, an environment in which stocks fare poorly. However, in Dragflation, our Top 2022 trend in which prices rise as the economy contracts, bonds are less likely to do well.*

Bonds usually carry fixed interest rates. If inflation is rising at a faster rate than a bond’s yield, the bond is guaranteed to lose value.

The only bonds with yields now beating inflation are junk-rated. They offer high returns because the companies that have issued them are financially wobbly. In a recession or in Dragflation, junk bonds are among the first investments to sour.

For the foreseeable future, bonds will attract distinctly less capital than they have for the past two years when the Fed pinned interest rates at rock bottom.

FED LIFTS INTEREST RATE BY 75 BASIS POINTS

On 15 June, the U.S. Federal Reserve raised its benchmark interest rate by three-quarters of a point, the largest such increase since 1994.

The Fed also indicated that it will continue to raise rates at every meeting this year in its attempt to quell inflation, which set a 40-year record pace of 8.6 percent in May.

All members of the central bank's policy-setting committee expect the rate to reach 3 percent by year's end. Half think it might need to be as high as 3.375 percent by then according to reports.

Fed officials see the bank's key interest rate rising to 3.75 percent by the end of next year, boosting their projection from 2.75 percent, which they set in March.

The bank's campaign of rate increases is its most aggressive since the early 1980s, when inflation ran in double digits.

"It is not going to be easy" to slow or reverse inflation while keeping the economy humming, Fed Head Jerome "Inflation is Temporary" Powell admitted in a press briefing after the meeting.

"There's a much bigger chance now that [achieving a so-called **'**soft landing**'**] will depend on factors that we don't control," he added. "Fluctuations and spikes in commodity prices could wind up taking that option out of our hands."

The Standard & Poor's 500 index enjoyed a brief moment of optimism on news of the rate increase, rising 1.5 percent before resuming its slide the next day. Bond prices rallied.

The central bank will raise rates to levels that should rein back inflation, Powell added.

"We think that policy is going to need to be restrictive," he said, "and we don't know how restrictive."

Still, Powell said he sees no signs of a broad economic slowdown and "overall spending is very strong," he pointed out.

TREND FORECAST: *The future economic conditions will greatly deteriorate as central banks raise interest rates.*

Covering up their inaccuracy over the past year-and-a-half that inflation was "temporary" and then "transitory" the Fed committee removed a line from its guidance *statement that, in May, had said inflation would drop to 2 percent and the labor market will remain strong as the bank continues to hike interest rates.*

During his press conference, Fed Head Powell blurted out that "overall spending is very strong." However, that was a totally false statement since the U.S. Commerce Department reported that consumer spending in May actually slipped 0.3 percent from April. And that "slip" did not account for inflation, which spiked to 8.6 percent. Thus, consumers spent a lot more to get a lot less.

The higher interest rates rise, the higher mortgage rates increase. While a 30-year fixed-rate mortgage was barely above 3 percent in December, last week rates hit above 6 percent. Therefore, as we detail above, the housing market will continue its decline.

Also, the higher interest rates rise, the heavier the public and private debt burden. On the public's side, we maintain our forecast for a sharp downward dive in the commercial office space sector as more people work from home and their employers support the move since they can save a lot of money by renting less office space. There will also be sharp declines in malls and big city commercial real estate that heavily rely on commuters and tourists.

ECONOMIC SLOWDOWN

Consumer spending is softening, home starts and sales are down, industrial output is weakening with factory production in decline, and the U.S. Federal Reserve has just boosted its key interest rate the most in one jump since 1994.

The Federal Bank of Atlanta's closely-watched GDPNow gauge of economic strength indicates the U.S. economy will flatline this quarter after shrinking 1.4 percent in the last one.

The world's largest economy is slowing down and fears of a recession are mounting.

A recession is defined as two consecutive quarters of a shrinking economy and is usually formally declared by the private, nonprofit National Bureau of Economic Research.

The number of new applications for unemployment benefits fell by 3,000 in the most recent week to 229,000, barely above the pre-COVID norm of about 225,000, the labor department reported.

The jobless rate held at 3.6 percent in May for a third consecutive month, staying close to historic lows. Still, other indicators hint that the job market is slowing.

The number of open jobs in the U.S. has slipped, edging down from its March record of 11.9 million to 11.4 million in April, the labor department reported. The number of new jobs being posted at Indeed.com, the online employment brokerage, has flattened.

Wages grew at an annual rate of 5.2 percent in May, compared with 5.6 percent in March. Hospitality sector pay grew 10.3 percent in May, notably slower than December's 13.3 percent.

TREND FORECAST: *The more people that quit work, the deeper consumer spending, which accounts for more than two thirds of the U.S. economy, will fall.*

The quits rate, which peaked above 4 percent earlier last year, which we reported in "The 'Big Quit' Sets Record in November" (11 Jan 2022) is barely easing and, as we have noted above, will stay high.

Indeed, confirming what we had forecast when The Great Resignation began, a Pew Research Center survey of workers who quit jobs in 2021 found that 63 percent cited low pay, 63 percent blamed a lack of advancement opportunities, while some 57 percent said they felt disrespected at work.

Moreover, with the geopolitical wild cards such as the Ukraine War and Israel ramping up its military actions against Syria, Palestine and threats against Iran... should military confrontation break out in the Middle East, Brent Crude will skyrocket above $150 a barrel, which in turn will crash equity markets economies.

Therefore, considering the economic fundamentals and what are geopolitical wild cards that are now being played, we reaffirm our forecast for Dragflation: Declining GDPs and rising inflation.

INDUSTRIAL PRODUCTION SLOWS IN MAY

U.S. industrial production edged up just 0.2 percent in May, compared to 1.4 percent in April, while factory output slipped 0.1 percent, its first slip since January, the U.S. commerce department reported.

Industrial production measures economic activity among manufacturing, mining, and utilities.

Mines' output rose 1.3 percent; utilities delivered 1 percent more.

Factories in the mid-Atlantic area saw production decline for the first time in two years, according to the Federal Reserve Bank of Philadelphia.

Slower growth in the industrial sector is an additional sign of a slowing overall economy, *The Wall Street Journal* noted.

Slippage in the industrial economy probably is part of the U.S.'s expected post-COVID recovery, Orin Klachkin, chief economist at Oxford Economics, noted.

“We were at home, locked down, couldn’t go out to restaurants and bars, et cetera, so we tilted our spending away from services and toward goods,” he told the *WSJ*.

“Now we’re transitioning back to a more normal pattern of spending,” he said.

TREND FORECAST: *Yes, consumers are rebalancing their spending between goods and services, but spending in both sectors will continue to fall as prices and interest rates rise together, sending the U.S. economy into [Dragflation](), our Top 2022 Trend in which consumer spending and overall economic activity will shrink while prices continue to rise.*

RETAIL SALES DOWN, PRICES UP

Consumers spent 0.3 percent less in May on retail and food-service purchases than in April, confounding analysts’ prediction of a 0.1-percent gain and notching the first monthly decline in consumer spending this year.

April’s spending edged up 0.7 percent, month on month.

May sales actually rose 0.5 percent when vehicle purchases were excluded from the calculation, also below an expected 0.8-percent increase. Excluding both vehicles and gasoline, spending rose just 0.1 percent.

Gasoline prices were up 43 percent from a year earlier.

The rate of spending growth slowed in electronics, furniture, and online purchases.

Spending at gas stations was up 4 percent, due to higher fuel prices, which balanced out much of the 3.5 drop in sales among car dealers and auto parts stores.

TREND FORECAST: *In May, retail sales posted an annual increase of 8.1 percent. Inflation's annual rate for the month was 8.6 percent. Therefore, when accounting for inflation, retail sales were down. And according to John William's Shadow Stats, real inflation is at least double the "official" rate which means consumers spent a lot more for a lot less... and the numbers prove that the economy is going down as interest rates go up.*

Record low interest rates and trillions in free money Washington dumped into the economy artificially drove consumer spending and U.S. economy up through the COVID War. Indeed, the unprecedented money pumping schemes sparked an economic recovery stronger than had been expected, sending the unemployment rate to near-historic lows and raising prices at the**ir** fastest clip in 40 years.

In April, the savings rate plunged to a 14-year low as consumers diverted their funds to cover inflation's added costs**,** a trend we highlighted in "Americans: Spending More, Saving Less" (7 Jun 2022).

Supporting our forecast for declining economic growth, JPMorgan's projection of 2.5-percent U.S. economic growth in this quarter, trimmed from its earlier forecast of 3.25 percent.

IHS Markit has pegged the quarter's GDP expansion at just 0.9 percent.

"Rapidly rising prices [are] driving a shift from discretionary purchases such as furniture and electronics to essentials like food and gasoline," the *WSJ* said.

TRENDPOST: *The higher interest rises, the deeper the economy will fall. Unlike when much of the country was locked down and people's saving rates dramatically rose thanks to the free money given to them by Washington, now their saving rates have been looted. And the higher inflation rises, the less products and services they will purchase.*

Yes, the spending spree on both goods and services will dramatically slow down as consumers drain their savings account and divert cash toward basic essentials such as rent, mortgage payments, health insurance, food and fuel.

SANCTIONS ON RUSSIA HURTING U.S., OFFICIALS ADMIT

While the mainstream media ignored our forecast, and President Joe Biden, as we reported extensively, told the American people and the world that the sanctions he and NATO imposed on Moscow would hurt Putin and not We the People, they are now changing their tune.

The economic sanctions that Western allies imposed on Russia after it attacked Ukraine are hurting U.S. consumers, Biden administration officials acknowledge, according to Bloomberg.

After the invasion, NATO allies stopped importing a range of Russian goods; froze about half of Russia's foreign-exchange assets, making it hard for Russia to pay its bills; and impounded assets of several individual Russian oligarchs.

The U.S. banned imports of Russian oil, which made up about 5 percent of the U.S. supply at the time.

Russia was a key world supplier of fertilizer, wheat and other foods, as well as oil, timber, and industrial metals and minerals.

When the sanctions took effect, administration officials predicted the impact on U.S. food and fuel prices would be minimal.

However, soaring food and fuel prices have become main drivers of inflation, which ran at an annual rate of 8.6 in the U.S. in May.

With food prices skyrocketing at home and food crises looming among emerging nations, president Joe Biden is quietly nudging U.S. agricultural and transport firms to find ways to bring fertilizer out of Russia, according to Bloomberg.

Last month, the administration extended permission through September for U.S. companies to do business in Russia, as long as they do not deal with sanctioned entities, so the U.S. can receive import fees and related taxes, Bloomberg reported.

BP, McDonalds, and dozens of other international companies pulled out of Russia at the start of the war but now worry that those moves might have created unforeseen problems such as supply bottlenecks.

Some administration officials are discouraged that the sanctions have not persuaded Vladimir Putin to halt the war but instead have fueled inflation, thrown portions of the world into a food crisis, and are worsening the lives of ordinary Russians, Bloomberg noted.

TREND FORECAST: *As noted, we have extensively forecast that the sanctions imposed on Russia would do deep and lasting economic damage. See: "U.S. Sanctions Hit the Russian People and 'We the People" Hard" (8 Mar 2022); "War in Ukraine Economic Overview" (8 Mar 2022); "Spotlight on Inflation" (5 Apr 2022); and "Cutting Russian Energy Will Cost EU Over $200 Billion" (17 May 2022).*

Therefore, the longer the war rages, the higher inflation will rise across a spectrum of commodities.

THEY GOT IT WRONG: MORTGAGE RATES RISE AT FASTEST PACE IN 35 YEARS

Go back to the beginning of the year. Ms. Fannie Mae missed her prediction that the average 30-year fixed mortgage rate would barely move up from 3.1 percent to 3.3 percent by the end of this year. And even those doing the banking business got it wrong, with The Mortgage Bankers Association having forecasted that the average mortgage rate would climb to just 4 percent by year's end.

They got it wrong. Climbing up at its fastest clip since 1987, the Federal Home Loan Mortgage Corporation reported that mortgage rates hit 6.3 percent... which in real terms drove up the real cost of servicing mortgage payments by 50 percent in just 6 months.

Again, to illustrate how the actions taken to win the COVID War by artificially juicing economies and equity markets with cheap money, the mortgage rate was 2.93 percent a year ago and began 2022 at about 3.11 percent.

Fixed mortgage rates are tied to yields on the 10-year Treasury note, which are rising with the U.S. Federal Reserve's boosts in interest rates.

Last week, the note's yield notched its highest rate since 2011, having more than doubled this year. In response, the benchmark 30-year mortgage rate has almost doubled.

Home buyers are paying an average of $740 more a month to cover payments for a median-priced home than they did a year earlier, according to Realtor.com.

However, the median price has been skewed up to $428,700 currently, according to the U.S. Federal Reserve, because most home sales have been occurring in the market's high end, as we reported in "Pace of Existing Home Sales Slowest in Two Years" (24 May 2022).

The higher rates also are affecting other aspects of the housing market.

New housing starts in May fell 14.4 percent year on year to their slowest pace in 13 months. The number of building permits was off 7 percent from the month before and April sales of existing homes sank to the slowest monthly pace in two years.

"The Fed is having a profoundly disruptive effect on real estate markets," chief economist Michael Fratantoni at the Mortgage Bankers Association, told *The Wall Street Journal*.

"Demand for housing has dropped pretty sharply and we're beginning to see commercial real estate slow," he said.

To support the housing market during the COVID crisis, the Fed sank interest rates to a historic low of 0.25 percent and began buying mortgage bonds at a clip of $100 billion a month through much of 2021.

The housing market's current reversal "has been brewing for a long time," strategist Walter Schmidt and FHN Financial said to the *WSJ*. "It's all because the mortgage-backed securities market is losing its single biggest buyer."

In the past month, 19 percent of listings at online brokerage Redfin have reduced their asking prices, and fewer people are applying for mortgages now that interest rates have virtually doubled in a year.

TREND FORECAST: *With inflation showing minor signs of cooling and consumers draining their savings, which we highlighted in "Americans: Spending More, Saving Less" (7 Jun 2022), the U.S. housing market will collapse should mortgage rates hit double digits.*

And, as we had forecast, even moderate rate increases will end the artificially boosted housing boom. Indeed, in April and May, new home sales fell 19 percent, year over *year, to their slowest pace since April 2020. Existing-home sales also are slackening as we have noted in this and previous **Trends Journal**s.*

The hardest hit will be first time home buyers who made up just 27 percent of all transactions, down from 31 percent a year ago and dropping to a 13 year low it hit during the Great Recession.

Again, minus a wild card event, while we do forecast a steady drop in home prices, we do not forecast a housing market crash. Unlike the Panic of '08, this time, many homes were paid for with cash. Therefore, there will be no subprime fiasco that artificially drove up home prices like they did back then from people who could not afford to own them.

***TREND FORECAST:** We had forecast for more than a year that the housing market would turn down sharply when the Fed raised its interest rate to or above 1.5 percent. The Fed raised its key interest rate to 1.5 percent last week, sending mortgage rates into the 6 percent range.*

Again, this housing bubble was artificially inflated with record low interest rates and not because the middle class was growing because their wages were rising. Therefore, it is simple math. The higher mortgage rates rise, the deeper home prices will fall.

SOARING HOUSING COST REACHES MOBILE HOME PARKS

The high cost of houses and apartment rents has pushed more people with low incomes into mobile home parks, where surging demand is driving up rents in what has become the last housing refuge for those of modest means.

About 6 percent of U.S. residences are so-called “manufactured homes,” housing roughly 20 million Americans, according to the federal Consumer Financial Protection Bureau.

Those numbers are on the rise as more and more people, especially retirees and low-income earners, are priced out of other places to live.

Historically, prices for the homes have ranged from around $25,000 in parts of the central U.S. to more than $125,000 in Washington state. Generally, they tend to be three to five times cheaper than conventional single-family homes, lender LendingTree reported.

However, during the COVID War, prices for manufactured housing jumped an average of 50 percent across the country, according to Bloomberg, compared to an average 22-percent rise in the cost of traditional single-family homes.

People in the parks usually own their homes but rent the land the homes are parked on. In the past, rents have increased 4 to 6 percent annually.

Now, in many parks around the U.S., those rents are rising 10 to 25 percent, Bloomberg found, also some are doubling or tripling.

Bloomberg cited the case of a park resident in Washington state who lives on food stamps and $860 a month in Social Security benefits.

Her land rent just went from $350 a month to $1,000.

“Land prices are going up, housing costs are going up, and that’s spilling into mobile homes,” Casey Dawkins, a University of Maryland professor of urban studies, told Bloomberg.

“There’s also an overall shortage of affordable housing, particularly in cities and the suburbs around them,” he noted.

Many residents bought mobile homes because they were priced out of other housing options, Bloomberg found after interviewing dozens of people around the U.S.

Many had used their savings or taken mortgages to buy manufactured homes, which often have less value at resale than they did at purchase.

Some residents now are considering moving to welfare motels, staying with friends, or living out of their cars while they look for something permanent that would be affordable, Bloomberg found.

Making things worse, private equity firms are sniffing around the parks.

The firms have grabbed hundreds of thousands of single-family houses during the past two years, turning them into pricey rentals as demand for homes and apartments has shot up.

We have documented this trend in articles including:

- *"Real Estate Investors Choosing Single-Family Rental Homes" (13 Oct 2020)*
- *"Invitation Homes to Buy $1 Billion Worth of Houses This Year" (1 Jun 2021)*
- *"Rents for Single-Family Homes Reach 15-Year High" (1 Jun 2021)*
- *"Blackstone Extends Reach Into Housing Market" (29 Jun 2021)*
- *"Private Equity Partners Target $5 Billion in Rental Houses" (27 Jul 2021)*
- *"Residential Rental Rates Skyrocketing" (10 Aug 2021)*
- *"Rents Soar as Investors Buy Properties and Raise Rates" (14 Sep 2021)*
- *"Investors Now Targeting Off-Campus Student Housing" (14 Sep 2021)*
- *"Rents Soaring. What's Next?" (21 Sep 2021)*
- *"Single-Family Rental Homes: Investments Galore" (16 Nov 2021)*
- *"Home Sales Up as Money Gang Gobbles Up Houses" (23 Nov 2021)*
- *"Rents on the Rise" (11 Jan 2022)*

Now investment companies are looking to buy mobile home parks, either to turn them into condos or resorts or simply to squeeze more rent from the residents.

Apollo Global Management, Carlyle Group, and Stockbridge Capital, have been gobbling up the parks for almost a decade, often arranging financing through government-involved lenders Fannie Mae and Freddie Mac.

Often, one of the first things these new owners do is raise rents, Bloomberg said.

However, "when new owners come in, they're doing infrastructure upgrades, they're improving the streets, and adding amenities, all of which are very important as these communities age," Lesli Gooch, CEO of the Manufactured Housing Institute trade group, told Bloomberg.

"When a community does change hands, often it's because of a significant need for improvement and a lack of capital from the existing owners to make such improvements," she pointed out.

Few municipalities and states regulate rent increases in mobile home parks, although the rising crisis has drawn some effort.

Vermont now requires park owners to disclose to residents any plans to sell the parks and offer residents a chance to buy the property. (Many parks around the country have turned into co-ops in recent years.)

In Oakland, Cal., city officials are revamping zoning laws to permit manufactured homes in more parts of town.

"Many municipalities continue to ignore mobile home parks, and that, in no small part, has to do with the stigma around them," Katherine MacTavish, a professor at Oregon State University who studies manufactured housing, said to Bloomberg.

"It is one of the only forms of affordable housing we have, yet we don't embrace it in ways that would make it work much better for families," she pointed out.

TREND FORECAST: *With rents now rising even in mobile home parks and low-income residents being forced to live in their cars or couch-surf with friends, the* *price crunch squeezing lower-income Americans from their homes will gain new scrutiny from regulators and lawmakers.*

This is already beginning, as we report in "Private Equity Landlords Draw Regulators' Attention" in this issue.

PRIVATE EQUITY LANDLORDS DRAW REGULATORS' ATTENTION

For years, private equity firms have been buying single-family houses to rent out at premium prices, a trend that accelerated during the COVID War as the firms broadened their portfolios to include apartment buildings and even student housing.

As home prices have skyrocketed, investment companies have swooped in, offering cash on the spot to sellers and often buying houses out from under families that already had made an offer.

They then rent the houses at top prices, making it harder for renters to save enough cash to make a down payment on homes of their own—if they can find any for sale in their price range.

We have documented the companies' tactics and expanding reach in articles including:

- *"Real Estate Investors Choosing Single-Family Rental Homes" (13 Oct 2020)*
- *"Invitation Homes to Buy $1 Billion Worth of Houses This Year" (1 Jun 2021)*
- *Rents for Single-Family Homes Reach 15-Year High (1 Jun 2021)*
- *"Blackstone Extends Reach Into Housing Market" (29 Jun 2021)*
- *"Private Equity Partners Target $5 Billion in Rental Houses" (27 Jul 2021)*
- *"Residential Rental Rates Skyrocketing" (10 Aug 2021)*

- *“Rents Soar as Investors Buy Properties and Raise Rates” (14 Sep 2021)*
- *“Investors Now Targeting Off-Campus Student Housing” (14 Sep 2021)*
- *“Rents Soaring. What’s Next?” (21 Sep 2021)*
- *“Single-Family Rental Homes: Investments Galore” (16 Nov 2021)*
- *“Home Sales Up as Money Gang Gobbles Up Houses” (23 Nov 2021)*
- *“Rents on the Rise” (11 Jan 2022)*

At late May’s three-day conference sponsored by the National Rental Home Council, Donald Povieng of Empire Communities said his company’s plan to build 500 or 600 rental homes in a suburb of Austin, Tex., a suburb north of Austin could grow to 1,000.

