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THE TRENDS JOURNAL®

HISTORY BEFORE IT HAPPENS®

WORLD ECONOMY

~~STAGFLATION~~

DRAGFLATION

(Economy dragged down, inflation spiking up.)

TRENDS JOURNAL
HISTORY BEFORE IT HAPPENS®

2 August 2022

PUBLISHER
GERALD CELENTE

EXECUTIVE EDITOR
EDMUND DeMARCHE

EDITOR
AMY BYRNE

CONTRIBUTING WRITERS
GREGORY MANNARINO
BRADLEY J. STEINER
GARY NULL
RICHARD GALE
BEN DAVISS
JOE DORAN

COVER ART
ANTHONY FREDA

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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

WORLD ECONOMY DRAGFLATION

Welcome to this week's Trends Journal: "WORLD ECONOMY DRAGFLATION (ECONOMY DRAGGED DOWN, INFLATION SPIKING UP.)"

The economy is going down, and inflation is going up, which means we are experiencing "Dragflation." But don't expect to hear that from the mainstream media because they're still Googling what it means to be in recession and only repeat the line that we are moving into "stagflation." No, the economy won't stagnate, it will drag down as inflation keeps rising.

The same people who said inflation is not a problem are the same ones spreading the propaganda that the U.S. is not in recession.

Chief among them is Janet Yellen, the U.S. Treasury Secretary, who had claimed that inflation was just temporary... and then transitory. Now, she is saying, "this is not an economy in recession...we are in a period of transition in which growth is slowing. And that's necessary and appropriate, and we need to be growing at a steady and sustainable pace."

As we detail in this and previous Trends Journals, we have entered the worst financial and geopolitical crisis that we have ever experienced in modern times.

From Bad to Worse

House Speaker Nancy Pelosi's trip to Taiwan today also added to the market jitters and ramped up tensions between Beijing and Washington.

We note in this week's issue that "peace" continues to be a banned word in the media. The U.S. announced $550 million in ammunition for Ukraine with the hopes of blowing up more Russians and fanning the flames of World War III.

Any talk of a peaceful resolution is prohibited. Peace is dead in the U.S. because our politicians are mentally ill and reporters who cover them are nothing more than Presstitutes... media whores who get paid to put out by their corporate pimps and government whore masters.

The Trends Journal provides our readers with trends analyses and forecasts that are not influenced by any corporate or political pressure. No mainstream news organization can make that claim. We use hard facts and solid data to support our research analysis.

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

ECONOMIC UPDATE THUMBS UP
Very nice article Gerald, it is a great briefing on the state of economic and political affairs.

Joseph Gulesserian

LOVING THE WAR MACHINE
The love of Wars clearly demonstrates a policy of death and starvation of US citizens while taking more taxes to allocate to the US Military Industrial Complex and One Percenters!!! We as citizens are classified as SERFs by the Washington DC crowd!!!

harlow53

THE U.S. DOES NOT HAVE AN ECONOMY
Greedy billionaires are completely blind to their own injustices. They feel that they have no moral obligation to give back to society that which they have either stolen directly or which has been stolen for them and they have happily taken. If this lack of sight was based on a physical defect, it would be considered a loss. But when it is based on a moral defect, there is a lack of feeling and hardness of heart as though nothing has been lost.

mnpund

GEN Z WANTS REALLY WANTS TO GO BACK TO THE OFFICE
This is great news! Although remote work is a future trend, it is not one I look forward to. My business is fully capable of remote work, however, all of my employees prefer to come into the office. Thus, based on our culture, I only hire on-site positions. Being aware (thanks Gerald!) of the future trend is helping me better target my search for the right employees and provide/highlight different incentives unattainable via remote work.

Drawdy

REVOLUTION!
Really, really sad for our country and its citizens. How can we possibly stop this runaway train of big money taking over everything? It's quite ironic as well because each and every one of these politicians running for office always claims to be fighting for the little guy and always against the big money corporations. Once elected, it's all forgotten and now it's time to get fat with the lobbyists' fistfuls of dollars. Funny how a large percentage of these "politicians" become worth hundreds of millions of dollars and are able to hold their seats for decades until they can't even wipe their own asses. Very few retire. Why? They have a full staff to handle everything and the money just keeps on rolling in. We need a revolution! We need a young leader who won't be swayed with cash to somehow right this sinking ship. I don't know about you, but I don't want to be ruled by a group of kings. That's where this whole thing ends, 99% of us ruled by 1% of them. I say no! Enough!

Bradley Kaats

...OR RESTORATION?
Be careful of ideas of revolution. I understand the thought process and the desire to right the so-called ship. However no one knows what the outcome would be and the youth or young people don't always mean a more righteous path. I believe we already have a great tool and a proven path called our original intention, the constitution. The founding

of this nation was a great ideal and path to follow. Our culture (and yes we do have one) has been attacked and disfigured, not to mention used against us. What needs to happen now is to use the pernicious handbook in reverse, and teach the true meaning of our founding and ideals. I don't mean sugar coat anything about our history however I don't think we should douse everything in gasoline and then toss matches at it either.

Civics need to be taught properly, we need not only our youth to understand and value citizenship but all of us.
Right now citizenship is devalued and disrespected. How do you have a country with a solid path if its people don't have an idea of who they are and what they stand for.

Perhaps the slogan should be Americans First not America First because the country should and will follow in the direction of its people. We should tell the Government how we want things to be, not the Government telling us how it's going to be.

David Smith

FINANCIAL ELITES ARE "MAKING HAY WHILE THE SUN SHINES"

The U. S. Government No Longer Just Borrows More Money, rather they print more money, vis a vis "Modern Monetary Theory". Going forward it's mostly all printing more money (QE or whatever you call it) and not "borrowing". The reason printing money has supplanted borrowing money is rather simple: The political elite know at some level our money (U.S. Dollar) is going to suffer a major international devaluation when a financial reset occurs. A devaluation would force a major reduction in the standard of living of Middle Class Americans (demotion to lower class). Moreover, we would stay (down) there for a few generations, as well.

No recovery or bounce back will be possible once the U.S. dollar is effectively devalued internationally. It's coming for sure and maybe sooner than many are yet prepared to realize. If your net worth is stored in only U.S. Dollars then you are being taken advantage of because all those dollars won't buy much in 10 years at current inflation rates. Americans are being deceived. No free lunches.

We won't keep our global reserve currency advantages forever. So, we are "making hay while the sun shines". You and I are not part of "the club" who borrows at below market rates so "we" indicates an exclusive group and "you ain't in it". Historically, your freedoms are directly tied to the economic cycles and the Wheeler Cycle of Wars. Wars are not profitable overall and cost a lot of money and incur a lot of government debt.

So, taxpayers pay either in higher inflation and/or higher taxes- always. We are debt saturated. Our liberties are in further jeopardy if our financial system were to fail. In-fact, It's already failing and we are losing, yet relatively few individuals seem to realize the gravity of the situation. Born Stupid or just dumbed-down by the public school system or peer pressure? Matters not. Welcome to Slavelandia folks. It's your lot.

Craig Bradley

TRENDS ON THE ECONOMIC AND MARKET FRONT

ECONOMIC UPDATE - MARKET OVERVIEW

As we note in our review of LAST WEEK in this **Trends Journal**, July was the best month for the money junky gamblers since November 2020.

Beginning in 2020, to fight their COVID War, the U.S. government was in full money dumping mode, ultimately injecting over $6 trillion of fake dollars to pump up the diving economy. And to keep The Street's money junkies on their high, Feds juiced the equity markets with zero interest rate cheap money while buying up trillions of dollars of government and corporate bonds.

Not only did Western