CEO David Singelyn of American Homes 4 Rent cited "insatiable demand" for his company's 58,000 rental houses.

However, Wall Street’s increasing presence in the housing market is drawing the eye of regulators, a change that the industry dreads, Business Insider reported.

Regulation “is the greatest threat to what we do,” Jay Byce, co-founder of ResiBuilt Homes in Atlanta, told the gathering.

Housing activists and legislators have accused the firms of crowding out individuals and families from the market and rent-gouging.

In response, private equity landlords point out that they provide a service that many families are eager for until those renters can buy their own places.

In February, the U.S. Senate convened a hearing on investor-landlords’ impact on the U.S. homes market.

"Private-equity firms, corporate landlords, investors saw a captive market,” Senator Sherrod Brown (D-Oh) said in the hearing. “They bought up properties. They raised rents. They cut services.”

“They priced out family homebuyers,” he added. "All too often, they force renters out of their homes."

At the May landlords' conference, protestors from the Center for Popular Democracy stormed the conference hall stage, held it briefly, and demanded better living conditions at mobile home parks and limits on rent increases.

This helped convince attendees that their industry needed not a policy shift but an image makeover.

"We, as an industry, need to do a better job of educating the public at large," CEO Richard Ross of Quinn Residences, said after the interruption.

"I'm talking about city councilmen, mayors, people that live in our communities and run our communities," he added. "We're not the problem. We're the solution. We, as an industry, need to do a better job of communicating that message."

The National Rental Home Council is looking for a public relations firm to craft a messaging strategy, executive director David Howard said to BI.

About 60 percent of U.S. apartments are owned by real-estate investment trusts, corporations, and investor partnerships; roughly 24 percent are owned by individual investors, according to the National Multifamily Housing Council.

Eventually, partnerships will own a majority of single-family homes, consultant John Burns of John Burns Real Estate Consulting, told BI.

"There's no doubt about it," Burns said.

In an interview with Insider in February, Gary Berman, the CEO of Tricon, expressed a similar view.

"We're still in the really early days of where single-family rental is going," CEO Gary Berman of Tricon, which owns about 31,000 rental homes, said in a BI interview.

"It's going to be a much bigger industry in 10 years, much more institutionalized," he predicted.

TRENDPOST: *Is the U.S. destined to become a nation of renters?*

The price of single-family homes will fall as interest rates rise, but they will not crater. The reason: for years following the home market crash that sparked the Great Recession, the U.S. housing market has built too few homes.

Now that demand has surged during the COVID War, "it will take years to build our way out of the supply-and-demand imbalance, Robert Frick, an economist at the Navy Federal Credit Union, said in a Wall Street Journal interview that we quoted in "Housing Market: Sales Up, Fewer Homes for Sale" (22 Feb 2022).

Another limiting factor: there is not much open land left to build 1960s-style housing tracts on any more, as we reported in "Middle-Income Buyers Too Poor to Buy Homes" (15 Feb 2022) and "Pace of April Existing Home Sales Slowest in Two Years" (24 May 2022).

As a result, the housing squeeze will continue for years, leaving only the wealthy and deep-pocketed investors to own property, as it was during the days of tenant farmers and lords of the manor.

The working class and continually shrinking middle class will find it more difficult, or will be denied outright, the chance to fulfill the American dream of home ownership.

TRENDS ON THE GLOBAL ECONOMIC FRONT

CENTRAL BANKS IN EUROPE HIKE RATES, DOLLAR SINKS

On 16 June, several central banks in Europe suddenly raised interest rates, some without warning, after the U.S. Federal Reserve hiked its key rate the day before by three-quarters of a point.

The Swiss National Bank (SNB) raised its interest rate from -0.75 percent to -0.25, the bank's first rate increase since 2007.

Most analysts had expected the bank to hold rates steady at last week's meeting and signal a half-point increase for September; a few analysts had predicted a quarter-point rise now.

"The SNB move comes as a big shock," Jane Foley, Rabobank's chief foreign exchange strategist, told Reuters.

The unexpected boost sank the U.S. dollar 2.7 percent against the Swiss franc, the buck's biggest single-day drop against the franc in more than six years. However, the franc lost about 4 percent by the end of the week and ended 20 June at 0.97 to the dollar.

The euro fell to a two-month low against the franc at 1.01555. The shared currency recovered slightly and closed at 1.02 on 20 June.

Inflation "shows that further increases in the policy rate may be necessary in the foreseeable future," Thomas Jordan, SNB chair, told a press briefing.

Also without warning, on 16 June the National Bank of Hungary bumped its one-week deposit rate by a half-point to 7.25 percent in an attempt to tackle inflation, which rose to an annual 10.7-percent rate in May.

The hike is "far from the last," said Barabas Virag, the bank's deputy governor, according to Reuters.

The bank will continue to raise its rate in "predictable and decisive steps" until inflation is controlled, which probably will come about this fall, Virag added.

Also last week, the Bank of England added a quarter-point to its key rate, the bank's fifth consecutive boost since December. The increase brought the rate to its highest since January 2009.

Three of the bank's nine-member governing committee voted for a half-point rise, indicating that the group is likely to raise rates at the next few meetings.

After the Fed raised its rate last week, the dollar slipped 1.1 percent to $103.97 against a benchmark collection of major foreign currencies. However, it closed on 15 June at $105.79, remaining close to a two-year high. On 20 June, the dollar settled at $104.48.

“Weak risk appetite will provide some underpinning for the dollar,” Shaune Osborne, currency strategist at Scotiabank, said to Reuters, “but we remain uncertain of the dollar’s ability to gain from here.”

That’s not the only thing that remains uncertain.

"Central bankers are teetering along a tightrope, with the biggest concern that raising rates too quickly could tip economies into recession," Maike Currie, Fidelity International’s investment director for personal accounts, told Reuters.

"Monetary policy tightening is a very blunt tool to manage a very precarious situation," she noted.

More than 45 countries have seen their base interest rates rise this year, data service FactSet reported.

Russia has bucked the trend. After raising interest rates to 20 percent immediately after the country invaded Ukraine, the central bank has now cut rates four times and returned them to their pre-war levels.

“The war in Ukraine, lockdowns in China, supply chain disruptions, and the risk of stagflation are hammering growth,” World Bank president David Malpass said in a June report.

“For many countries, recession will be hard to avoid,” he added.

TREND FORECAST: *The World Bank got inflation wrong and they got stagflation wrong. It will be Dragflation. Economies will not stagnate as inflation rises, they will drag down as inflation rises.*

Also, as we note, U.S. consumer prices keep rising as spending keeps falling... and this will be a global trend that is not your friend. For example, inflation is predicted to enter double digits in the U.K., the threat of anti-COVID lockdowns persists in Asia, and the Ukraine war continues to hold commodity prices near record heights.

Will the dollar weaken? The Swiss interest rate is still in negative territory as is the European Central Bank's -.50 interest rates. And even if the ECB raises rates .50 basis points next month instead of the .25 basis points as they are expected to, the interest rate will be at zero while European inflation is at 8.1 percent.

Therefore, the U.S. dollar will not greatly weaken since the Fed will raise interest rates to much higher levels than their competitors. Indeed, on the deep downside, today Japan's yen fell to a fresh 24-year low against the dollar.

STOCKS DIVE ON RATE HIKES

The sudden spate of interest rate increases last week by central banks in Europe and the U.S. has sent stock prices tumbling in one of their worst performances since the COVID War began.

The Bank of England (BoE), the Swiss National Bank, and the National Bank of Hungary all lifted rates last week the day after the U.S. Federal Reserve added three-quarters of a point to its key rate.

The Fed's hike, the biggest single boost since 2002, added to future "policy uncertainty," one Fed official acknowledged.

The BoE's increase was the fifth in almost as many months; the bank has predicted inflation in the U.K. will reach 11 percent this year.

The European Central Bank has all but guaranteed a quarter-point bump to its rate next month, the first increase since 2011, as we noted in "ECB Announces Rate Hike Plan" (14 Jun 2022).

London's FTSE index tracking share prices in both emerging and developed markets lost 6 percent, its sharpest single drop since March 2020.

However, some analysts believe European stocks have bottomed, with Goldman Sachs brightening its view of the continent's Stoxx 600 index from "negative" to "neutral".

"We expect central banks' focus to shift from inflation to weakening growth," Goldman analysts wrote in a note to clients.

TREND FORECAST: *To date, the interest rate hikes are minimal compared to inflation. And as we have noted, with the ECB rate to move up to just near zero as inflation is running at 8.1 percent, there is absolutely no "shift from inflation to weakening growth."*

Their rate hikes must go up to well above the 3 percent range to weaken inflation. When they do, that will drag down the already weak European economy whose economic conditions have been greatly worsened by sanctions they and the United States imposed on Russia... which in turn, has greatly increased their already increasing inflation spike.

OIL SUPPLIES WILL STRUGGLE TO MEET 2023 DEMAND

Oil supplies risk failing to meet global demands next year, even though current high prices and slowing economies point to a shrinking market, the International Energy Agency (IEA) said last week in its first forecast for 2023.

This year's 1.8-million barrel-a-day growth in demand comes from developed economies, the agency said, but rising demand among emerging economies will push up demand by 2.2 million barrels a day next year to a total of 101.6 million.

About 80 percent of next year's increase in demand will come from countries outside of the Organization for Economic Cooperation and Development, the 38-nation club of the world's richest economies, the IEA said.

The U.S. will "significantly" boost production this year and next, the agency predicted.

However, Russia will be forced to shut down wells in the face of international sanctions and some other usually reliable producers have little room to expand their current output.

Russia's production will fall by three million daily barrels this year due to Western sanctions, leading to OPEC+ delivering 520,000 barrels a day less next year than this, the IEA said.

TRENDPOST: *The speed and depth of the world's economic slowdown are unpredictable.*

Therefore, whether emerging nations' oil demand will rise as much as the IEA expects is also unpredictable.

Commodity prices are likely to remain high, bringing needed cash to the many emerging economies that survive on exports of minerals and other natural resources.

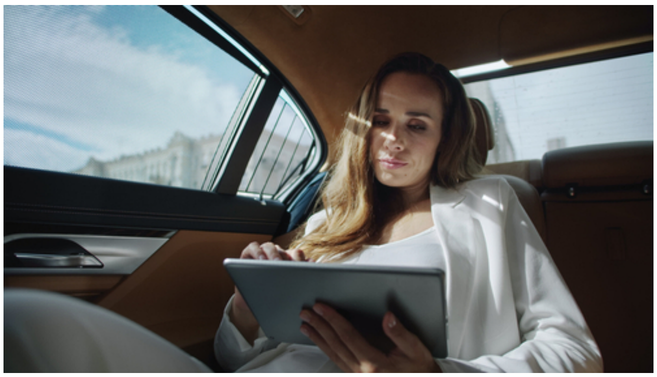
Also, several OPEC members already are unable to meet their current production goals, as we noted in "OPEC+ Continues to Raise Oil Output: What's the Deal?" (8 Feb 2022).

However, many of those same nations are struggling to pay staggering debt loads that ballooned during the COVID War.

The chances are increasing that these nations will need to turn to the World Bank or International Monetary Fund to be rescued from insolvency.

If that happens, the global financial agencies are likely to impose austerity measures on those governments that, depending on their severity, could easily restrain oil demand among those countries.

MOST CEOs EXPECT A RECESSION



Six in ten top corporate executives expect a recession within 12 to 18 months, according to a May survey by the Conference Board, and another 15 percent think one has already begun in the areas of the world in which they operate.

Late last year, only 22 percent of executives polled expected a recession.

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

About 20 percent of CEOs and a third of CFOs polled see no recession ahead for at least two years, the survey found.

The opinions were gathered before the U.S. Federal Reserve's three-quarter-point interest rate hike last week, when Fed officials said it was becoming more difficult to control inflation without causing a recession.

Several factors signal a recession is on the way, the executives noted, including soaring energy and transport costs and tech companies' abrupt slowdown in hiring.

"Consumers are not as worried as CEOs are," Dana Peterson, the Conference Board's chief economist, told *The Wall Street Journal*, "but CEOs are trained to look 12 to 18 months down the line. Consumers…three to six months is what they're thinking about."

A separate Conference Board survey of 133 U.S. corporate CEOs found 68 percent expect the U.S. economy to enter a recession some time "over the next few years."

Only 11 percent of CEOs expected the recession to be severe; the majority see the recession as being "short and mild."

A recession will be nearly impossible to avoid, Joe Brusuelas, principal at economic consulting firm RSM, told CNN Business.

"The [U.S. Federal Reserve] is attempting to thread the needle while wearing boxing gloves," he said of the central bank's attempt to reverse inflation while keeping the economy from shrinking.

Although the U.S. economy boasts a positive growth rate, full employment, and strong consumer spending, "the economic environment has gotten tougher to navigate, with worker shortages, price spikes, and the war in Ukraine creating challenges," CNN Business noted.

Economic conditions have worsened over the past six months, according to 61 percent of CEOs in the survey, while only 35 percent said so in the survey three months ago.

Only 11 percent found business conditions improving.

Sixty percent said conditions will continue to worsen, while 23 percent believed that in the previous poll.

Fifty-four percent of chief executives said their companies are managing inflation by passing cost increases to consumers.

CEOs' gloom is itself a concern, the Conference Board's Peterson warned.

"You can talk yourself into a recession," she said. "If businesses start shedding jobs in anticipation of a recession, that's going to spook consumers—and that can get us into a recession."

The Conference Board itself does not foresee a recession. It projects U.S. economic growth at 2.25 percent this year.

TREND FORECAST: *Again, as we note, stay in the mainstream and stay out of touch. Or as* ***Trends Journal*** *subscribers know, they get on-trend and get in touch with what's going on, what it means and what's next.*

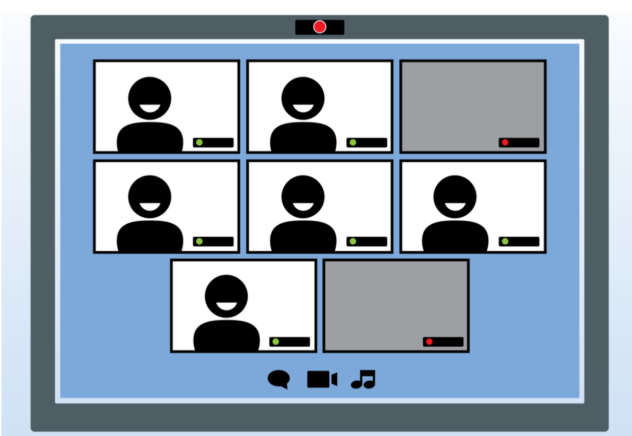
That there would be a recession is old news, and that just 22 percent of executives polled this time last year could not see it coming illustrates the state of mental unawareness... not just economic but socioeconomic and geopolitical.

And no, you cannot "talk" yourself into recession, any more than you can talk yourself into economic prosperity.

It's a simple equation: No jobs, no money. High paying jobs, more money.

But as we detail in this ***Trends Journal*** *article,* ***"WHEN THE ECONOMY FALLS JOBS GO WITH IT,"*** *as the jobless numbers go up, personal earnings will go down and recession will worsen as consumers by less.*

WHEN THE ECONOMY FALLS JOBS GO WITH IT



Inflation and interest rate hikes are causing companies in every sector to lay off thousands of employees, a clear sign that a recession is coming.

Rising mortgage rates and declining home sales are shrinking brokerages' profits. Demand was 17 percent lower than expected in May.

Compass is laying off 10 percent of its 4,800 person workforce.

Redfin is cutting 8 percent of its 6,500 employees.

The mortgage start up Better.com laid off 4,000 staff members.

Crypto markets have been wacked hard, losing over $2 trillion of value. Crypto exchanges' profits are shrinking and so is their workforce.

Coinbase will cut 1,100 or 18 percent of its staff.

BlockFi is reducing its workforce by 20 percent.

Crypto.com is shrinking 5 percent.

Gemini Trust Co. will relieve 10 percent of its staff.

Beijing's lockdowns, rising tensions between the U.S. and China, and Beijing's severe regulations on the tech sector have caused IPO's to drop 89 percent from a year ago to $1.9 billion, causing investment banks in Hong Kong to cut staffing.

Haitong International and China Merchants Bank reduced the size of their investment and equity capital departments by an undisclosed amount.

CMBI's investment banking division lost 10 employees.

Guotai Junan International laid off several fixed income and IPO principals.

Rising interest rates, supply chain shortages, and inflation hasn't missed the car market either.

Tesla has enacted a hiring freeze, and has floated the possibility of a 10 percent reduction or 10,000 people.

Carvana plans to lay off 2,500 employees, about 12 percent of its workforce.

DesktopMetal is cutting 12 percent of its employees.

Warner Bros. Discovery is letting go of 30 percent of its sales team.

Social app IRL lays off 25 percent of their staff.

Insurtech Policygenius gets rid of 25 percent of their employees.

TomTom fires 500 employees or 10 percent of their workforce.

Carbon Health laid off 8 percent or 250 people.

Loom cut 14 percent of its employees.

Klarna slashed 700 jobs or 10 percent.

Getir laid off 4,480 or 14 percent.

Unacademy let go of 1,000 or 17 percent of employees

TREND FORECAST: *The facts are in the numbers, the employee firing rates are heating up and will keep climbing as interest rates go higher. And the higher unemployment numbers rise, the deeper economies will fall.*

U.S. TRADE DEFICIT WITH CHINA IS BIGGER THAN REPORTED

One of Donald Trump's successes as president was to reduce the U.S.'s trade deficit with China—but apparently not.

The reason: the official figures fail to include "de minimis" shipments direct from China to individuals in the U.S. that have a value under $800, *The Wall Street Journal* noted.

"De minimis" is a Latin term meaning "too small to bother with" and customs officials do not log the shipments' values.

The shipments number about 800 million annually, with about half coming from China, according to a *WSJ* analysis of customs data.

"This has implications for whether we can trust the figures on imports from China," economist Jeff Ferry at the Coalition for a Prosperous America, a group backing tariffs to close trade gaps.

Congress created the de minimis rule in 1938 "to avoid expense and inconvenience to the government disproportionate to the amount of revenue that otherwise would be collected."

The number of de minimis packages has climbed relentlessly over time, peaking at an estimated value of $67 billion in 2020, then slacking back to roughly $40 billion in 2021.

As the number of the packages grew, the rules governing them have not changed.

Based on Securities and Exchange Commission figures, the largest U.S. Internet retailers are bringing in around $112 billion in de minimis shipments annually, Ferry estimates.

The figure does not capture data from countless small Chinese retailers whose entire business model is to make one-off sales and shipments to the U.S., the *WSJ* pointed out.

The officially reported U.S. trade gap with China was $402 billion in fiscal year 2018 but shrank to $302 billion in 2020 under Trump-era tariffs and the initial impact of the COVID shutdown.

However, the number of de minimis shipments suggests that the deficit did not shrink in 2020 but could have been between $350 billion and $430 billion, the *WSJ* said.

YEN SLIDES FURTHER AS BANK OF JAPAN HOLDS TO NEGATIVE INTEREST RATE

Last week, the Bank of Japan (BoJ) once again decided to hold its key interest rate at -0.10 percent and to continue its daily purchases of government bonds carrying a 0.25-percent yield. Today, the yen hit its lowest level against the U.S. dollar since October 1998.

The decision to forcibly hold bond rates low and not raise interest rates widens the gap between the BoJ and other central banks that are raising rates steadily in a struggle to contain inflation.

The bank believes Japan's economy is too weak to withstand higher interest rates and the Bank of Japan has said it will maintain its ultra-loose monetary policy.

However, the currency's withering value makes imports more expensive, particularly fossil fuels, which Japan has to import.

At a news conference after the meeting of the bank's policy committee, BoJ governor Haruhiko Kuroda did not repeat his previous comment that rising prices were positive for Japanese exports and the larger economy.

Consumer prices in Japan are rising at their fastest pace in seven years, with the country's consumer price inflation index reaching 2.1 percent. However, wages and salaries have barely budged.

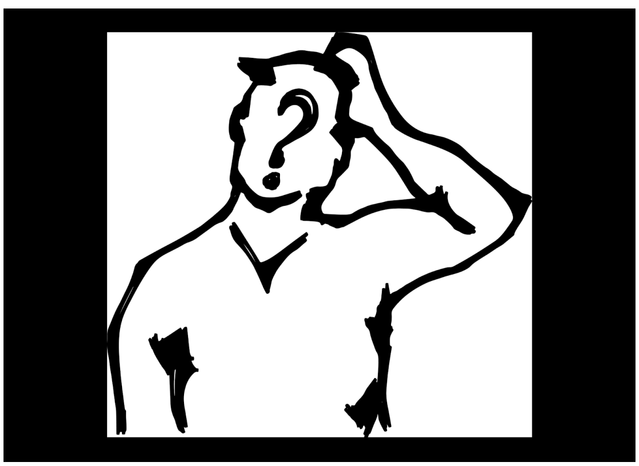
Rising prices are becoming a key issue in next month's parliamentary elections.

TREND FORECAST: *Japan's economy will remain weak as the global economy continues to slow down. Also, 78 percent of its oil consumption is imported. As prices for oil and natural gas rise further, so will Japan's inflation rate and the economy will sink deeper.*

The Bank of Japan is likely to be forced to raise its interest rate before next year.

In the meantime, as its yen is going down, Japan wants to greatly increase its defense spending "within the next five years" according to an annual economic policy document. Ratcheting up their war talk, the reason for the increase is because of concern about threats faced by China's stance on taking back Taiwan.

HOW DID U.S. OFFICIALS GET INFLATION SO WRONG?



It has been relatively recently that U.S. Federal Reserve chair Jerome Powell and treasury secretary Janet Yellen have publicly admitted (sort of) that they misread inflation's trajectory.

They had projected that inflation would sink to their 2-percent target rate by the end of this year; they now see it at 4 percent by 2023 and not receding to 2 percent until 2025.

"If you look back in hindsight, then, yes, it probably would have been better to have raised [interest] rates earlier," Powell said in a May interview with *The Wall Street Journal*.

"I think I was wrong about the path that inflation would take," Yellen said in a 31 May interview on CNN, which we cited in "Yellen Half-Admits She Got Inflation Wrong" (7 Jun 2022).

Why were they so wrong?

One reason: federal officials were worried that the COVID crisis would create the same economy the Great Recession did, with weak demand, slow growth, and high unemployment.

After the recession that set in during 2007 and 2008, total spending among business, consumers, and government languished below pre-crisis levels for years.

Fearing a repeat of that result, “they applied the last playbook to the new crisis,” the *WSJ* said.

The Fed sank interest rates and left them there to boost demand and spark job growth. At the same time, it began buying $120 billion a month in corporate and mortgage-backed bonds.

Congress decided it had relied too heavily on the Fed during the Great Recession and decided to flood money into the economy to accomplish the same aims.

Congress and then-president Donald Trump enacted a stimulus plan worth more than $3 trillion. One of president Joe Biden’s first acts in office was to successfully push for another $1.9 trillion in stimulus spending.

With a double dose of fiscal fertilizer, demand and employment both rocketed up far beyond officials’ expectations, pushing inflation to a 40-year high of 8.6 percent last month.

Consequently, in the first quarter of this year, total U.S. national spending rose 5 percent above its pre-COVID mark.

Federal officials paint the glass as half-full.

“Our economy recovered more quickly than our peers’ around the world, with a historically strong and equitable labor market recovery and historic reductions in human suffering," Brian Deese, director of the White House National Economic Council, said in a recent public statement quoted by the *WSJ*.

TREND FORECAST: *We all are now living with "Long Central Bankster Syndrome": the banksters have realized their mistake and 'fessed up, but the after-effects will be with us for a long time.*

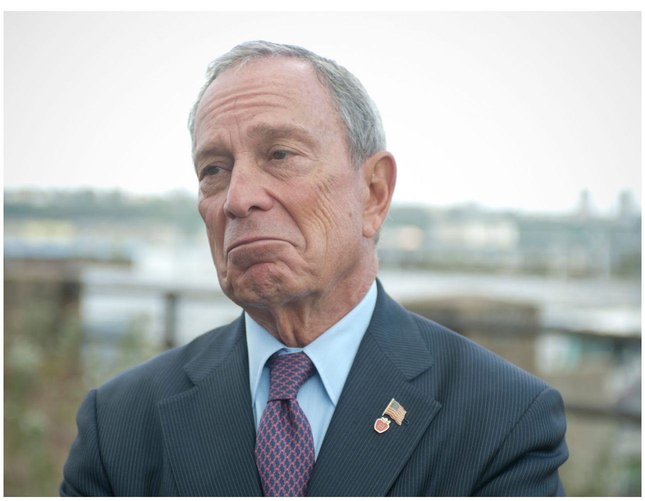
Because central banks waited too long to raise interest rates, they now face two bad choices.

They can raise interest rates high enough fast enough to throttle back inflation, a move that would virtually guarantee a sudden, deep recession.

On the other hand, they can continue to raise interest rates incrementally and wait for high prices to dissuade consumers from spending.

Because consumer spending makes up some 70 percent in the U.S. GDP—a drop in that spending will push the nation into recession.

CENTRAL BANKS STILL FUMBLING POLICY



For more than a year, central banks called inflation "temporary" or "transitory," waiting too long to raise interest rates while inflation soared far beyond their targets, and now are racing to catch up, hiking interest rates by startling amounts and at a rushed pace that push the global economy toward recession.

That record was summarized last week by Bloomberg columnist Enda Curran in an essay titled "World's Central Banks Got It Wrong and Economies Pay The Price."

Jerome Powell, chair of the U.S. Federal Reserve waited until November 2021 to "retire" the terms "temporary" and "transitory" and admit that the bank should have raised rates earlier, as we reported in "The Powell Push: For Better or Worse" (7 Dec 2021).

In a CNN television interview in late May, treasury secretary and former Fed chair Janet Yellen said, "I think I was wrong about the path inflation would take," as we noted in "Yellen Half-Admits She Got Inflation Wrong" (7 Jun 2022).

"Even after central banks recognized they got their inflation calls wrong, they continued to flub their policy guidance, threatening greater damage to their credibility, roiling markets, and undermining the [post-COVID] recovery," Curran wrote.

Last week, the U.S. Federal Reserve raised its key rate by three-quarters of a point after signaling for weeks that the bump would be no larger than a half-point.

The Reserve Bank of Australia also is lifting its rate faster than it had previously indicated it would.

As recently as April, India's central bank dismissed criticism that it was letting inflation get out of control; then it raised its base interest rate twice in two months, while inflation still ranges well outside of the bank's target rate.

The European Central Bank (ECB) had long held that it would not boost its rate until at least 2023; now the bank has all but promised a quarter-point hike next month and a half-point rise in September.

"All international institutions have made the same mistake" of underestimating inflation's speed and power, ECB president Christine Lagarde said in a recent public statement, and now must shift tactics to rein it back.

These policy swerves "tarnish a reputation of ensuring price stability and preventing the kind of inflationary spiral that hammered middle-class incomes in the 1970s," Curran wrote.

"The loss of credibility means even greater policy action may be needed to defuse price pressures," he warned.

Consumers' faith in central banks' ability to keep inflation in check helps hold down prices and wages, Curran noted.

For example, households might put off buying a new refrigerator if they have confidence that the price will not jump next month—or might even be lower.

Now that confidence has been damaged, if not destroyed: this month's University of Michigan's survey of consumer sentiment found expectations for long-term inflation at their highest since oil prices soared in 2008.

When inflation expectations are high, people buy their refrigerators now, which can lead to panic buying that drives prices higher faster, and also hoarding. (Remember the toilet paper panic at the onset of the COVID War.)

"Central banks are in a dilemma," Curran quoted Keio University economist Sayuri Shirai as saying.

"To restore confidence, central banks need to raise policy rates" enough to reverse inflation, which "may lead to a further slowdown in the economic recovery," she added.

TREND FORECAST: *In "ECB Economist Does a 180 on Inflation" (22 Feb 2022), we diagnosed Powell's condition as "Central Bankster Syndrome," marked by the compulsion to see soaring prices as "temporary" or "transitory" until long after inflation has rampaged through the economy unchecked.*

At his December 2020 press conference, Powell pointed to "disinflationary pressures around the globe" and said "it's not going to be easy to have inflation move up."

A month later, with inflation on the move well above the Fed's 2-percent target rate, Powell said it was only "temporary."

In July, with inflation running at 5 percent, Powell told a Congressional committee that "we really do believe that these things will come down of their own accord as the economy reopens," he noted.

Treasury secretary Janet Yellin echoed his mistaken view in a 24 October CNN interview, describing high inflation as "temporary" ("Powell, Yellin Agree: Higher Inflation Ahead," 26 Oct 2021).

While Powell was waiting for inflation to give up and go away, we documented its relentless rise in "Inflation Tsunami Approaching" (4 May 2021), "Inflation Soon to Get Much Worse" (18 May 2021), "Fed Officials Send Mixed Signals on Policy Shift" (29 Jun 2021), "When Will Fed End Cheap Money Policy?" (27 Jul 2021) and in many of our "Market Overview" sections.

Central banks have no good choices. Their only hope of preventing a global recession is if a huge and unexpected event happens soon, such as peace in Ukraine.

RUSSIA INCREASES OIL OUTPUT, SALES AMID WESTERN SANCTIONS

Russia's oil output crashed immediately after it invaded Ukraine and Western allies slapped sanctions on Russian exports.

However, it since has risen, in May adding about 130,000 barrels a day to a total of 10.55 million as countries continue to boost imports to lower their own fuel prices, the International Energy Agency (IEA) reported and which we noted in "India, Russia Forming New Trade Ties" (22 Mar 2022).

Despite Western allies' plan to cut off a key source of Russia's revenue as it waged war, Russia collected $120 billion from oil sales last month, $1.7 billion more than in April, the agency noted.

A significant part of the increase was attributed to oil's rising price, not necessarily a greater volume sold.

Oil prices have virtually doubled over the past 12 months, with benchmark Brent crude's price hovering near $120 a barrel.

However, China, India, and Turkey are buying larger amounts of Russian oil, the IEA said, in part because Russia's crude is selling at a discount to world prices, as we reported in "EU Mulls Ban on Russian Oil. Will It Matter?" (10 May 2022).

Those sales help to replace the approximately 500,000 daily barrels of oil and oil-based products that Europe stopped buying when the war broke out.

By 2023, Russia's oil-related sales could fall by 3.5 million barrels a day—more than 25 percent—as Western allies gradually wean themselves from the remaining Russian products they import, the IEA predicted.

TREND FORECAST: *Western allies imposed sanctions on Russia, other countries did not.*

China, India, and other nations will continue to do business with Russia, giving it revenue and dragging out the time when Western sanctions will bite harder.

The longer that takes, the more restless Western consumers will become under the extra cost the sanctions take out of their paychecks, particularly at the gas pump.

The longer the Ukraine war lasts, more nations will flout the sanctions and NATO will have an increasingly difficult time keeping its members unified around the strictures.

CHINA'S GDP EDGES UP IN MAY

China's economic output grew slightly in May after most of the country's two-months-long anti-COVID restrictions were eased, allowing people back to work and to stores.

Industrial production expanded 0.7 percent year over year, reversing April's 3-percent slump amid the lockdowns.

Consumer spending decreased 6.7 percent in May compared to a year earlier, easing back from the 11.1-percent tumble the month before.

To jump-start the economy after the shutdowns paralyzed about 325 million people in 46 metro areas, China's government has introduced a range of stimulus measures, including tax breaks, rebates, cash payments to individuals, reduced vehicle taxes and fast-track approval for infrastructure projects.

Lenders also are offering special mortgage rates for first-time home buyers to revive the ailing housing market.

Sales by the country's 100 biggest home builders plummeted 59 percent in May, year on year, the China Real Estate Information Corp. reported.

Buyers are reluctant to invest for fear that the developer building their homes may shut down, *The Wall Street Journal* said.

China's real estate sector, which has accounted for as much as 30 percent of GDP in past years, has been burdened by excessive debt, pushing some leading companies into default, as we have reported in "China's Real Estate Market Teeters on Evergrande's Debt" (21 Sep 2021), "China's Real Estate Troubles Ripple Across Emerging Markets" (26 Oct 2021) and "China's Real Estate Crisis Grows" (9 Nov 2021).

A recent survey by the American Chamber of Commerce in Shanghai found that of 133 companies surveyed, at least 118 have lowered their revenue projections for 2022. A quarter had slashed their estimates by more than 20 percent.

The lockdowns have tarnished China's appeal as a place to invest, the chamber said.

However, the measures may be "too little too late," economists told the *WSJ*, warning that the lockdowns may have done long-lasting damage to China's economic prospects.

"We think China's economy faces the most severe challenge in the last 30 years," Zhiwei Zhang, Pinpoint Asset Management's chief economist, said to the *WSJ*.

The nation's economy might contract this quarter, leading to economic weakness and turbulence as the year progresses, the *WSJ* said, highlighting the dangers of trying to contain the virus by freezing people out of stores and workplaces.

HOME PRICES IN CHINA NOT RECOVERING

Home prices in 70 major cities across China continued to slide in May, dropping by an average of 0.79 percent from a year previous, despite banks' and local governments' efforts to revive demand as the country's real estate industry continues to work its way out of financial near-collapse.

Prices ticked down 0.17 percent from the end of April.

Demand for newly built homes has plunged 34.5 percent during the first five months of this year, compared to the same stretch in 2021, according to government figures reported by the *Financial Times*.

In May, sales by the country's 100 largest developers were down 59.4 percent, year on year, the 11th consecutive month of decline, the China Real Estate Information Corp. said.

To bring buyers back into the market, more than 100 municipalities have lifted restrictions on purchases, lowered down-payment requirements, and offered subsidies, especially to first-time buyers.

TRENDPOST: *China's dual-circulation economic policy, which seeks a balance of revenue between its domestic consumer economy and manufacturing for export, may not have failed but it clearly has not succeeded yet.*

Consumer spending has been a consistently weak link.

During the COVID era, Chinese consumers hoarded their cash against hard times.

After the initial wave of infection passed, different levels of government imposed spot shutdowns whenever a new case was detected. The most dramatic example was the now-ending, two-month lockdown of 325 million people in 46 metro areas.

We reported this latest draconian mandate in "Shanghai Blues: Millions Get Locked Down to Fight COVID War" (5 Apr 2022) and subsequent articles.

With the global economy slowing and recession looming, the manufacturing economy is likely to weaken.

As a result, China will dangle even more goodies in front of consumers to persuade them to part with their yuan.

However, China's consumers have seen enough economic hard times lately to be easily persuaded to spend. And with the nation's zero COVID policy which has locked *down major portions of major cities and imposed strict travel regulations, a bad economic situation will be made worse.*

Faced with slowing growth in its export sector and weak spending among consumers, China's prospects of avoiding recession are no better than the rest of the world's.

NEW ZEALAND HOME PRICES POISED TO STUMBLE ON HIGHER INTEREST RATES

Home prices in New Zealand have leapt 43 percent since the COVID War began, with the median home price now 10 times the median personal income, the *Financial Times* reported.

The island nation has experienced one of the world's biggest home price booms, which now is weakening as the country's central bank continues to raise interest rates.

The Reserve Bank of New Zealand began bumping interest rates up last October. From a rate of 0.25 percent, it has lifted the rate to 2 percent now, including a half-point jump in May, as the bank struggles to tame a 7-percent inflation rate.

The bank has said its key interest rate is likely to double to 4 percent this year and remain at least at that level beyond 2023.

As a result, "house prices in New Zealand are tumbling and all signs point to further deterioration in the months ahead," economist Ben Udy at Capital Economics said in an *FT* interview.

House prices will fall 20 percent, Udy predicted, a reduction that would take them back to 2020 levels.

Some inside the industry see a more dire future.

The higher interest rate will cut the number of sales by 40 percent this year compared to last, real estate agency Barfoot & Thompson has projected.

“The real risk is that consumers slash spending dramatically to protect the wealth that the housing boom and low [interest] rates helped create,” the *FT* said.

In New Zealand, “consumers are more sensitive to house prices than they are in other places,” Udy noted.

Will other nation’s housing markets follow New Zealand’s down?

“While markets will slow, I don’t think we’re going to see price falls globally,” Kate Everett-Allen, head of international residential research at consulting firm Knight Allen said to the *FT*.

“The rate of price growth will just dip and soften over the next few months,” she believes.

“New Zealand is a canary in the coal mine,” CoreLogic economist Kelvin Davidson told the *FT*. “It’s a test case for a central bank to push up rates to deal with inflation as house prices are soaring.”

TREND FORECAST: *As we have noted many times, the higher interest rates rise, the further housing markets will fall.*

Exactly how far they fall depends on the locale.

In Europe, Japan, and the U.S., there is little available land for housing tracts to be built. Land that is available is expensive, which would drive up the cost of houses built on it, not reduce costs nationwide.

Broadly speaking, land is more plentiful south of the Equator. That offers the chance to build more housing as needed, driving prices further down than would be possible in the North.

SPOTLIGHT: INFLATION

GAS PRICES SOAR IN EUROPE AS U.S., RUSSIA CUTS SUPPLIES

An explosion at a U.S. liquefied natural gas (LNG) terminal shut down the facility for repairs for at least 90 days, operator Freeport McMoran announced.

The company handles 20 percent of U.S. LNG exports to Europe and about 10 percent of the continent's total gas imports.

On 15 June, Russia cut gas flows by 40 percent through the key Nord Stream 1 pipeline into Europe in retaliation for Western sanctions that have prevented Siemens from delivering equipment slated for Nord Stream 1 from Canada.

"Due to sanctions imposed by Canada, it is impossible for Siemens Energy to deliver overhauled gas turbines to the customer," the company confirmed in a public statement.

The next day, Russia cut flows further, saying that it had shut down a compressor station along the pipeline because of maintenance issues.

Also on 15 June, Russia cut its gas exports to Italy by 15 percent compared to the day before.

The new twin blows sent the European price for natural gas up 24 percent on 15 June to €120 per megawatt-hour, equivalent to about $125. Britain's gas price jumped 25 percent to £1.97 per therm and the U.S. natural gas price rose 3.2 percent to reach $7.42 per million Btus.

Prices in the Netherlands soared 47 percent during the week and now stand four times higher than a year ago, according to the *Financial Times*.

The loss of supply seriously damages the region's plan to replenish its near-empty gas storage reserves ahead of next winter's heating season and could leave "factories and households across the continent in peril," the *FT* said.

Russia said that eventually Nord Stream 1 flows will be slashed by 60 percent or even turned off if the missing parts fail to be delivered.

If that happens, "it will be a disaster for Germany," Vladimir Chizhov, Russia's ambassador to the European Union, told RIA Novosti, the Russian news service.

Historically, Russia has supplied almost 40 percent of Europe's natural gas.

However, Russia had cut its gas deliveries to Europe last fall as a political pressure tactic, sending prices soaring ahead of the winter heating season, as we reported in "High Natural Gas Prices Slow Europe's Recovery" (14 Sep 2021).

After the Ukraine invasion, Russia also cut gas deliveries to companies in Bulgaria, the Netherlands, Poland, and other countries after they failed to comply that they pay for Russia's gas in rubles instead of euros or dollars. (See "Russia Ends Gas Exports to Poland, Bulgaria. Germany and Italy Are Next" (3 May 2022).

Since Russia invaded Ukraine, Europe has banned Russian coal, slashed imports of Russia's refined products, begun an initiative to end its imports of Russian oil by 2023, and pledged to end its use of all fossil fuels from Russia by 2027.

However, Europe has exempted most Russian gas from the wartime sanctions regime. Natural gas is harder to replace because there is little surplus in the world and most gas is shipped by pipeline instead of on vessels.

"If Nord Stream is cut off, or even if it remains cut off at 40 percent [of the usual deliveries], the situation is going to be very dire for Europe," Massimo di Odoardo, vice-president for gas research at consulting firm Wood Mackenzie told the *FT*.

If all Russian gas deliveries to Europe stop, the continent's gas storage will run dry in January, he predicted.

TREND FORECAST: *As the Ukraine war continues, Europe's dependence on Russian gas becomes more urgent.*

If Europe enters Dragflation, our Top 2022 Trend in which prices rise and economic activity contracts, the Western alliance holding the sanctions regime together will begin to crack.

The more gas Russia shuts off, the more the alliance will shatter.

U.S. PRODUCER PRICE INDEX CONTINUES TO RISE

The prices producers charge for their products climbed 0.8 percent in May, doubling April's 0.4-percent rise, the U.S. labor department reported.

The so-called "core" index, which exempts food, fuel, and producers' margins from the measure, rose 0.5 percent last month from April, although gasoline's average U.S. price jumped 5 percent during the 31 days.

Trucking companies' freight-hauling rate moved up 2.9 percent, indicating that supply chain problems persist.

May's prices rose at an annual clip of 10.8 percent, easing a fraction from 10.9 percent in April but still marking the sixth consecutive month of double-digit increases.

The continued rise in producer prices indicates that consumers will be paying more in the near future, PNC Bank economist Kurt Rankin told *The Wall Street Journal*.

That relationship has been increasingly consistent during the post-COVID economic recovery, the *WSJ* said.

SPOTLIGHT: BIGS GET BIGGER

Each week, we report instances where the money junky hedge funds, private equity groups and the already big companies swallow another piece of the global economy. Here are some more of what the BIGS have been gobbling up and how the Bigs keep getting bigger and the rich keep getting richer.

It should be noted that when interest rates in the U.S. were floating at near zero, merger and acquisition hit an all-time high in 2021. Now with rates rising, M&A activity is slowing down.

JUNK FOOD GIANT MONDELEZ BUYS CLIF BAR FOR AT LEAST $2.9 BILLION

If you look in your kitchen cabinet right now, there's a very good chance that you have a few bags open of Mondelez products.

The Chicago-based food giant that earns about $26.58 billion in revenue each year, is behind such products as Chips Ahoy!, Oreo, Ritz crackers, Triscuit, and Trident to name a few.

Mondelez increased its food portfolio after announcing that it will acquire Clif Bar & Co. for at least $2.9 billion. Clif Bars are marketed as a nutrition bar perfect for those sunny Saturday afternoons where you find yourself suspended from a rock face during a free climb.

The deal will include the Clif, Luna, and Clif Kid brands of bars, CNN reported. It will essentially create a “$1 billion-plus global snack bar franchise for itself.”

Sally Grimes, chief executive officer of Clif Bar & Company, said Mondelez is the perfect partner to support her company’s “next chapter of growth."

“Our purposes and cultures are aligned and being part of a global snacking company with broad product offerings can help us accelerate our growth," she said.

Mondelez said it will operate Clif from its Emeryville, Calif., headquarters and continue to produce the bars from its facilities in Indiana and Idaho.

SPECIAL UKRAINE WAR REPORT

EUROPEANS SUFFER: MORE SANCTIONS, LESS GAS

Several European countries have chastised the Russian gas giant Gazprom for reducing gas flows into their nations in retaliation for the sanctions they imposed on Moscow for invading Ukraine.

Eni, the Italian energy firm, said Russia reduced its gas flows by 50 percent. Dmitry Peskov, a spokesman from the Kremlin, insisted that the supply reduction was not premeditated and were related to maintenance issues*,* Reuters reported. Gazprom said there are missing turbine parts stuck in Canada due to sanctions.

Mario Draghi, the Italian prime minister, said the Russian response is a "lie." (See "RUSSIA ENDS GAS SHIPMENTS TO POLAND, BULGARIA. GERMANY AND ITALY ARE NEXT" and "U.S. SANCTIONS HIT THE RUSSIAN PEOPLE AND 'WE THE PEOPLE' HARD.")

Russia had previously warned that “unfriendly” nations would be required to pay for their gas supplies in rubles, which Ursula von der Leyen, president of the European Commission (EC), called “blackmail.” (See [“PUTIN: WESTERN SANCTIONS ARE A ‘DECLARATION OF WAR.”])

The European Union has accused Russia of weaponizing its energy supply due to sanctions put in place in response to what European officials see as an unjust war in Ukraine. President Vladimir Putin has indicated that the West is panicked because it miscalculated its reliance on Russian energy.

France is no longer receiving any natural gas from Russia.

Alexei Miller, the CEO of Gazprom, said Moscow will play by its own rules after the firm cut supplies to Germany and Italy.

“Our product, our rules,” he said. “We don’t play by rules we didn’t create.”

Germany announced Sunday that it will turn to coal-fired power plants to help make up for the lost energy from Russia, *The Wall Street Journal* reported. Berlin will also call on companies to reduce their natural gas consumption “marking a new step in the economic war between Europe and Russia.”

Russia’s decision to reduce gas flows now means that some European countries will not have enough time to fill their storage facilities.

“It is obviously Putin’s strategy to rattle us, drive up prices and divide us. We won’t allow that. We will defend ourselves resolutely, precisely and thoughtfully,” Robert Habeck, Germany’s economy minister, said, according to the *Journal.*

The paper said that Berlin hopes to have its gas storage facilities at least 90 percent filled by December. The facilities are currently about 56 percent full.

"The situation is serious," Habeck said. "We are therefore continuing to strengthen precautions and taking additional measures to reduce gas consumption. This means that gas consumption must fall further, but more gas must be put into the storage facilities, otherwise things will really get tight in winter."

Habeck is a member of the Green Party. He called Berlin's decision to turn to coal power “bitter, but it's almost necessary in this situation to reduce gas consumption."

TREND FORECAST: *Since the Ukraine war began, we have said repeatedly in articles such as “West Paralyzes Russia’s Economy and West’s Economy is Paying the Price” (8 Mar 2022) and “War Scrambles Europe’s Hopes for Economic Recovery” (15 Mar 2022) that sanctions will harm the West in the near and long term more that Russia.*

Indeed, the little people of Slavelandia are paying for the U.S. and NATO’s “proxy” war against Russia. As a result of the sanctions they have imposed on Russia and Moscow’s retaliation, annual inflation hit a 50 year high of 7.9 percent in Germany last month. Gas prices in several European nations are well above $7 per gallon with Norway’s price-at-the-pump over $11 per barrel.

TRENDPOST: *Long forgotten—since it was some four months ago and “ancient” history in the world of the mindless mainstream media—was how wrong the administration was in its claim made clear back in February that the sanctions were a centerpiece in the effort to stop Putin from invading Ukraine.*

Mr. Biden told the American people, ““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.”

Vice President Kamala Harris, for example, was asked in February about the sanctions and she said the White House believed that the economic threat would deter Putin.

U.S. Secretary of State Antony Blinken was interviewed on CNN prior to the invasion and said the purpose of the sanctions “in the first instance is to try to deter Russia from going to war.”

Daleep Singh, the deputy national security adviser, also said the sanctions "serve a higher purpose, and "that purpose is to deter and prevent a large-scale invasion of Ukraine that could involve the seizure of major cities."

TRENDPOST: *Russian President Vladimir Putin is proving that when you control the spigot, you can make a lot of your adversaries miserable.*

The old saying is, "All is fair in love and war." Putin has referred to the Western sanctions against Russia as an "economic blitzkrieg" that was intended to crush the Russian economy. That did not work, and now Putin hopes to turn the tables on these countries and put pressure on these anti-Russian politicians.

French President Emmanuel Macron has implemented a $28 billion government spending bill to cap the price of natural gas and electricity and give rebates on gasoline, The Wall Street Journal reported.

"We are seeing a profound disruption of the European economic model and there will be consequences for the region's social and political situation," Simone Tagliapietra, a senior fellow at Bruegel, a Brussels-based think tank, told the Journal. "Germany and other countries built their economic power on the competitive advantage of having access to cheap Russian energy. They must rethink their business model and that will be challenging."

BIDEN KEEPS WAR DRUMS BEATING, ANNOUNCES ANOTHER $1B IN WEAPONS FOR UKRAINE

President Joe Biden on Wednesday announced $1 billion in new military aid for Ukraine that will pay for heavy weapons including advanced rockets, new rounds for howitzers, and anti-ship systems.

The weapons are expected to arrive in Ukraine within the next few months. The U.S. has given Ukraine over $5.6 billion in military aid since the war started on 24 February. The U.S. also provided Ukraine with $40 billion in new funding to support the economic crisis in Ukraine.

Earlier this month, the U.S. also announced $700 million in advanced rocket-launcher systems and 1,000 Javelin missiles.

Biden told reporters that he had a phone conversation with Ukrainian President Volodymyr Zelensky before the announcement. The Pentagon issued a statement that said the latest round of support will provide Ukraine with 18 howitzers, 36,000 rounds of ammunition for the howitzers, and two Harpoon coastal defense systems.

Ukraine has said it needs more advanced rocket systems than the U.S. has promised if it stands a chance against Russia in the eastern flank of Ukraine.

"If we get 60 of these systems then the Russians will lose all ability to advance anywhere, they will be stopped dead in their tracks," Oleksiy Arestovych, an advisor to Zelensky, said. "If we get 40 they will advance, albeit very slowly with heavy casualties; with 20 they will continue to advance with higher casualties than now."

Reports said the amount of weapons is still short of what Kyiv has requested. *The New York Times* reported that Dmytro Kuleba, the Ukrainian foreign minister, told Secretary of State Antony Blinken that he was grateful for the weapons, but needed more heavy weapons and faster. (See "WEAPONS POURING IN TO UKRAINE, NO TALK OF PEACE, JUST MORE WEAPONS" and "WARMONGERS ON PARADE: WEST SENDS MORE WEAPONS TO UKRAINE TO KEEP THE KILLINGS GOING.")

Defense Secretary Lloyd Austin, who was in Brussels at the time of Biden's announcement, said other countries also agreed to send additional military aid.

Germany will send three Multiple Launch Rocket Systems, which are similar to the HIMARS, and guided munitions. Slovakia will send helicopters and rocket ammunition. Canada and Poland will send artillery.

“We remain focused on Ukraine's needs,” Austin said. “We’ll stay focused on it for as long as it takes.”

Gen. Mark Milley, chair of the Joint Chiefs of Staff, said the U.S. will also send Ukraine HIMARS with Ukrainian crews capable of using the heavy weapons. Milley said the missile system is not “a silver bullet,” but if used correctly, it will make a difference on the battlefield, Politico reported.

Most of the recent fighting has been in the Donbas and Milley said it is obvious that Russia has the upper hand due to its artillery superiority. Milley said about three-quarters of Severodonetsk, a city in the Donbas region, were in Russian control, "but the Ukrainians are fighting them street-by-street, house-by-house, and it's not a done deal."

While a Russian win in the Donbas is not “an inevitability,” Milley noted that “the numbers clearly favor the Russians. In terms of artillery, in terms of the numbers, they outgun and outrange.”

Milley said Ukraine’s estimate that is losing about 100 troops a day seems about right, and he said Russians have lost about 30 percent of their armed forces due to the conflict.

“For Ukraine, this is an existential threat. They're fighting for the very life of their country. So, your ability to endure suffering, your ability to endure casualties is directly proportional to the object to be obtained,” Milley said.

Biden said the U.S. remains committed "to supporting the Ukrainian people whose lives have been ripped apart by this war."

He also announced that the U.S. will also send an additional $225 million in humanitarian aid to Ukraine to provide assistance for drinking water, food and shelter.

TRENDPOST: *The* ***Trends Journal*** *has noted that the longer the war in Ukraine drags on the more people will die, the more infrastructure will be badly damaged, and the closer the world inches to fighting WWIII.*

Ukraine's position has been that they will make no concessions and they will take back every inch of ground taken over by Russian forces. Any mention of concessions has been swiftly rebuffed by Kyiv.

Dmitry Medvedev, the deputy chair of Russia's Security Council who has been vocal since the invasion, is now indicating that his forces will not stop the assault until Ukraine is no longer a country.

He posted on Telegram that he heard that Kyiv has ambitions to receive liquefied natural gas from its "overseas masters" with payment due in two years, The Associated Press reported.

"But there's a question: Who said that in two years, Ukraine will even exist on the map?" he said.

TRENDPOST: *As we have noted before the Ukraine War began, totally absent in the political and media worlds was—or 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 had failed to find a diplomatic solution with Russia when Moscow submitted its list of demands about NATO expansion and its relationship with Ukraine. (See "WASHINGTON AND NATO: NO CONCESSIONS TO RUSSIA.")

When the White House announced a ban on Russian oil imports, joining Canada and the United Kingdom back in March, oil prices in the U.S. hit $130 per barrel, their highest levels since 2008.

With gas prices soaring, Mr. Biden declared that "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."

TREND FORECAST: *As we noted three weeks before Russia's invasion of Ukraine, with petroleum exports accounting for about half of Russia's annual budget, and with Russia back then providing Europe with more than 40 percent of its natural gas supply, it would be a lose, lose situation for the EU to keep putting sanctions on Russia, which will in turn shut off its gas flow to Europe.*

EU TURNS TO ISRAEL FOR GAS AFTER ACCUSING RUSSIA OF 'BLACKMAIL'

Since the beginning of the Ukraine invasion, European leaders have accused Russia of weaponizing their energy exports and last week announced two "major" energy infrastructure projects with Israel.

The projects will include a gas and hydrogen pipeline spanning the eastern Mediterranean and an "underwater power cable linking Israel to Cyprus and Greece," the *Financial Times* reported.

Ursula von der Leyen, the president of the European Commission, visited southern Israel to make the announcement and blamed Russia for deliberately cutting "off its gas supplies to Poland, to Bulgaria, to Finland, to Dutch companies, to Danish companies, in retaliation for our support to Ukraine."

TRENDPOST: *Ms. von de Leyen failed to mention that Russia's decision was based on crippling sanctions imposed by the West and these countries' unwillingness to pay for Russian gas in rubles. Without the resources to back up her words, she said the Kremlin's attitude "only strengthened our resolve to break free of our dependency on Russian fossil fuels."*

Winners and Losers

Russian President Vladimir Putin said Friday that the sanctions imposed by Western countries failed.

"The idea was clear: crush the Russian economy violently," Putin said during the annual St. Petersburg International Economic Forum, according to *The Wall Street Journal*. The paper said Russia looks at the forum as an answer to the World Economic Forum held in Davos.

"They did not succeed," Putin said.

The paper said the Russian economy has been bolstered "by a windfall through the rising value of its energy exports, though poverty is spreading and inflation is eroding the spending power of ordinary Russians."

Putin said the U.S. tries to present itself as God's messenger on earth, as though all of its foreign policies are divinely inspired.

"They do not seem to notice that new powerful centers have formed on the planet. We are talking about revolutionary changes in the entire system of international relations," he said.

The *FT* pointed out that European countries have been looking for alternatives to Russian gas. The EU imported 155 bcm of gas from Russia last year, accounting for about 40 percent of the bloc's overall consumption.

Israel's Energy Ministry said the gas will flow into Egypt's LNG terminal through a pipeline under the Mediterranean Sea and will be transported by tanker to Europe, The

Associated Press reported. The report said Egypt's natural gas facilities have been essentially collecting dust since the fall of Hosni Mubarak in 2011.

Simon Henderson, an energy policy fellow at the Washington Institute, told *The Wall Street Journal* that the agreement is a “positive step at a time of energy crisis,” but is not a panacea.

“My sense is we’re only talking about small amounts,” he told the paper. “This is going to happen slowly.”

The Jerusalem Post reported that some in Israel see the Russian invasion of Ukraine as an "historic" opportunity for Israel to step up its "energy game and, in return, increase its diplomatic value and standing in the Middle East and beyond."

Karin Elharrar, the Israeli energy minister, announced last month that Israel will offer licenses for new exploration of natural gas in Israeli waters, which the paper said was a "sharp turn" from what she said in December when Elharrar said Jerusalem will "focus on the future, on green energy, on energy optimization and on renewable energy, and while we do so we will put aside the development of natural gas, which, as is known, is [a] short-term solution.”

Late last month, she said, “The global energy crisis provides an opportunity for the State of Israel to export natural gas, along with the honest and real concern for what is going on in Europe.”

Von der Leyen said Russia’s “attempt to blackmail us through energy” forced the EU to turn to “trustworthy suppliers.”

“I am very grateful … that you are willing to increase the deliveries of gas to the European Union via Egypt,” she told Prime Minister Naftali Bennett.

Pascoe Sabido, researcher and campaigner at the Corporate Europe Observatory, told Al Jazeera that the EU is "shifting from one repressive regime to two more."

“It is putting the priority of getting gas over human rights,” he said.

He told the paper that gas exports will grant both governments greater political leverage and room for the "whitewashing of human rights abuses."

TRENDPOST: *As for "whitewashing of human rights abuses," The **Trends Journal** has long reported on the human rights abuses that Israel has been accused of over its treatment of Palestinians. (See "APARTHEID STATE OF ISRAEL CLAMPING DOWN ON PALESTINIANS.")*

We've seen how energy dependence can impact how repressive regimes are embraced by "democratic" countries. U.S. President Joe Biden is planning to meet with Saudi Arabia's de facto leader Mohammed bin Salman next month.

Sabido told Al Jazeera that the money Israel will receive from the EU will be "spent on increasing militarization, increasing settlements … Whilst the EU might be claiming to move away from Russia, it is doing so at the expense of Palestinians."

CHINA AND RUSSIA SOLIDIFY THEIR BOND

Russian President Vladimir Putin and Chinese President Xi Jinping spoke on the phone Wednesday in what international observers saw as an example of the close bond between the two countries.

The **Trends Journal** has reported that the relationship between China and Russia has vexed the U.S. since the onset of Moscow's 24 February invasion of Ukraine.

China was accused of trying to play it both ways: deepening ties with Russia while remaining ambiguous about the invasion so as to not isolate itself from the European and U.S. market. (See "WAR IN UKRAINE ECONOMIC OVERVIEW," "SPOTLIGHT

CHINA: EAST VS. WEST," "BEIJING: STOP WESTERN SANCTIONS ON RUSSIA" and "CHINA STANDS WITH RUSSIA. TELLS E.U. AND U.S. FU!")

The relationship between China and Russia is a blossoming one, and there are questions about how deep it runs. It is widely believed that Putin informed his Chinese counterpart about his intention to invade Ukraine during their meeting at the Opening Ceremony of the 2022 Winter Olympics in Beijing.

Senior U.S. officials told *The New York Times* that China had "some level of direct knowledge about Russia's war plans or intentions" before the invasion. The countries released a 5,000-word statement after the meeting to praise their partnership that has "no limits."

The phone call between Putin and Xi occurred on the Chinese leader's 69th birthday, which some saw as an example of their personal closeness.

"The Chinese side stands ready to work with the Russian side to push for steady and long-term development of practical bilateral cooperation," Xi said.

Xi said trade with Russia over the first half of this year has been [in the tens of billions of U.S. dollars] and we "can expect new records in upcoming months, which is a testament to the great cooperation between our two nations."

CNBC, citing China customs data, reported that trade between China and Russia totaled $65.81 billion in the first five months of this year, which is up 28.9 percent from a year ago.

"China is willing to push for the steady and long-term development of bilateral pragmatic cooperation. China is willing to mutually support Russia on core interests and matters of paramount concern, such as sovereignty and security, as well as [achieve] closer strategic cooperation," Xi was quoted as saying by the state broadcaster CCTV, Politico reported.

The Wall Street Journal reported that China and Russia had slightly different readouts after the phone call. China stayed true to its earlier comments about finding a peaceful settlement in Ukraine, but did not criticize Russia's decision to invade. Moscow's readout indicated that Beijing supported Russia's decision.

The Kremlin said Xi pointed out the actions taken by Russia were intended "to protect the fundamental national interests in the face of challenges to its security created by external forces."

TREND FORECAST: *It's no surprise that Putin and Xi are forming a closer bond. Xi is experiencing some of the same pressures in China that his Russian counterpart faced when it came to NATO expansion.*

There is an upcoming NATO meeting on 29 June in Brussels and guess who's on the guest list? Australia, Japan, New Zealand, and South Korea.

Sen. Ben Sasse, a Republican from Nebraska, said the U.S. should create a "Pacific NATO."

"Let's build a NATO for the Pacific," Sasse said in his address at the Ronald Reagan Presidential Library in California last Thursday, according to Nikkei Asia. "We need allies to get back on the offensive against the CCP, and those allies need U.S. leadership," he said.

He continued, "NATO in Europe has been the greatest treaty organization in history. It held the line against the Soviets, and it's now holding the line against bloody [Vladimir] Putin. But as Chairman Xi [Jinping] looks to expand his sphere of influence, we need a new military alliance centered far out into the Pacific."

We are led by madmen and madwomen who are going to start WWIII. Xi knows that the U.S. wants to surround China so having a major military power like Russia is beneficial for Xi.

We maintain our forecast that the U.S. and NATO cannot defeat Russia or China in a war, let alone both forces combined.

EU HEADS PROMISE TO KEEP UKRAINE WAR GOING

German Chancellor Olaf Scholz joined French President Emmanual Macron, Italian Prime Minister Mario Draghi, and Romanian President Klaus Iohannis in a visit to Kyiv on Thursday to meet with Ukrainian President Volodymyr Zelensky to promise continued military support.

"We are supporting Ukraine with arms supplies and will continue to do so as long as Ukraine needs our support," he said.

Berlin is set to provide Kyiv with three multiple launch rocket systems, according to The Associated Press*.* Berlin will transfer three M270 medium-range artillery rocket systems along with ammunition.

France 24 accused Scholz of dragging his feet on these weapon promises. Scholz brushed off the criticism and said there is no sense in sending complicated weapons without first training Ukrainians on the systems.

Dmytro Kuleba, the Ukrainian foreign minister, told Italy's *La Repubblica*: "There are countries from which we are awaiting deliveries and other countries for which we have grown tired of waiting. Germany belongs to the second group."

Marcel Dirsus of the Institute for Security Policy at Kiel University, told the outlet that it seems Berlin is "content to take a middle-of-the-road approach where they're doing enough to avoid the most severe criticism, but they're not really taking any initiative to go beyond that."

German Defense Minister Christine Lambrecht told reporters that the training of Ukrainian troops on howitzers is just about wrapped up, Reuters reported.

"The training on the Panzerhaubitze 2000 will soon be completed so that it can be used in battle in Ukraine," she said.

TREND FORECAST: *Despite all the military tough talk, we maintain our forecast that despite the billions of weapons the United States and its allies have sent, and continue to send to Kyiv, Ukraine will not defeat Russia.*

TREND FORECAST: *Who will win the Ukraine War? We said Russia would since the onset while the U.S. and its allies said the opposite. See:*

- *"PLACE YOUR BETS: CHANCELLOR SCHOLZ SAYS RUSSIA WILL LOSE UKRAINE WAR"*
- *"RET. COL. DOUGLAS MACGREGOR SAYS RUSSIA WILL CRUSH UKRAINE"*
- *"BIDEN WARNS AMERICANS HIS SANCTIONS WILL HURT RUSSIA…AND AMERICANS. WRONG ABOUT WHO'LL WIN THE UKRAINE WAR?"*
- *"WWIII: U.S. WARMONGERS FUELING KILLING FIELDS"*
- *"ZELENSKY REJECTS PEACE PROPOSAL, SAYS UKRAINE WILL BEAT RUSSIA"*
- *"PUTIN WON'T STOP UKRAINE WAR UNTIL HE DECLARES 'VICTORY'"*
- *"BRAZIL'S LULA SAYS UKRAINE'S COMEDIAN SHARES BLAME FOR WAR"*
- *"U.S. LOST EVERY WAR SINCE WWII, BUT IS TELLING UKRAINE HOW TO BEAT RUSSIA"*
- *"GERMANY JOINS THE FIGHT"*

TRENDPOST: *RT summed up the Ukraine War: "Russia attacked Ukraine in late February, following Kyiv's failure to implement the terms of the Minsk agreements, first signed in 2014, and Moscow's eventual recognition of the Donbas republics of Donetsk and Luhansk.*

The Kremlin has since demanded that Ukraine officially declare itself a neutral country that will never join the U.S.-led NATO military block. Kyiv insists the Russian offensive was completely unprovoked and has denied claims it was planning to retake the two republics by force."

Macron, Draghi, and Scholz took an 11-hour train ride to Kyiv to meet with Zelensky and show a united front of European support.

"We saw a devastated city and traces of barbarism. And also the heroism of Ukrainian men and women who stopped the Russian army when it went to Kyiv. Ukraine is resisting. She must be able to win," Macron said after a tour of Irpin, which is a Kyiv suburb.

Macron has been one of the few world leaders in touch with the Kremlin since the war broke out. He was on the receiving end of intense criticism earlier this month when he said that Putin should not be humiliated in Ukraine.

He evidently changed his tune.

He promised Ukraine six massive truck-mounted artillery guns so "Ukraine alone can decide its fate."

He visited French troops stationed in Romania before his visit to Kyiv and said the war will ultimately end after negotiations. The Wall Street Journal reported that France and Germany have spoken about negotiating for a peaceful resolution while Eastern European nations see the only acceptable result as an outright Russian defeat.

Luhansk Gov. Serhiy Haidai told the Associated Press that the visit would not yield progress if the leaders ask Ukraine to sign a peace treaty with Russia that involves giving up territory.

"I am sure that our president, Volodymyr Zelenskyy, is not going to make concessions and trade our territories. If someone wants to stop Russia by giving them territories, Germany has Bavaria, Italy has Tuscany, the French can concede Provence, for instance," he said.

***TREND FORECAST:** Again, with not a mention of peace or the reality that Ukraine will not defeat Russia, Biden and NATO keep ramping up the killing machine. U.S. President Biden made the non-negotiation of peace perfectly clear when he said right after the Ukraine War began 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 continues to be 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.

EUROPEANS DIVIDED ON HOW THEY WANT UKRAINE WAR TO END

A recent survey by the European Council on Foreign Relations found a nearly even split on how people want to see the Ukraine War ultimately resolved.

The poll included residents from 10 countries and showed that 35 percent of Europeans find themselves in the "peace camp," which means they want a swift resolution to the war and return to some form of normalcy.

There were about 8,000 people polled.

About 22 percent of those polled wanted Russia to pay for the invasion and believe the country deserves some form of punishment. These individuals also believe Ukraine is entitled to take back all of the land lost during the conflict.

Political scientists believe that the longer the war drags on and the more pain felt by the average European his opinions may change over time. Poland had the highest number of residents who say they want Russia to be punished for the war, while Italians, Germans, and Romanians want a peaceful resolution.

The survey found that for all countries, other than Poland, the "Peace" camp is larger than the "Justice" camp.

The survey also showed that Italy has the highest number of people who believe Ukraine, the EU, or the U.S. are responsible for the war. (See "AMERICAN MEDIA: WARMONGERS WELCOME, PEACEMAKERS BANNED" and "THE MASTERS OF WAR, AT WAR WITH RUSSIA.")

The ECFR said the poll suggests that the public opinion in Europe could be shifting and "that the toughest days may lie ahead."

"The resilience of European democracies will mostly depend on the capacity of governments to sustain public support for policies that will ultimately bring pain to different social groups," the ECFR said. "This will force governments to balance the pursuit of European unity behind pressure on Moscow with opinions that diverge both inside and among member states."

Polling found that 90 percent of the Finns who were polled blamed Russia for the war while just 56 percent of Italians blamed Moscow.

TRENDS FORECAST: *The longer the Ukraine War drags on, the more Europeans will begin to question the wisdom of endless support for Ukraine and crippling sanctions that hurt them more than their target: Russia.*

Western European countries are working to fill up underground storage facilities with natural gas in time to meet the fall and winter demand. Alexei Miller, the Gazprom CEO, said last week that Russia will play by its own rules after the firm cut its supplies to Germany by half, CNBC reported.

"Our product, our rules. We don't play by rules we didn't create," Miller said.

NATO'S JENS "NUTS" STOLTENBERG WANTS TO KEEP UKRAINE WAR GOING

Jens Stoltenberg, the head of NATO, said in an interview on Sunday that it is likely that the Ukraine War could drag on for years and that Western countries should prepare for the long haul.

Stoltenberg made the comment during an interview with the German newspaper Bild. He said we must "not let up" in supporting Ukraine.

"We must prepare for the fact that it could take years," he said. "We must not let up in supporting Ukraine. Even if the costs are high, not only for military support, [but] also because of rising energy and food prices."

His comments reflect a shift that seems to be occurring among Western leaders. Boris Johnson, the British prime minister, also said that it is important to "steel ourselves" for a long war, according to *The Guardian.*

Gen Sir Patrick Sanders, a senior British Army officer serving as chief of the general staff, said British forces need to prepare "to fight in Europe once again."

"There is now a burning imperative to forge an army capable of fighting alongside our allies and defeating Russia in battle," Sanders wrote.

"Russia's invasion of Ukraine underlines our core purpose to protect the UK by being ready to fight and win wars on land," he said. "There is now a burning imperative to forge an army capable of fighting alongside our allies and defeating Russia in battle. We are the generation that must prepare the Army to fight in Europe once again."

Johnson wrote in *The Sunday Times* that "time is now the vital factor." (See "U.K'S JOHNSON PROMISES MORE WEAPONS OF DEATH TO KEEP BLOODYING THE UKRAINE KILLING FIELDS.")

“Everything will depend on whether Ukraine can strengthen its ability to defend its soil faster than Russia can renew its capacity to attack,” Johnson said. “Our task is to enlist time on Ukraine’s side.”

Johnson has been one of the most outspoken critics of Russian President Vladimir Putin and agreed with Ukrainian President Volodymyr Zelensky who said Moscow should not be able to keep an inch of territory.

“Such a travesty would be the greatest victory for aggression in Europe since the Second World War,” he wrote.

Johnson laid out a four-point plan for "constant funding and technical help" for Ukraine that will be maintained for "years to come," with the option to increase efforts.

Zelensky warned Sunday that Russian attacks could intensify this week as the European Union considers Kyiv’s membership application.

"Obviously, we expect Russia to intensify hostile activity this week ... We are preparing. We are ready," he said.

Mark Voyger, a senior fellow with the Transatlantic Defense and Security Program at the Center for European Analysis, pointed out that Russia is planning to conduct military exercises with Belarus over the next few weeks, according to Express.co.uk.

“The concern is that Putin has been trying to put pressure on [Belarus President Alexander] Lukashenko and force him to take a more aggressive stance to launch more aggressive actions out of Belarus involving Belarusian troops,” he said. “These drills will cause serious concern because, unfortunately, Russia and its allies have consistently been using military drills as a mask to cover their aggressive actions.”

TRENDPOST: *The* ***Trends Journal*** *has long warned that the longer the Ukraine War drags on, the more dangerous it is for the world, especially with leaders like Prime*

Minister Boris Johnson. These leaders are either willfully ignorant about the realities on the ground in Ukraine or are suicidal.

The Russian military, if unleashed, would roll over Ukraine within days, and the Kremlin has refused to even refer to its military action as an "invasion." No doubt the reason for this is that Russia does not look at the conflict as an invasion because Kyiv would not still be standing.

It seems as though Johnson will not be content until he is the one referred to as the Winston Churchill of our time and the only way he can achieve that is a world war.

And as for the "heroic" statement of Gen Patrick Sanders, who said British forces need to prepare "to fight in Europe once again," this is pure lunacy.

First of all, as Gerald Celente often states, "Generals are always fighting the last war"... and Sanders statements illustrate this. Should Europe go to war with Russia, the troops on the ground will be ground up in nuclear dust. And, with troops on the ground in Europe, the countries will be bombed to ruin. Yet, these facts are totally ignored by a Presstitute media which is as mentally deranged as the politicians that run the planet.

EUROPEAN COMMISSION GIVES NOD FOR UKRAINE TO JOIN EU

The European Commission said last week that it endorsed Ukraine's official candidacy to join the EU, but what that exactly means is unclear.

Ursula von der Leyen, the commission president, said Friday that Ukraine should be welcomed by European countries. The nod was largely embraced but the process could take decades.

French President Emmanuel Macron said “Ukraine normally should not be a candidate.”

“We're doing it because of the war and because we think it's good,” Macron said. “It's a sign of hope, it's a message for Ukraine to say that they are in the European family."

Von der Leyen said Ukraine must make "important" reforms – “on rule of law, oligarchs, human rights and tackling corruption,” the BBC reported.

The EU is known for its close ties with NATO. The EU has 27 members and NATO has 30. A total of 21 countries are members of both groups. Last year, NATO leaders confirmed that the partnership with the EU “remains essential,” and said their “intention to continue to develop and deepen cooperation on current and evolving security challenges, such as strengthening resilience, maintaining our technological edge, and addressing the challenges to the rules based international order.”

The move could be seen as a first step toward NATO membership by Ukraine, which Russia said would be a red line. The **Trends Journal** has long reported that former Ukrainian president Viktor Yanukovych’s decision not to sign an agreement with the EU led to protests and the U.S.-backed overthrow of his administration for leaning toward Russia.

TRENDPOST: *A report from 2014 in the **Trends Journal** laid out the political maneuvers at the time in Ukraine: “Washington’s coup in Ukraine brought not only a threat to the Russian population in Ukraine but also a direct strategic threat to Russia itself.”*

Victoria Nuland, the Assistant Secretary of State for European Affairs at the time who is now the under Secretary of State for Political Affairs, boasted that Washington had invested $5 billion in non-governmental organizations (NGOs) in Ukraine.

Allegedly, the purpose of NGOs is to “teach democracy.” Ukraine, however, already had a democracy. In reality, the NGO organizations are U.S. fifth columns that can be used to organize protests and to provide support for Washington’s candidates for the Ukraine government.

Russia Downplays EU Membership

Dmitry Medvedev, the deputy chair of the Security Council of the Russian Federation, said the invite means Ukraine could join sometime in the 2050s and the EU may not even exist by then.

"They promised, but with conditions," Medvedev said. "Ukraine is supposed to become better, cleaner, less corrupt, more developed, enlightened, smarter. "Aunt Usrula (von der Leyen) even said that Ukrainians are dying for EU membership."

He continued, "Perhaps (knock on wood) the EU disappears by this time? It's frightening to think what a scandal this would be, given the sacrifices that have been made on the altar of joining the EU, and what a deception it would be of the expectations of the unfortunate Ukrainians."

Reuters reported that Kyiv has a free trade pact in place with the EU but applied for full membership days after Russia's invasion. French President Emmanuel Macron, German Chancellor Olaf Scholz, Italy's Mario Draghi and Romania's Klaus Iohannis said Ukraine belonged in the "European family," Reuters reported.

Russian President Vladimir Putin seemed to be unfazed at the possibility of Ukraine joining the EU.

"We have nothing against it," he said, according to Reuters. "It is not a military bloc. It's the right of any country to join economic union."

The European Commission also recommended that Moldova is also named a "candidate" for joining the EU.

Ukrainian President Volodymyr Zelensky praised von der Leyen's endorsement and posted on Twitter that it is the first "step on the EU membership path that'll certainly bring our Victory closer."

Scholz, the German chancellor, also vowed to help countries in the Western Balkans to join the EU, including Montenegro, Serbia, Albania, North Macedonia, Bosnia, Herzegovina, and Kosovo.

"We are also in favour of Ukraine's membership into the EU. Of course, Ukraine has all the attention and it is in the hearts of everybody who wants peace and democracy because there is a terrible war going on there, an unprovoked and unjustified war," Kosovo Prime Minister Albin Kurti said during a meeting with Scholz. "But I believe there must be both [to join EU], Ukraine and Western Balkans."

TRENDPOST: *Ukraine, how low can you go? Totally unreported by the mainstream media is that Ukraine is one of the most corrupt countries on earth. Transparency International ranked Ukraine 123rd of the 180 countries it examined, which is slightly better than Russia, which came in at 139th. Ukraine scored 32 out of a 100-point scale and Russia scored 29.*

Ted Galen Carpenter, a senior fellow at CATO Institute, wrote that Freedom House's 2022 report listed Ukraine in the "partly free" category, with a score of 61 out of a possible 100. He wrote, "Hungary—which has been a target of vitriolic criticism among progressives in the West because of Prime Minister Viktor Orban's conservative social policy—ranks eight points higher than Ukraine."

Reuters also pointed out that Transparency International, a watchdog, also called Ukraine one of the world's most corrupt countries, ranked 122 out of 180 states.

FEATURED ARTICLES BY GUEST WRITERS

FREEDOM HAS DEPARTED THE WESTERN WORLD

By Paul Craig Roberts, Institute for Political Economy

Dr. Simone Gold, founder of America's Frontline Doctors, a group that saved huge numbers of American lives by treating Covid patients with Ivermectin and Hydroxychloroquine, while Big Pharma and its captive hospitals and Biden regime killed huge numbers of Americans with non-treatment and with ventilators, remdesivir and mRNA "vaccines," has been sentenced to prison for two months and fined $10,000.

The ostensible excuse is that she stepped inside the Capitol through the door opened by the police not to protest the stolen election or to insurrect, but to deliver a warning about coercive Covid mandates, which she did.
She was charged with entering a restricted building—note that the halls of democracy, the people's house, is a restricted building—violent entry, and disorderly conduct, all false charges.

Dr. Gold expressed her regret for entering the Capitol, a requirement so that the Nazi justice system didn't sentence her to 20 years or death for saving lives. Dr. Gold, like so many other medical doctors, such as Dr. Pierre Kory and Dr. Peter McCullough, are being punished for interfering with Big Pharma's profits, which are shared with Fauci and other NIH officials who serve Big Pharma, not public health, as marketing specialists.

The power of an utterly corrupt Big Pharma over the American Board of Internal Medicine to take away medical licenses of doctors, who saved lives by not following Big Pharma's Covid protocols, is extraordinary. It proves that independent medicine does not exist in the United States. Big Pharma has control over who practices medicine and how medicine is practiced.

The United States itself is so Nazified that there is no wonder the U.S. supports the Ukrainian Nazis. In "the land of the free" parents cannot even complain to school boards about the indoctrination of their children under the guise of "education" without being beat up and arrested. If this isn't Third Reich, what is?

What the Covid orchestration has told us is that there is not a single country in the Western World that believes in liberty and human rights. Every "Western democracy" is willing to deceive and coerce its citizens just as dictatorships do.

CENTRAL BANKS ARE NOW TAKING "EMERGENCY MEASURES" TO STABILIZE THE DEBT/CREDIT MARKETS

By Gregory Mannarino TradersChoice.net

Currently the European Central Bank and the Federal Reserve are engaging in "emergency/unconventional" measures to stabilize the debt/credit markets. These actions came about AFTER an uncontrolled sell-off in the debt market which caused the 10-year yield to spike.

The current actions of central banks are intended to get more cash back into the stock market… will it work is the question.

Over the last 6 months the U.S. stock market has fallen, and just last week the SP500 fell 20 percent off its all-time high—the definition of which is a bear market.

Beginning at the end of last week, the SP500 got slammed, falling very hard over several days as the 10-year yield made an uncontrolled spike all the way up to 3.5 percent from a previous 3.12 percent! A 38-basis point spike higher in 2 trading days is unprecedented.

Now that the actions of the ECB and the Federal Reserve have at least for the time being stabilized the debt market, many people have written to me as of late who now think that, at least temporarily, cash WILL make its way back into the stock market followed by a very large drop. Others think new record highs are just around the corner. Still others believe that the stock market is crashing now…

What these central banks are now engaging in has certainly caused bond yields to drop SUBSTANTIALLY! Almost miraculously! A 30-basis point drop in the 10-year yield occurred in just 1.5 trading days! This action has caused the debt markets to stabilize, however, the cost is much higher inflation as they themselves continue to inflate, (which is their ultimate goal).

All these central banks are doing is exacerbating the current issue, a full-on debt crisis which we are in right now… and how are they attempting to "fix" this? By adding more debt to the current crisis! Therefore, exacerbating the underlying problem, itself.

They are not fixing anything; they are making it worse.

I believe that despite the current actions of central banks to stabilize the debt/credit markets, all this will do is just push off a meltdown in the debt markets—henceforth why central banks are resorting to some kind of emergency policy posture right now.

With that, I still believe that the market capitalization of cryptos will balloon as the debt markets implode. I also believe that the price of gold, silver, and other commodities will skyrocket.

As for the stock market, I still firmly believe that an implosion in the debt market will eventually occur despite any actions taken by central banks to push it off.. and world stock markets will melt down.

BODYGUARDING AND BOUNTY HUNTING: TWO POPULAR CAREERS THAT ARE "IN VOGUE"

By Bradley J. Steiner

Although I have never worked as a "bounty hunter," I have worked as a bodyguard. I have also trained bodyguards. I have also written about them (in *SOLDIER OF FORTUNE*, and in the *JOURNAL OF THE AMERICAN SOCIETY FOR INDUSTRIAL SECURITY*, and elsewhere). My unpublished manual for bodyguards (*YOU ARE EXPENDABLE!* ©2003 by Bradley J. Steiner) is, if I do say so myself, one of the best practical texts ever written on the subject.

Bounty hunting, while a legitimate and perhaps sometimes worthwhile endeavor (after all, there have been cases when bounty hunters have succeeded where FBI and other federal level enforcement officers have failed), is something that I admit to having uncomfortable feelings about.

While a truly professional bounty hunter who knows what he is about and whose personal character is exemplary will get no quarrel from me, I am worried about the legion of gun-toting morons who like the idea of kicking down doors and "getting someone" (as opposed to working for a living).

It is necessary to get dangerous, violent fugitives out of society; however, it is not permissible to endanger and to trammel upon the rights of everyone who—sometimes without ever having done anything genuinely wrong, at all—happens to be a "fugitive."

For those considering "bounty hunting" I would respectfully suggest that you join an organization like the FBI, or the U.S. Marshall's Service, and satisfy your need for adventure in hunting down fugitives with one of these agencies.

For those wanting to be bodyguards, I will remind you that the calling is extremely difficult to get into (at any respectable level) since, erroneously, those who hire bodyguards in the private sector are under the misconception that former U.S. Secret Service, FBI, and other law enforcement people do the best job, and make the best bodyguards.

Often, former Secret Service men might have an edge; but we have no knowledge of former FBI, city, state, or other "police" personnel being any more effective at the job of providing "executive protection" than private individuals who have properly prepared themselves for the task.

"Proper preparation" for bodyguarding means a lot more than learning close combat and being in good shape! It entails enormous work in studying the way stalkers, terrorists, and so forth operate. It involves learning how to do threat analysis workups and risk surveys. It involves mastering special driving skills, emergency medical response, and how homemade and other explosives and incendiary devices are employed. It involves being able to coordinate activities with law enforcement (liaison work) and being able to work with teams. It involves learning a dozen or more other skills that the typical martial arts moron cannot even spell, let alone render as a service!

After becoming well-qualified there is this: Unless one is extremely lucky one will make almost nothing for that which the job requires—if he finds an employer. One will be out of work more than one will be employed, and— eventually—if one truly has the brains that it takes to be a bodyguard, ONE WILL GET THE HELL OUT OF THE PROFESSION!

Sorry to be so negative, but there is no reason not to tell the truth!

By Joe Doran

DON'T CALL IT DRAGFLATION, IT'S "DEGROWTH" SAYS WEF

Horrible world crisis fueled by the twisted COVID WAR, climate war, Russia-Ukraine warmongering dictates of elites?

Instead of holding themselves to account, cue the doubling down on disaster, by framing those recession economies and negative GDPs as positive and necessary "Degrowth."

A new article on the World Economic Forum (WEF) website offers a sort of 101 crash course on the warped Degrowth agenda.

It's not exactly a new concept, as the article points out. Like Joe Biden's Jimmy Carter redux presidency, Degrowth is another bad 70's flashback.

André Gorz (an Austrian-French social philosopher, who would've guessed?) created the word "degrowth" in 1972.

Degrowth gained steam as a movement in the early 2000s, according to the OpenDemocracy website.

Terms like "sustainability" and "carbon-neutral" owe their spiritual parentage to Degrowth.

As far as its goals, forget about Klaus Schwab's "Great Reset," and that WEF video that proudly announced your future as a peon renter of elitist-owned items and resources, aka, "You will own nothing and be happy."

With Degrowth, you won't even be able to rent that driverless car to get across town. The goal is to stop producing "stuff," period:

> *"The idea is that by pursuing degrowth policies, economies can help themselves, their citizens and the planet by becoming more sustainable," the WEF article explains. "Practical degrowth actions might include buying less stuff, growing your own food and using empty houses instead of building new ones…"*

If they're neo-Marxists, they've gone from "seize the means of production!" to "seize-up the means of production!"

When Did It All Go Wrong?

For Degrowth acolytes, the world began to go wrong about 250 years ago, when things like the steam engine, modern tooling and fabrication helped usher in the Industrial Revolution.

Unfortunately, all that innovation created prosperity, which led to things like lives which weren't quite so "nasty, brutish and short," to quote Voltaire.

Populations increased. And poor Earth began to suffer from the unchecked pestilence of humankind.

Of course, if Degrowth advocates and their climate alarmist human-despising fellow-travelers merely offed themselves as blithely as they seem able to get behind things like California's Infanticide good-to-go AB2223 legislation, they might achieve their goals without dragging down the rest of us.

But courage of one's convictions only goes so far with posers. And Degrowth advocates, who tend to love far-flung travel, expensive toys, second and third country getaways, and who also have wild misperceptions about the sustainability of "electric everything," are nothing if not holier-than-thou POSERS.

To paraphrase the great American General George Patton, they don't want to die for their cause, or even skimp on their next jet vacation. They want you to die for it. And in the meantime, to do without and shut-up about it.

The WEF article effectively urges governments to stop focusing on growing and expanding economies.

If that's the measure, the Biden Administration has been a raging old dude geriatric success.

Remember, these are the people who just gathered at Davos and Bilderberg. Recession and negative growth isn't a flaw in their designs and goals. It's a feature. Are strange gene therapies, lockdowns, mass shutdowns, supply chain travesties, and a needless World War beginning to make more sense now?

Growth and expansion are bad, since among other things, they would lead to "climate catastrophe," with "no hope of limiting global warming to 1.5 degrees."

The article states flatly, "The solution is essentially to move away from the assumption that growth is good."

The way the Biden administration is trying to fight inflation certainly leaves out the "produce more" part.

At a press conference on 15 June, Fed Chairman Jerome Powell didn't have any ideas about encouraging production of energy, food or anything else, to maybe make-up for the government's horrendous foreign policy decisions and COVID lunacy.

No the Fed was trying to clamp down on "demand" for little things like gas and heating oil and food:

> *"Demand is very hot still in the economy, we'd like to see the labor market getting better in balance between supply and demand," Powell said while responding to a question by Steve Liesman of CNBC. "And that can happen both from supply and demand. Right now, there's demand is substantially higher than available supply though, so we feel that there's a role for us in moderating demand.*
>
> *"Those are the things we can affect with our policy tools. There are many things we can't affect, and those would be – you know, the things, the commodity price issues that we're having around the world due to the war in Ukraine and the fallout from that, and also just all of the supply side things that are still pushing upward on inflation. So that's really how I think, how I think about it."*

Don't worry, though. The same Fed officials that insisted six months ago that inflation was a "temporary" problem now say they expect inflation to get back down to 2 percent annual levels within "the next couple of years."

Less People, More…Robots?

Less stuff. Less people.

Oddly, elites like those at the WEF, and at Google Amazon Facebook Microsoft Tesla et al, are just fine with building more machines.

They are busy speeding the Singularity, with huge Artificial Intelligence neural networks that span continents, require miles of data facilities, and megawatts of power.

They're equipping virtually every mechanical device or object IoT (Internet of Things) enabled machines, that can communicate with each other and privileged siloed tech corps, spying and relaying every bit of data about you.

They're unleashing a full-blown robot takeover, more visible every day, in a warehouse / office / care facility / home near you.

Degrowth doesn't apply to elites and their transhuman silicon and metal merge future.

It's for that 95 percent of the population that may be charitably referred to as non-elites. More bluntly, Degrowth is an analogue of Decarbonize, and Depopulate.

And the target of elites, as usual, is the useless bulk of humanity, ie., you and me.

Original technocrats like Howard Scott and mid-20th century sci-fi writers could be capable of boundless confidence about the abilities of men of science as a social class to provide aplenty for all. Elon Musk is something of a throwback to that.

But Schwab and Gates represent what might be called the decadent phase of technocracy. For them, science isn't about providing for or saving humanity, though that's the cover story. It's to be used to conceive some unholy combination of self-evolving AI that can also gene edit humans in a transhuman quest that leaves natural humanity—and most of the existing human race—behind.

In the meantime, until that glorious singularity cum new wave eugenics glorious future fully comes to pass, they are happy to rule, bamboozle, profit off and winnow the existing herd.

THIS WEEK IN SURVEILLANCE

WILL AMERICANS PROTEST FOR JULIAN ASSANGE?

Americans who believe the U.S. Government and its public officials need to be surveilled, not free citizens, might want to make some noise for Julian Assange when he hits shores here to go on trial.

A British judge announced this past week that Assange would be extradited, to face charges stateside.

What are Assange's crimes?

Assange founded Wikileaks, an organization devoted to exposing government dirty secrets, including damaging info on the U.S. government's warmongering exploits in Iraq and Afghanistan.

Naturally, much of that info was classified as super-duper top secret, not to protect intelligence assets, etc. (which Wikileaks is not accused of endangering), but to hide horrible decision-making and snafu's from the American public.

As the RepublicWorld website has summed up nicely, WikiLeaks has released thousands of documents, and reams of digital data over its existence, including 400,000 secret military reports on the Iraq war and 90,000 papers about the Afghan War.

One of the most sensational releases occurred in 2010, when the organization released a 'Collateral Murder' video, which showed troops in a U.S. Apache helicopter murdering a dozen people on the ground in Iraq's Baghdad, including two journalists of an international news agency.

At that point, Assange was suddenly target by Swedish authorities for allegations of rape and sexual assault.

Assange eventually sought refuge in the Ecuadorian Embassy in London, and remained there for the next seven years. His attorneys claim they have evidence the CIA tried to poison him while there in 2012.

The U.S. meanwhile, brought Assange up on charges of espionage, related to Chelsea Manning, a US Army intelligence analyst who was convicted for stealing classified diplomatic cables and military files.

Manning's 35 year sentence was commuted in 2017 by then President Barack Obama.

During the 2016 Presidential campaign, Wikileaks became part of another controversy, releasing thousands of emails from Hillary Clinton's secret home email server, which she used to illegally hide official communications while she served as Secretary of State during the Obama administration.

Many of the communications were supposed to be subject to government security and preservation protocols.

Busy at the time overseeing the Russian collusion scam that would hobble Donald Trump's presidency, enlisting the FBI and Federal Court system in a web of deceit and lies, Clinton hasn't spent a day in confinement for those offenses.

In fact, her campaign weaved the "Russian hack" of her illicit server right into her other bogus Russia narratives. FBI director James Comey infamously vacillated just before the election about investigating and possibly proceeding with charges against Clinton. He nixed the idea, right before voters went to the polls.

Clinton, meanwhile, remarked that she wished she could take out Assange via a guided missile assassination.

Now she and the Deep State will settle for a show trial and trying to put Assange away for 175 years or until he suicides himself, whichever comes first.

Assange, who is in poor health and mentally broken down by his travails, has no desire to rot in a U.S. jail, or be "Epsteined." His wife said this past week that he would take his own life before that happened.

It's disheartening to consider that this saga is all portending another sorry step down in a fast sinking, once great country.

If Donald Trump had really wanted to jolt the swamp, he would've pardoned both Julian Assange and Edward Snowden. It didn't happen.

Assange, like Snowden, helped expose the Constitution trampling, war-mad unity of Republicans and Democrats, the sad nature of American Uniparty control.

One might think Americans of all political stripes could get behind a movement to free Assange, and make some noise. As Gerald Celente says, it's time to unite for freedom, peace and justice.

THE CHINESE WAY: EVERY COMMENT TO BE GOV'T MONITORED

A proposed new Cyberspace law in China likely has U.S. VP and new "Disinformation" czar Kamala Harris jonesing with envy.

The law would establish monitoring of virtually every internet commenting system operating in the Communist country. The directive also outlaws anonymous comments.

The Biden Administration may well be studying the legislation for how to clamp down “the Chinese Way.”

Among the provisions:

> *“In accordance with the principle of ‘real name in the background, voluntary in the front desk’, the real identity information of registered users shall be authenticated, and the post comment service shall not be provided to users who have not authenticated their real identity information.*
>
> *“Establish and improve the user's personal information protection system. The processing of user's personal information shall follow the principles of legality, legitimacy, necessity and integrity, publicize the personal information processing rules, and inform the processing purpose, processing method, type of personal information processed, and storage period of personal information. and other matters, and obtain the consent of the individual in accordance with the law, unless otherwise stipulated by laws and administrative regulations…*
>
> *“Establish and improve information security management systems such as review and management of post comments, real-time inspections, emergency response, and acceptance of reports. The content of post comments should be reviewed first and then published, and illegal and bad information should be discovered and handled in a timely manner, and reported to the Internet Information Department. Report.*
>
> *“To innovate the management method of comments and comments, develop and use the information security management technology of comments and comments, and improve the ability to deal with illegal and bad information; timely discover the risks such as security defects and loopholes in the comment service, take remedial measures, and report to the Internet. letter department report.”*

The Biden regime met blowback for rolling out a federal “Disinformation Governance Board” earlier this year.

Unfortunately, much of the controversy centered around the person chosen to head the board, rather than the concept itself.

The government has systematically sought to suppress Constitutional free speech rights of Americans using a double-speak rubric of “dangerous disinformation”, as the **Trends Journal** has chronicled in numerous, articles, such as:

- “FBI ENCOURAGES SNITCHING ON “EXTREMIST” FAMILY MEMBERS” (13 Jul 2021)
- “GOVERNMENT: FREE SPEECH IS BAD FOR YOUR HEALTH” (21 Sep 2021)
- “UPDATE: FREE SPEECH IS BAD FOR YOUR HEALTH” (5 Oct 2021)
- “AI MENTAL HEALTH “INTERVENTIONS” ABOUT TO GET REAL” (8 Mar 2022)
- “DANGEROUS DISINFORMATION” LABEL BEING USED TO GUT FUNDAMENTAL FREE SPEECH RIGHTS” (5 Apr 2022)
- “THE “DECLARATION” TRASHING THE FUTURE OF THE INTERNET” (3 May 2022)

The full proposed Chinese law can be read here.

BEAT THE ELITE: TRENDS IN PREPAREDNESS

“FOREVER FOODS” CHECKLIST

Building a stockpile of cheap and relatively healthy “forever foods” just might help ruin the best laid plans of elitists like Klaus Schwaab and Bill Gates.

Larry and Hope Ware of YouTube’s Under the Meridian channel know a lot about frugal living. They recently compiled a “Top Ten” list of long-lasting shelf stable items no home should be without.

Their list is a good starting point, but we saw a few more items that deserve to be on any basic food preparedness list. We'll run those down, too.

For basic pantry preps, there are three storage musts to remember: keep it dark, cool and dry. The proper storage environment can extend the life of almost any food item.

According to the Wares, the top ten items are:

1. **Grain**
   a. including wheat (eg. hard red winter wheat) and buckwheat (gluten free option)
   b. Also make sure to have a durable grain mill
2. **Canned fruits and vegetables**
   a. Eg. green beans, white potatoes, corn, peas, carrots etc.
   b. Acidic solution, salt-solution and/or vinegar-based foods like sauerkraut (a good probiotic), olives, pickles, etc.
3. **Dried Beans**
   a. Eg. lentils, kidney beans, black beans, pinto beans, split peas, garbanzo beans, etc.
   b. Beans can be used in versatile ways, such as making "lentil patties", bean paste, and so on.
4. **Coconut Oil**
   a. One of the most shelf-stable oils; also has a high flash point, making it especially suitable as a cooking oil
5. **Salt**
   a. Important food preserving and medicinal uses
6. **Dried Herbs and Spices**
   a. Chamomile, ginger, turmeric, hibiscus, fennel, mint, etc. (storing cool dry and dark is key)
7. **White Rice**
   a. Brown rice is healthy, but not as long-lasting as a prep item, due to oils it contains
8. **Natural Sweeteners**
   a. Eg. maple syrup, molasses (glass stores better than plastic); refrigerate after opening

b. Honey; local honey is often used medicinally to ease seasonal allergies. And Manuka honey is known for medicinal and nutritional benefits

9. **Baking Soda**
   a. Leavening uses, home-made toothpaste, etc. Long-lasting, but to test, combine a small amount (⅛ of a cup) with a teaspoon of vinegar, and if it bubbles, it's good to go
10. **Vinegar**
   a. Esp. white distilled vinegar and apple cider vinegar. Used to preserve foods (eg. pickling); as a base for household cleaners, wart removal, etc.

The Wares are vegan, so meat, fish, milk and egg based products didn't make their list.

But some top cost-effective items in those categories include:

- Canned fish like tuna, sardines, salmon and mackerel
- Canned ham (eg. DAK) and yes, SPAM
- Powdered milk
- Powdered eggs

Other things that should be on the shortlist of "forever foods" include dried pasta, bulk dried corn kernels—otherwise known as unpopped popcorn—and white granulated sugar. And oats and wheat berries should be on the list of grains.

Popcorn kernels, properly stored, have a shelf-life comparable with dried beans. The kernels can be popped, of course, for a healthy snack. But the kernels can also be ground for other uses.

Sugar, meanwhile, won't make any lists as a particularly healthy food item. But used in limited quantities with other ingredients, it can add needed calories in lean times. It's relatively cheap, and can store almost indefinitely in cool, dark dry conditions.

More on prepping can be found on Larry and Hopes's excellent YT channel.

TRENDS IN CRYPTOS

DASHIBLE JUST MADE IT EASIER FOR LOCAL BUSINESSES TO LEVERAGE NFTS

Dashible, Inc. a leading SaaS provider to independent retail businesses, is introducing the world's first NFT (Non-Fungible Token) marketplace for clients.

Local companies of all sizes will be able to generate and sell NFTs via the VIPnft.biz marketplace. The marketplace utilizes Polygon, a Layer-2 blockchain that speeds transactions and lowers costs while remaining compatible with the Ethereum blockchain network.

The NFTs will function as blockchain-powered VIP cards, providing holders with special perks at the companies who issue the NFTs.

Dashible's Locally Sourced NFTs will be made in collaboration with local artists and producers who have a connection to the community, in keeping with the company's goal of offering value to local companies and the community, according to a press statement.

"Our new NFT offering will let local businesses get ahead of the NFT curve and allow everyday consumers to purchase NFTs that actually provide benefits in the physical world as well as being digital works of art," said Dashible's CEO, Marvin Johnson.

One notable feature of the Dashible issued NFTs is that their code includes location data which can be displayed within the Dashible mobile app and "activated" when the holder is at or near the location(s) built into the NFT code.

If NFTs are resold, a percentage of the proceeds will go to the original artist as well as the sponsoring company, all handled automatically, due to the capabilities that come with NFTs and smart contract technology.

"I am really excited to be one of the first businesses to mint a VIP NFT with Dashible. I have heard so much about NFTs and have wanted to participate. The process seemed so complicated but, thanks to Dashible's initiative, I'm now able to benefit from this groundbreaking technology," said Ming Wei, the owner of Squarrel Cafe in Brooklyn, NY.

"Our mission is to be the super app for local businesses and to provide these businesses access to technologies that are currently reserved for larger companies," said Johnson about the new NFT marketplace launch.

Dashible is holding a virtual event, “Learn How to Promote Your Business With NFTs,” on June 22 in SoHo, NYC. More info on that event can be found here.

ETHEREUM GAINS TIME WITH LAYER-2 SOLUTIONS

Vitalik Buterin recently referenced some layer-2 networks that improve Ethereum network functionalities, crypto outlet ambcrypto reported.

On the list were Polygon, Skale, and OMG network ("sidechain" technologies); Arbitrum, Cartesi, and Optimism ("optimistic roll-up" solutions); and Loopring, zkSync, and zkSwap ("zk roll-up" technologies).

Unstoppable Domains is an example of a use case where Polygon has made Ether fees much more attractive, in purchasing NFT web3 domains. The domains use an alternate system than DNS and the registrar bodies that dole out their domain names for rent.

Ambcrypto noted that zk roll-ups were cited by Buterin as his favorite Ethereum boosting technology.

Ethereum is the most widely adopted "Layer 1" blockchain platform for app building. It was there first with a tokenized DLT that could run dApps via smart contract code.

But slow transaction and network speeds and high fees have opened the door to competitors like Solana, Cardano, Hedera (a non-blockchain "hashgraph" technology) and Algorand.

Layer 2 networks like Polygon and Skale, however, don't so much compete with Ethereum as they work with the ecosystem, improving things like transaction times and fee costs.

Ethereum Playing For Time

Like early versions of Microsoft Windows that leveraged certain advantages (including being the default operating system for IBM PCs), then played for time, while making upgrades to a buggy operating system, Ethereum is on an upgrade path.

This summer Ethereum will receive a significant step along the way in that upgrade. (See “SUMMER FEATURE: ETHEREUM UPGRADE TO PROOF OF STAKE” 22 May 2022.)

Ethereum has thousands of other projects within its ecosystem, and that’s part of its strength as a first mover. Other networks that some call “third generation” technology, have transaction speeds, energy use efficiency and low fees that Ethereum, on its own, can’t currently touch.

But, between assistive layer 2 technologies, and an upgrade path, most analysts consider Ethereum a safe bet to remain very relevant in the crypto sector.

BLOCKCHAIN BATTLES

EUROPEAN BLOCKCHAIN PARTNERSHIP ADDS UKRAINE AS MEMBER

Ukraine will join Norway and Liechtenstein as non-EU members of the European Blockchain Partnership (EBP).

The EBP, which currently boasts 27 member nations, has a mission of developing cross-border public services.

Ukraine's Ministry of Digital Transformation announced the country's decision to join the EBP this past week as an observer. Ukraine intends to develop its interstate blockchain network relationship with other nations with the eventual objective of merging its digital economic space with the EU.

Ukraine had initiated interest in joining the partnership in July 2021, before war broke out with Russia.

“[The] next step is full blockchain integration of Ukraine and EU based on EBP/EBSI initiatives,” said Konstantin Yarmolenko in an interview with crypto news outlet Cointelegraph.

Yarmolenko, founder and CEO of Virtual Assets of Ukraine, works with the Parliamentary group Blockchain4Ukraine on crypto matters.

He told Cointelegraph that Ukraine wants to run a test-node of the project’s blockchain network, in order to pilot cross-border public service use cases.

Yaremolenko did mention the Russia-Ukraine war as a factor, saying that crypto technology had “proved as important support,” for his country during the conflict.

POWELL SIGNALS CHANGE IN DOLLAR DURING TALK ON US CBDC

Yeah, this one was easy to call, as we did months ago on 5 April (“A U.S. CBDC WON’T SAVE THE DOLLAR”).

The U.S. is now openly admitting its weaponization of the international financial system, via the dollar and Swift settlements system, is backfiring big-time.

In a talk on a possible US CBDC (Central Bank Digital Currency) on 18 June, Federal Reserve Chairman Jerome Powell said that the role of the dollar is likely to be changing, and not for the better: "Rapid changes are taking place in the global monetary system that may affect the international role of the dollar."

Powell mentioned the innovations of cryptos as a motivating technological phenomenon spurring the consideration of the creation of a U.S. digital currency.

So much for contentions that Bitcoin and cryptos didn't really introduce any new technology, as some traditional tech tied gurus have tried to argue (see "CRYPTOS CAUGHT ON WITH CONSUMERS, SO BIG TECH AND BIG FINANCE TURN TO CONGRESS," 14 Jun 2022).

It's not physical versus digital, however that is the heart of the matter for the dollar. It's the willingness of the U.S. to abuse and profit off the reserve status of the dollar, and to deploy the dollar and the SWIFT settlement system built around it, to punish "outlier" nations, that has been the dealbreaker.

And a US CBDC, at least as designed by a surveillance and war obsessed U.S. government, is likely to fail in regaining the magic, because it will be designed as a weapon, even more than as a state-of-the-art digital medium of exchange. (See "A PERVERSION OF CRYPTOCURRENCY" 12 Oct 2021).

What foreign powers will want to have all that data streaming back to U.S. intelligence? What foreign powers will accept the prospect that tokens can be shut down with precision that makes the current financial sanctions of Russia look like stone-age weapons?

A US CBDC might have a place, IF:

- It wasn't loaded up for bear in all the wrong ways with spyware and granular control that upends any true ownership by token "holders"
- It set out to act as a reliable stablecoin, without trying to destroy crypto projects whose tokens are busy incentivizing software and DLT networks creating web3 and novel, more efficient business and personal processes, paradigms and use cases
- It didn't try to do more than what money is supposed to do, which is to either contain or represent value in a fungible form, so that people can use it as a

reliable medium of exchange, instead of having to directly barter goods and services!

At this point, the Fed, and central banks around the world, are addicted to creating money. They have been for more than a generation (see 1971, 1935 and 1913 for signposts in the sad modern story of money, touched on in "WHAT HAPPENS WHEN THEY OUTLAW BITCOIN?" 13 Jul 2021).

Any tie to value has become unmoored. Any discipline in money supply left the harbor long ago. The U.S. pays its debts and funds its grandiose far-flung policies with a printing press.

Yes, the U.S. government has the power to raise taxes, and that, in theory, backs their dollar, along with demand of other nations, at least while the dollar retains status as the world's reserve currency.

But you can't just raise taxes without affecting a little thing called productivity. And you can't remain a reserve currency if you've abused it with wild "quantitative easing sprees", and have weaponized it to boot.

Sanctions that have led Russia and China to undermine the international petrol-dollar, where payments between countries for oil were conducted with dollars, has only sped what has already been in the works due to more chronic, fundamental monetary abuses.

A US CBDC won't address any of those problems. At least in any form that the Feds will create. And THAT is the crux of the matter.

MIDDLE PLAYERS WORRIED ABOUT EURO CBDC: BANKS

Crypto technology cuts into what banks do, and the industry is worried.

That's the import of what might seem to be a counter-intuitive move by banks urging the EU to reconsider a Central Bank Digital Currency.

According to a lobby organization representing some of the top financial services businesses, the European Union has to carefully evaluate the consequences of creating a digital euro.

The Institute of International Finance (IIF) argued in a European Commission consultation this past week that there shouldn't be a presumption that a central bank digital currency (CBDC) is a good concept.

The statement was viewed exclusively and first reported by CoinDesk.

Who are among the lobby group 440-plus member financial institutions? Some of the biggest in the world, including JPMorgan Chase and Goldman Sachs, as well as Visa, the IMF (International Monetary Fund) and Coinbase.

According to Coindesk, Jessica Renier, a managing director at the Institute of International Finance (IIF), advocated that the banking sector should continue to retain its current roles, though crypto technology dispenses with the need for some of those middle player functions.

DeFi and direct lending and borrowing is just one example of cryptos cutting into traditional financial institution functions. Cross border remittances, often from workers to relatives in their home countries, is another obvious example.

The lobby group is couching its cautions as an opportunity to use the challenges to traditional finance posed by Web3 tech as to overhaul the financial system.

It “would be extremely detrimental to financial stability and the economy,” Renier said, if a CBDC were to implement crypto comparable technologies that reduce powers of banks. “That is good for no one ... you can't exist without the banking system.”

She added “I would say a retail CBC certainly poses some potential challenges and risks. They're not insurmountable challenges. But it's important that we work through some of those challenges and risks ahead of time.”

It’s pretty clear powerful financial institutions are already advocating that government CBDCs NOT contain innovations that make cryptos…well, cryptos.

TOP COVID WAR AND U.S. WAR WAR-HAWKS GET HIT WITH VIRUS

Last Wednesday it was announced that America's Chief COVID War champion, Dr. Anthony Fauci, tested positive for the virus and was experiencing mild symptoms. This, despite Fauci getting two shots of the Operation Warp Speed therapy jab and double boosted.

There was a time that breakthrough infections made national news, but it has become commonplace. The paper pointed out that the same week Fauci announced his diagnosis, Xavier Becerra, the fully vaccinated secretary of health and human services, tested positive for the second time in under a month, and Rep. Maxine Waters also announced an infection. (See "FULLY-VAXXED, FULL OF COVID, FULL OF CRAP," "GET VAXXED, GET COVID: THE ONES THAT GOT IT BRAGGED THEY GOT THE JAB" and "NEW ZEALAND'S FULLY-VAXXED PM JOINS LONG LIST OF VAX ADDICTS TO COME DOWN WITH VIRUS.")

Jake Sullivan, the White House national security adviser, joined the long list of names of the COVID Jab Club in the Biden White House who was fully vaccinated and came down with COVID-19.

A senior administration official told the Associated Press that Sullivan was in contact with President Joe Biden early last week. The president has not tested positive. Sullivan was reportedly in touch with a few individuals who came down with the virus and has been keeping his distance from the president.

A National Security Council spokeswoman said he is asymptomatic. It was his first COVID infection, the spokeswoman said.

Sullivan met with Aïssata Tall Sall, the foreign minister of Senegal at the White House on Friday to discuss the Ukraine War and possible food shortages and he met with Chinese Communist Party Foreign Affairs Chief Yang Jiechi in Europe on Monday for four hours.

Studies have shown that the Omicron variant has been effective in evading the current batch of vaccines. Those who come down with these infections and recover show a poor boost to the immune system to prevent future infection.

“In those who were triple vaccinated and had no prior SARS-CoV-2 infection, Omicron infection provided an immune boost against previous variants (Alpha, Beta, Gamma, Delta and the original ancestral strain), but less so against Omicron itself,” Imperial College of London wrote. “Those infected during the first wave of the pandemic and then again later with Omicron lacked any boosting.”

Professor Danny Altmann, from Imperial’s Department of Immunology and Inflammation, said: “We have found that Omicron is far from a benign natural booster of vaccine immunity, as we might have thought, but it is an especially stealthy immune evader.

Not only can it break through vaccine defenses, it looks to leave very few of the hallmarks we'd expect on the immune system—it's more stealthy than previous variants and flies under the radar, so the immune system is unable to remember it."

About 300 people in the United States are dying from COVID a day and the average number of new infections each day has been over 100,000 since the end of May. About 66.8 percent of Americans are vaccinated. Nearly 86 million in the U.S. have been infected with the virus and over one million have died.

Fauci recently said the U.S. is 'out of the pandemic phase' of the outbreak.

"The United States and the entire world is still experiencing a pandemic, but there are different phases of the pandemic. And what we are in right now is somewhat of a transitional phase, out of the accelerated component into hopefully a more controlled component," he said.

TRENDPOST: *Days after Fauci announced his infection, Dr. Rochelle P. Walensky, the head of the Centers for Disease Control and Prevention, recommended that children 6 months through 5 years of age take the Pfizer COVID-19 jab.*

"This expands eligibility for vaccination to nearly 20 million additional children and means that all Americans ages 6 months and older are now eligible for vaccination," a statement said.

The New York Times reported that over two million children ages 6 months to 4 years had been infected with the virus. Of those, 20,000 were hospitalized and 200 had died from the virus, which is a death rate of 0.01 percent.

TRENDSPOST: *We reported in our 9 November 2021* ***Trends Journal*** *that the global COVID-19 war is entering its next phase and drug makers were adapting.*

Both Pfizer and Merck announced antiviral drugs to improve survivability for patients. Pfizer—already the lead seller of the COVID Jab—has contracts to supply other countries and expects Paxlovid to add $5 billion to its yearly sales; its stock rose 11 percent on news of the new pill, whereas Merck's stock price fell; see "DRUG

COMPANIES CASHING IN ON COVID" (11 May 2021); "MORE COVID JABS, MORE BIG BUCKS FOR DRUG LORDS" (21 Sep 2021).

***TRENDPOST:** Why believe Pfizer? As we have reported in **Trends Journal**s, their "miracle vaccines," are a fraction of the 96 percent efficacy which was sold to the public when they were launched last December.*
Yet, arrogant Presstitutes, "celebrities," politicians and bureaucratic flunkies keep telling the people, schools, businesses and institutions to demand mandatory vaccinations... or "Do Not Enter." (See "CDC VAX FACTS: IS THE TRUTH BEING TOLD?" 3 Aug 2021; "VAX EFFECTIVENESS: LIARS LIE, THE NUMBERS DON'T," 12 Oct 2021).

***TRENDPOST:** Remember when President Donald Trump declared a state of COVID emergency on Friday the 13th in March 2020, and when he compared his "Operation Warp Speed" jab to the U.S.'s race for the atomic bomb? Trump said he would employ "every plane, truck and soldier" to distribute doses.*

Then go back to November/December 2020 when the Drug Lords were selling their line that two jabs from the Operation Warp Speed COVID Jab would provide a 96 percent efficacy rate.

*However, as we wrote, what they promised did not happen: See "ISRAEL: COVID DRUG MUCH LESS EFFECTIVE THAN WHAT WE'VE BEEN SOLD," (27 Jul 2021) and our 12 October 2021 **Trends Journal** article, "NEW STUDIES PROVE: 96 VAX EFFICACY RATE WAS PURE BULLSHIT."*

BIDEN SAYS AMERICANS ARE "REALLY, REALLY DOWN" AFTER ENDURING 2 YEARS WITH COVID-19

President Joe Biden said in an interview Thursday that Americans have had to endure two years of stress due to the COVID-19 outbreak and are feeling "really, really down" as a result.

"Their need for mental health in America has skyrocketed because people have seen everything upset," he told The Associated Press in the interview. "Everything they've counted on upset. But most of it's the consequence of what happened, what happened as a consequence of the COVID crisis."

TRENDPOST: *Biden failed to mention that the low morale felt by Americans is the result of ineffective COVID-19 mandates and lockdowns. The* ***Trends Journal*** *has reported extensively on how measures that were based on political science, and not actual science, led to economic hardship for millions of Americans.*

Businesses were forced to close down or implement modified services due to policies put in place by Biden. (See "THE COVID-19 PANDEMIC IN A TIME OF MORAL AND SPIRITUAL BLACKOUT," "DESANTIS FLIPS BIRD AT BIDEN" and "SWEDEN WINS COVID WAR. DEATH RATE AMONG LOWEST IN EU DESPITE REFUSAL TO IMPOSE DRACONIAN LOCKDOWNS.")

Tomas J. Philipson, an economist at the University of Chicago, wrote in *The Wall Street Journal* in January that his university estimated that in 2020, about 80 percent of the total damage from COVID-19 "came from prevention efforts that hindered economic activity, and only 20 percent from the direct effects of the disease itself."

A review and meta-analysis by Johns Hopkins researchers found that lockdowns had minimal impact on health, and were credited with reducing COVID-19 mortality by 0.2 percent.

"Now that he's been president for a year and presided over so many COVID deaths himself, Mr. Biden surely understands how difficult it is to contain the spread of a highly contagious respiratory disease," Philipson wrote. "He should make the reduction in total harm his administration's objective now—and that includes the harm done by lockdowns, school closings and unproductive restrictions on economic activity."

Recession 'Not Inevitable'

Biden told the AP that he does not believe that Americans will be forced to endure a recession as the central bank moves to increase interest rates and tighten monetary policy in an effort to get control of historic inflation.

"First of all, it's not inevitable," Biden said. "Secondly, we're in a stronger position than any nation in the world to overcome this inflation."

He shook off the theory that his administration is responsible for the inflation numbers and he pointed to how essentially every country on earth is dealing with some level of inflationary pressures. His administration, of course, poured cheap money into the economy and then slapped Russia with sanctions that drove up commodity prices.

"Be confident because I am confident," Biden said. "We're in a better position than any country in the world to own the second quarter of the 21st century."

TRENDPOST: *The **Trends Journal** has long pointed out that the 21st century will belong to China. (See "TOP TRENDS 2021: THE RISE OF CHINA") As we have forecast, the 20th century was the American century—the 21st century will be the Chinese century. The business of China is business; the business of America is war.*

China is outmaneuvering the U.S. in every possible category. Beijing is getting closer with African and Latin American countries and its relations with Russia have never been stronger. The U.S., in the meantime, is fixated on keeping the old guard from the EU together to punish Russia for its war with Ukraine.

The AP's report pointed out that Biden's approval rating is at 39 percent and only about two in 10 Americans believe the country is headed in the right direction.

TREND FORECAST: *As we have greatly detailed in the economic sections of our* ***Trends Journal****, the COVID War has inflicted unprecedented damage on the global economy.*

Go back to 2020 when the COVID War was launched by China during its Lunar New Year—The Year of The Rat—when they locked down the city of Wuhan, followed by other cities to fight the coronavirus.

Italy was the first country to follow the Chinese Communists and the lockdowns spread throughout Europe and the U.S. Washington killed what used to be called the American Spirit: Life, Liberty and the Pursuit of Happiness.

Across the human spectrum—from suicide rates, violence, drug overdose, poverty, crime, and homelessness to business destruction—the COVID War's damage is incalculable... far beyond the data supplied by the government-compliant media.

Inflation is skyrocketing, real wages are sinking, and millions of businesses have gone under.

Hardly mentioned is the pending commercial office real estate disaster that will be the direct result of the phony political science that was used to "flatten the curve." Businesses were forced to close and workers were told to work from home... a trend that is now part of the New ABnormal.

There's been barely a word about the death of nightlife in much of America. Bars that were once standing room only were forced to close and never reopened. And many that have, as with restaurants and across the hospitality sector, are doing much less business than before the COVID War.

Tracking trends is the understanding of where we are and how we got here to see where we are going.

The “how we got here” that was the beginning of “The End” of Empire America began at the start of the 21st century.

TRENDS IN GEOPOLITICS

IS RUSSIA FIGHTING THE U.S. IN SYRIA?

Russia carried out airstrikes against the U.S.-led coalition earlier this month near the al-Tanf garrison, which is located near Syria's border with Jordan, according to a report.

The Wall Street Journal, citing U.S. military officials, reported that there is concern that these military actions by Russia could "escalate into an unintended conflict" between the U.S. and Russia in Syria.

Tensions between Moscow and Washington are high over the Ukraine War. The U.S. has blamed Russia for its "unprovoked" invasion and has since leveled tough sanctions against Moscow and has provided Ukraine with a historic amount of weapons to kill Russians.

Russia blamed the U.S. for refusing to acknowledge its security concerns about the possibility of Ukraine joining NATO.

A U.S. military official told the paper that Russia informed Washington about the airstrikes through a communications line. Russia claimed that the airstrikes were in retaliation to an attack.

CNN reported that Russians said there was a roadside bomb attack against Russian forces. The U.S. believes that did not happen and the so-called attack was "used as a reason to conduct airstrikes."

Al-Tanf is home to a U.S. military base with about 200 troops.

The paper said the fact that these U.S. troops were warned was evidence that Russia was not targeting U.S. troops, but its motives could have been to harass them.

The *Journal* reported that earlier that week, Russian fighter jets were deployed to a site where American troops were conducting a raid and the U.S. had to scramble F-16 fighters to "warn the Russian jets."

Army Gen. Erik Kurilla, the head of U.S. Central Command, said in a statement to the paper that "Russia's recent behavior has been provocative and escalatory."

One U.S. official told CNN that the Russians likely achieved their goal of "sending a message" to Washington that they can strike without fear of retaliation.

This is not the first time there was tension between Russian forces and Americans in Syria.

Task & Purpose reported that in February 2018, there was a firefight between American troops and "a combination of Russian mercenaries from the Wagner Group and pro-regime fighters." The report said 30 Americans were backed by air support and killed close to 300 of the 500 fighters.

TRENDPOST: *It should be noted that Russian troops are in Syria at the request of the Syrian government while U.S. forces are uninvited occupiers. When countries like*

Russia disregard borders, their troops are called invaders, when it's the U.S. inside countries while uninvited, those troops are called liberators.

Russian troops have been in Syria since 2015. The Cradle.co pointed out that "Washington justifies its illegal occupation of Syria's oil-rich regions as a means to stop ISIS from getting their hands on the resources."

U.S. IN CLOSE CONTACT WITH ISRAEL BEFORE ATTACKS ON SYRIA

The U.S. and Israel maintain a closer relationship than previously known when it comes to Israeli attacks on Syria positions, according to a new report.

Washington is informed by Jerusalem prior to these airstrikes and at times coordinates with Israel. Israel claims the main goal of these strikes is to counter Iran's reach in Syria. The U.S. maintains a troop presence there to help local authorities fight ISIS, *The Wall Street Journal* reported.

The paper, citing former U.S. officials, said this relationship between Washington and Jerusalem has been going on for years. The paper said the intention of this communication is to prevent interference with the U.S. campaign against ISIS fighters in the country.

The paper said this relationship between the U.S. and Israel has not been previously reported due to the fact that "Washington has sought to support its Israeli ally without being drawn into Israel's shadow war against Iran."

The **Trends Journal** has reported extensively on this shadow war that has escalated in the past few months between Israel and Iran. These strikes include high-profile assassinations. (See "ISRAEL LAUNCHES, KEEPS ATTACKING SYRIA, 3 DEAD," "ISRAEL KEEPS LAUNCHING MISSILES INTO SYRIA. WILL WAR ESCALATE?" and

“U.S. SOLDIERS INJURED AFTER BASE SHELLED IN SYRIA, WHY ARE THESE TROOPS STILL THERE?”)

U.S. troops have been in Syria since 2015 with the mandate to assist local forces in the fight against ISIS. There are about 900 troops still in the country. The U.S. announced last week that it captured a senior ISIS official during an overnight raid in northern Syria.

The BBC*,* citing a monitoring group, said these U.S. troops were dropped by two helicopters close to the Turkish border in opposition-held Aleppo province.

The Syrian Observatory for Human Rights said there were "seven minutes of armed clashes between the troops and people inside the village before the helicopters flew off."

The U.S. does not work with Israel to select its target and the overall process is “well-developed” and “deliberate.” The Pentagon did not officially comment on *WSJ*'s report but a U.S. defense official told the paper that the mission in Syria is “solely securing the enduring defeat of ISIS, working with our local partners.”

“We won't discuss the details of these steps we take to reduce the risk to our forces and to the mission,” the official said.

Dennis Ross, a former U.S. Middle East peace envoy, told the paper that there is a “tacit” to American support for the Israelis “acting to blunt the Iranians’ efforts to spread weapons around and build their leverage throughout the region.”

“But there has also been a consistent hesitancy about wanting any fingerprints on this,” he said.

Israel has carried out about 400 airstrikes in Syria and other parts of the Middle East since 2017, the paper reported. The collaboration between the U.S. and Israel is focused on the eastern part of the country, the report said.

The paper said there have been at least two times where the U.S. asked Israel to modify its operations. The first time was during the assassination of ISIS head Abu Bakr al-Baghdadi in 2019 and another during a fierce fight in the Euphrates River Valley.

The tension between Israel and Iran is reaching new heights, which we pointed out last month in an article titled, [“ISRAEL HOLDS MILITARY EXERCISE TO STRIKE IRAN.”]()

Last month, there was also the assassination of Iranian Col. Sayad Khodai, a member of the elite Quds Force. Iran blamed Israel for the killing. Khodai was shot five times after being approached by two unidentified gunmen on a motorcycle.

Jonathan Spyer, the director of the Middle East Center for Reporting and Analysis, wrote in the *WSJ* that Khodaei’s killing was a turning point in the secret war between the two countries and a “strategy shift” for Israel when it comes to Iran because he had no known connection to the nuclear program.

He wrote that the extension of Israel’s campaign against “Iran’s nonnuclear subversive activities onto Iranian soil is a new development and a significant escalation.”

“Such a change isn’t merely tactical in nature, and a decision to adopt it wouldn’t have been taken without the prime minister’s approval,” he wrote in *the Journal.* “The growing perception in Israel is that the Iranian nuclear program can’t be seen in isolation from Tehran’s broader strategy for regional domination.”

PUBLISHER’S NOTE: *As Gerald Celente has been stating since America’s illegal invasion of Iraq, based on lies that Saddam Hussain had weapons of mass destruction, “Do you think America would invade if Iraq’s major export was broccoli?” The same with Syria and Libya... it’s all about oil and U.S. domination.*

The United States has no right to be in Syria, a foreign nation that is no threat and has made no threats to America.

It also should be noted the initial reason given for U.S. military presence in Syria was not fighting ISIS, but rather President Barack Obama, The Noble Peace Prize winner, demanded that its president, Bashar al-Assad, had to go.

Yet, the American media and the public join against Russia's invasion of Ukraine, while they champion Washington's foreign entanglements.

TRENDPOST: *It is also worth pointing out that Israel has said that it will not allow Tehran to develop a nuclear weapon. We've pointed out that the Center for Arms Control and Non-Proliferation states Israel possesses at minimum some 90 plutonium-based nuclear warheads and has produced enough plutonium for 100-200 weapons.*

Thus, it is OK for Israel and other nations to have nuclear weapons but not Iran... or, for that matter, North Korea. Only nations sanctified by a higher political order are permitted to have nuclear weapons or weapons of mass destruction. And, as evidenced with Iraq, whether they possess them or not, the very thought of it is enough to invade and destroy an "enemy" nation.

Naftali Bennett and Ebrahim Raisi, a hardline Islamist, will continue to clash. Raisi has vowed revenge over Khodaei's killing and Bennett seems intent on continuing Benjamin Netanyahu's bellicose approach to Iran.

We've pointed out that Bennett has recently said Israel will be quick to respond to even small aggressions from Iran, which was the position he took while serving as defense minister in 2020.

Spyer wrote that Bennett once told reporters: "When the octopus tentacles hit you, you must fight back not just against the tentacles, but also make sure to suffocate the head. . . . For years on end, we have fought against the Iranian tentacles in Lebanon, Syria, and the Gaza Strip, but we have not focused enough on weakening Iran itself. Now we are changing the paradigm."

DHS: ARRESTS OF MIGRANTS ILLEGALLY CROSSING THE U.S. BORDER HIT RECORD IN MAY

The Department of Homeland Security announced last week that its agents made a record amount of arrests at the southern border, which represented a 10 percent jump from April.

The department said agents arrested 22,656 individuals and about 25 percent were repeat offenders. *The Wall Street Journal* said these agents have been dealing with record numbers of illegal border crossings since COVID-19 travel restrictions have been eased.

The agency said border crossers were from countries like India, Russia, Turkey, Haiti, Brazil, Colombia, and Nicaragua. NBC News reported that countries like India and Russia are not so willing to take these migrants back, so most are allowed into the U.S. to "pursue their immigration claims."

The **Trends Journal** has reported extensively on the dire economic realities in many of these countries that has led to the jump in border crossings. (See "AS FORECAST: ARRESTS AT U.S. BORDER HIT RECORD HIGH. IT WILL GET WORSE" "U.S. BORDER PATROL: CHILD BORDER CROSSINGS SPIKING" and "IMMIGRANT CHILDREN CRISIS AT U.S. BORDER.")

Since the beginning of the 2022 fiscal year, border officials have recorded at least 1.5 million arrests. Rodney Scott, the former Border Patrol chief, said the Biden administration has not addressed what he sees as a growing national security crisis.

"There's no effort to actually secure the border and to figure out who and what's coming in when you create a chaotic situation like this, and they have created this through their policies," Scott said, according to Fox News.

Chris Magnus, the CBP commissioner, said in a statement last week that "current restrictions at the U.S. border have not changed: single adults and families encountered at the Southwest Border will continue to be expelled, where appropriate, under Title 42."

Title 42 was put in place by the Centers for Disease Control during the COVID-19 outbreak and empowers federal health authorities to prohibit migrants from entering the country if these agencies determined that these migrants could be infected with a contagious disease. The Biden administration has worked to overturn the policy.

Last month, a federal judge in Louisiana, District Judge Robert R. Summerhays, a Trump appointee, blocked the Biden administration from lifting a public health order. President Joe Biden's Department of Justice appealed the decision.

Encounters of unaccompanied children along the southwest land border surged by 21 percent in May, totaling 14,699 encounters in the month compared with 12,180 in April.

In May, the average number of unaccompanied children in CBP custody was 692 per day, compared with an average of 479 per day in April."

Central America is dealing with lost revenue due to COVID-19 restrictions, hikes in the energy and commodity markets, and surging inflation.

Vice President Kamala Harris last week announced an additional $1.9 billion investment in private firms in Central America to help the economy and to help slow the immigration out of these countries. About 40 percent of border crossers are from Northern Triangle countries of Guatemala, Honduras and El Salvador

Tony Payan, the director of the Center for the United States and Mexico at Rice University in Texas, told TheConveration.com that plans that were laid out at the recent "Americas Partnership for Economic Prosperity" summit in Los Angeles will likely be ineffective.

“For now, no matter how well-intentioned the declarations may be, their words will fade away with little to no accomplishments,” he said.

TREND FORECAST: *As economic conditions continue to deteriorate, the border crisis in the United States and across the globe will escalate. We maintain our forecast for the growth of anti-immigration, anti-tax, anti-vax, anti-establishment political parties.*

These border crossings will continue to worsen as these countries face more economic hardships due to soaring inflation.

Food prices will remain high even after the Ukraine war is settled.
Ukraine’s productive capacity has been damaged for years to come; sanctions against Russia are likely to remain in place for some time after the shooting stops. Neither country will be able to restore exports to the larger world market for an indefinite period.

At the same time, extreme weather in the Americas is becoming the norm, making commodity crops such as wheat and soybeans unreliable.
It will take years for the world’s food market to reshape itself to meet the demands of emerging nations for enough food at affordable prices.

Meanwhile, more countries will default on, or demand to restructure, their debts at a time when developed nations have less money to bankroll bailouts by the International Monetary Fund and World Bank.

The result will be not only hunger in much of the troubled regions, but increasing political and social foment and instability.

As Gerald Celente has often said, “When people lose everything and have nothing left to lose, they lose it.”

Our 2020 Top Trend “The New World Disorder 2.0” predicted millions to take to the streets in numbers never seen before in their fight against government control, corruption, income inequality, poverty, violence, and crime.

AMERICANS GET POORER, MILITARY INDUSTRIAL COMPLEX GETS RICHER

No matter how divisive Washington can get, there's always one thing lawmakers can agree on: more money for the military.

The Senate Armed Services Committee, a 26-member group divided equally between Republicans and Democrats, increased the price tag of President Joe Biden's National Defense Authorization Act to $857.6 billion, a significant increase from Biden's $813 billion proposal.

About $817.3 billion would go to the Pentagon and another $30 billion would go to the nuclear weapons program. About $10 billion would be earmarked for other military-related expenditures.

Sen. Rick Scott, R-Fla., issued a statement that said the $45 billion increase from Biden's budget was needed because the earlier version "did not keep up with his inflation crisis."

The additional funding will also go to Ukraine to replenish weapons sent into the fight against Russia. Senators did not increase the administration's request for a 4.6 percent pay increase next year for military personnel, but it does allow the Pentagon to buy 68 F-35s, which is seven more than the Defense Department requested, *Roll Call* reported.

The report said the bill authorizes the Navy to purchase "eight battle-force ships it requested: two Arleigh Burke-class destroyers; two Virginia-class submarines; one Constellation-class frigate; one San Antonio-class amphibious ship; one John Lewis-class oiler; and one Navajo-class towing, salvage and rescue ship."

TREND FORECAST: *The* ***Trends Journal*** *has reported on the U.S.'s absurd investment into its military, with nothing to show for it other than spending trillions to kill millions and make the military-industrial and intelligence business gangs richer.*

Gerald Celente has pointed out that the American military has not won a war since WWII and has been stacking up defeats, including the recent retreat from Afghanistan. (See "MILITARY SPENDING INCREASES AS ECONOMIES DECLINE," "WARMONGERS INC: WHILE 61 PERCENT OF AMERICANS LIVE PAYCHECK TO PAYCHECK, CONGRESS SENDS $13.6 BILLION FOR UKRAINE WAR," "WAR MACHINE MAKING BILLIONS" and "WAR CRIME GANG GETS RICHER.")

House Armed Services Committee officials are expected to finalize their draft of the measure next week. House Democrats unveiled their own $762 billion defense spending plan for fiscal 2023. The Senate's increases require congressional approval and its bill represents a 10 percent boost from 2022, which does not include supplemental aid for Ukraine.

"This is a demonstration of our commitment to our men and women in uniform and our willingness to compete, deter, and if necessary, defeat any adversaries who might threaten our American values and our way of life," Oklahoma Sen. James M. Inhofe, the top Republican on the committee and the person the bill is named after, said.

TRENDPOST: *Andrew Lautz, the director of Federal Policy for National Taxpayers Union, wrote in Responsible Statecraft that he is no expert on inflation, but "I'm not sure more F-35s and more Abrams tanks will help the U.S. military combat the effects of inflation."*

He said "inflation" could be a "trojan horse."

"If this "inflation" adjustment is devoted to more F-35s, more tanks, more aircraft, and more ships—more of everything, not just higher costs for the goods DoD already needs or plans to procure—then readers should know that the "inflation" argument is a mere convenient excuse," he wrote. "And when inflation abates, lawmakers will no doubt find another excuse for the next big defense budget increase."

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

Indeed, as we have reported, Democrats in both houses, even those who claim to be for peace, voted to send $40 billion to Ukraine last month to keep bloodying the killing fields.

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 of debt to further enriching the military/industrial/intelligence complex.

TRENDS-EYE VIEW

EPA LOWERS WHAT IT CONSIDERS TO BE SAFE LEVELS OF 'FOREVER CHEMICALS' IN DRINKING WATER

The Environmental Protection Agency announced Wednesday that the "forever chemicals" found in drinking water are more dangerous than previously assumed and slashed the levels of what is considered to be safe consumption.

The Wall Street Journal reported that the announcement came a day after the Biden administration announced that it will spend $1 billion to address chemicals known as perfluoroalkyl and polyfluoroalkyl substances.

The EPA issued nonbinding health advisories that set health risk thresholds for PFOA and PFOS to near zero. In 2016, the guidelines were set at 70 parts per trillion.

The agency did not announce any new enforcement measures and the advisory was simply intended to give state agencies more information about drinking water contamination. The chemicals are believed to be in drinking water for more than 200 million people in the U.S.

Public health advocates praised the EPA's move, but *The Guardian* pointed out that the agency is just focused on four of the nealy 9,000 PFAS compounds, and they called on the EPA to regulate the entire chemical class.

“There’s no safe level for PFAS and science is telling us they don’t belong in our tap water,” Emily Donovan, director of the Clean Cape Fear advocacy group, told the newspaper. “There are still thousands of other PFAS out there. It’s time to regulate these ‘forever chemicals’ as a class and set an enforceable [limit] at 1 ppt.”

The paper said the new limits may have "significant financial consequences" for polluters that include the U.S military, 3M, DuPont, and Chemours.

The American Chemistry Council industry group—whose members include 3M and DuPont—accused the EPA of rushing the notices, Reuters reported. The agency is accused of not waiting for a review by the agency's Science Advisory Board.

The group, according to the report, said it is concerned that the process for developing the advisories was "fundamentally flawed."

The chemicals are not regulated so municipalities are not required to test for them in their systems. Scott Faber, the senior vice president of the Environmental Working Group, said there are nearly 2,000 public water supplies in the U.S. that have some level of PFOS and PFOA.

“This will set off alarm bells for consumers, for regulators, and for manufacturers, who thought the previous (advisories) were safe. I can't find the words to explain what kind of moment this is…The number of people drinking what are, according to these new numbers, unsafe levels of PFAS, is going to grow astronomically.”

TRENDPOST: *The* ***Trends Journal*** *has reported extensively on these forever chemicals and the negative impact they have on the public’s health. But these chemicals, which could impact the health of millions of Americans, don't get nearly the* *attention that COVID-19 received. (See “DEADLY ‘FOREVER CHEMICALS’ IN U.S. WATER,” 13 Apr 2021 and “HEALTHY INDIVIDUALS COULD DEVELOP LIVER DISEASE DUE TO ‘FOREVER CHEMICALS’ FOUND IN NON-STICK PANS, TAKEOUT CONTAINERS,” 10 May 2022.)*

We reported in 2020 that besides the chemicals, pesticides, and industrial poisons pumped and sprayed into the earth, water, air, and food, the Defense Department has cited 401 bases in the U.S. that release the firefighting foam-containing chemical perfluoroalkyls (PFAS), toxic chemicals that are in drinking water in cities and suburbs across America… including some of the country’s largest metropolitan areas.

PFAS are a group of over 4,000 synthetic chemicals that have been produced by industries since the 1940s. They are primarily used in fire retarding foams, non-stick cookware, water repellents, waterproof clothes, carpets, textiles, and take-out containers.

These toxic chemicals do not break down naturally and accumulate over time in humans, animals, and the overall environment. But their most common source is groundwater.

Because they take such a long time to break down and are so difficult to destroy, PFAS are often referred to as “forever chemicals.”

The *Journal’s* report said these “forever chemicals” are linked to kidney and testicular cancers, thyroid disease, and high cholesterol. Health officials believe that 99 percent of Americans have at least some PFAS in their blood.

TRENDPOST: *For well over two years, the mainstream media massively scared the hell out of the world’s population with its COVID War and the non-scientific political science draconian mandates they imposed on citizens across the globe.*

Yet, there is little mention of extremely deadly PFAS levels in commonly used products as well as the deadly chemicals, pesticides, preservatives, artificial ingredients and other deadly poisons massively injected into the air, earth, water and what we eat and drink.

TREND TRACKING LESSON: HOW THE TRENDS JOURNAL WAS RIGHT ON INFLATION WHILE FED, BUSINESS JOURNALISTS GOT IT WRONG

The prevailing wisdom is that the Federal Reserve and large business news organizations who cover the central bank have some kind of valuable insight about future moves when it comes to fighting inflation.

Greg Ip, a columnist for *The Wall Street Journal*, wrote a piece last week about how only a precious few economists devoted any mention at all on how their models could miss the inflation trend so badly.

He wrote that economists at the U.S. central bank were essentially blindsided and pointed out that the European Central Bank wrote recently that the "accuracy of its inflation forecasts 'declined significantly during the COVID-19 crisis.'"

When central banksters release inaccurate projections that is a major problem for corporate media outlets who cover business news because they are an echo chamber for these central banks. Few of these journalists have the experience to dissect press releases from the Fed, and simply repeat the lies that inflation is "transitory."

These outlets speak to the same few economists deemed acceptable sources from these corporate power centers. There's also no need to apologize when their predictions are wrong because everyone got it wrong.

The *Journal* also published an article last week that questioned how so many "private forecasters" and others "failed to anticipate the magnitude and duration of higher inflation."

The Labor Department announced last week that the consumer-price index increased 8.6 percent in May from the same month a year ago, which is the fastest pace in over 40 decades. The Fed has set 2 percent as an acceptable inflation rate.

The result is that Americans have been forced to dip into their savings accounts to cover these rising costs. A recent Forbes Advisor survey found that 70 percent of Americans are tapping their savings accounts. The Bureau of Economic Analysis also found that personal savings is at its lowest for Americans since 2008.

The central bank announced earlier this month that it will raise interest rates by 75 basis points, which means it costs more money to borrow. The average rate on a 30-year fixed home loan hit nearly 6%. The BBC reported that the person buying a median-priced home in the U.S., is now on the hook for monthly payments that have gone up by about $600 since January.

Treasury Secretary Janet Yellen admitted that she was wrong “about the path that inflation would take.” Fed Head Jerome Powell said similarly that he anticipated inflation was “transitory” and kept interest rates at about zero while inflation jumped above 6 percent.

Gerald Celente has warned about the inflation risk on the economy for nearly two years. In June 2020, we were the first publication to forecast that equities and economies would come tumbling down when inflation moved sharply higher.

We published on 11 May 2021 that inflation is a hot trend that will keep rising, and despite the Fed claiming they have the “tools” to deal with it, the only tool they have is to raise interest rates. As we repeatedly note, when interest rates rise, equities and the economy will deeply dive.

A **Trend Forecast** in October also warned Europe about inflation:

> *The European Central Bank (ECB) has continued to insist that inflation will be moderate and transitory (“ECB Head Downplays Inflation,” 25 May 2021). And, they say they will not raise interest rates or stop their quantitative easing schemes...* ***we disagree.***

Interest rates will rise, and with so many COVID War restrictions on their population, Europe will suffer Dragflation: the economy will decline and inflation will rise... and so too will anti-establishment political movements.

As we noted in "Fed: Stronger Economy, Steady Rates" (23 Mar 2021), Fed officials predicted overall U.S. inflation this year would be 2.4 percent.
Until November, Powell and the Fed's Open Market Committee were referring to inflation as "temporary," which became "transitory," a more useful *weasel* word as what Powell had called "temporary" stretched into its 10th month.

Of course, by October, inflation topped 6 percent. Fed officials downplayed price jumps and attributed them to supply-chain glitches that will untangle themselves as the economy recovers.

We warned in the spring of 2021 that prices will "keep rising and inflation will keep climbing, which will force the Fed to reverse policy quickly, halting its bond-buying scheme while raising interest rates... which will, in turn, tank equity markets and sink the nation into the "Greatest Depression."

TREND FORECAST: *The* ***Trends Journal*** *has long documented the Fed's blindness. Now the Fed has two choices: jack up rates quickly, which would guarantee a recession, or raise rates more slowly, which would let inflation sink roots into the economy and be much harder to eradicate.*

We have no confidence in central Banksters who are basically shills for the Wall Street Gang and other equity market money junkies across the planet. Indeed, by their deeds you shall know them.

And by their deeds of dropping interest rates to negative and zero to artificially prop up equity markets when they should have crashed when politicians locked down economies is an undeniable "deed."

And their total bullshit, which we have greatly detailed, of denying the reality of inflation to keep the money flowing is another of their undeniable "deeds." Therefore, *again, as we have forecast, the higher they raise interest rates, the deeper economies will fall.*

TRENDS IN HI-TECH SCIENCE

By Ben Daviss

"ELECTRIC ROAD" LETS EVs RUN INDEFINITELY WITHOUT A BATTERY CHARGE

A half-hour north of Milan, Italy, a loop of paved road two-thirds of a mile long, about 1,050 meters, lets electric vehicles (EVs) run as long as their drivers want without stopping to charge batteries.

The test road was laid by Stellantis—the conglomerate that owns Chrysler, Fiat, Maserati, Opel, Peugeot, and other car brands—and dubbed the "Arena of the Future" to test a range of driving technologies, including the company's Dynamic Wireless Power Transfer (DWTP) system.

Shallow channels are cut through the asphalt and a series of flat electrical coils are laid into the channels. The coils are connected to a source of electricity and the channels are paved over.

A car fitted with a receiver can draw a continuous supply of power from the roadway.

"Electric highways" aren't new; they have been tested for years in dozens of places around the world.

What's new here is that Stellantis's DWTP system doesn't charge the battery.

Instead, it sends current directly into the vehicle's electric motor, leaving the battery power free for lights, heating and cooling, playing music, and other tasks.

The magnetic field poses no threat to the health of people in a vehicle and is mild enough that people can walk across it without feeling it.

The system uses DC power, so it can connect directly to renewable energy sources and use simpler cabling.

TRENDPOST: *As is typical with breakthrough technologies, the restraint isn't obstacles in the science or technology itself but in bringing the innovation to market.*

The technology makes financial and engineering sense only when laid over a long stretch of busy highway with cars able to receive the roadway's current. Round-the-clock power supplies would have to be sited and connected. A way to pay the costs would have to be agreed: should the highway be a toll road, with drivers billed automatically per mile? Should the electrified track be a public utility, paid for through taxes?

Such issues may seem insurmountable but when Henry Ford drove his test car down a street in Detroit in 1896, no one envisioned how quickly the vast new infrastructure to support automobiles would evolve.

The elements are there: renewable energy sources and grid-scale batteries, the growing urgency of shifting from fossil fuels, EV technology, and the urgency to move to energy independence as part of the move to Self-Sufficient Economies that we have flagged as a Top 2022 Trend.

Something like Stellantis's DWTP could be the magnet that draws those elements into a coherent system.

Transmission coils embedded in Stellantis's electric roadway.

Credit: Arena del Futuro

FOR THE FIRST TIME, EXPERIMENTAL DRUG CURED CANCER IN ALL PATIENTS

Dostarlimab, an experimental drug developed by pharma company GSK, cured rectal cancer in all 12 patients who took part in an initial trial.

The drug was administered every three weeks for six months.

At the end of the trial, all 12 patients showed no sign of cancer on MRIs or PET scans, or in an endoscopy or physical exam.

All 12 people also remained cancer free for six months to more than two years after the experiment ended.

"I believe this is the first time this has happened in the history of cancer" that an experimental drug showed a perfect record of abolishing the disease in every patient, Dr. Luis A. Diaz Jr. of Memorial Sloan Kettering Cancer Center, who helped conduct the study, told *The New York Times*.

None of the patients needed follow-up chemotherapy, surgery, or other standard forms of cancer treatment.

Also, none showed any negative side effects, which is unheard of in standard cancer therapies.

One patient was preparing for several weeks of radiation treatment when she learned her cancer had disappeared.

"I told my family. They didn't believe me," she said in a *NYT* interview.
The drug is a form of immunotherapy, which "unmasks" cancer cells to the body's immune system, so the body's defenders recognize the cancer as a foreign entity and kill it.

TRENDPOST: *Sloan Kettering is now planning a trial of 30 patients to see if the effect is sustained.*

Later, the drug can be tested on other forms of cancer to see if Dostarlimab is the "magic bullet" oncology has been seeking for more than a century.

CHEAP GEL DRAWS LITERS OF WATER A DAY FROM AIR

The Canadian prairie, parts of South America, and large swaths of Africa are in prolonged drought; the U.S. southwest is the driest it's been in a century and the Ogallala Aquifer underlying the central U.S. is being pumped out faster than its water is being replenished.

In a drying world, where will our drinking water come from?

Some might come courtesy of an innovation from researchers at the University of Texas at Austin.

The scientists have made a thin gel by combining cellulose, which lets plants hold their shapes, and konjac gum, a traditional Asian remedy for high cholesterol.

This simple gel that doesn't take much energy to make can pull liters and quarts of water a day out of even very dry air, the developers say.

The two ingredients are mixed, poured into a mold, and freeze-dried to hold a shape, then the gel is ready for business.

The fine pores in the konjac gum attract water, which condenses on them.

Under a little heat, the cellulose turns hydrophobic and sheds the captured water.

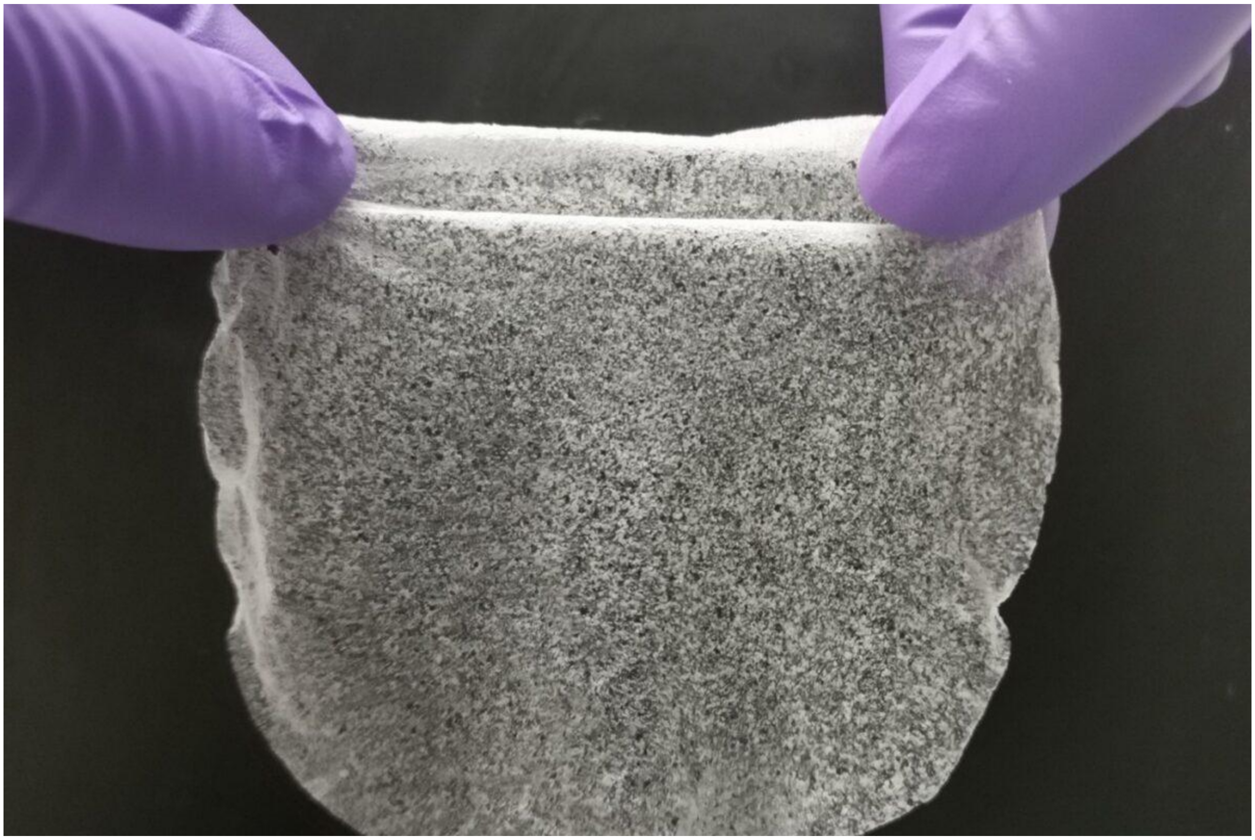
Making the gel costs about $2 per kilogram, a little more than two pounds, and a single kilogram can deliver six liters of water—about a gallon and a half—daily from water with 15 percent humidity, drier than many deserts.

At 30 percent humidity, the yield rises to almost four gallons.

The research team is tinkering with ways to improve the gel's yield and cut its cost.

TRENDPOST: *The new gel sports a higher rate of water capture than any other common method proposed or deployed so far.*

Cheap, lightweight, and easy to make, the technology can be commercialized rapidly and the gel shipped virtually anywhere.



A new gel can pull gallons of water a day from air.

Credit: University of Texas at Austin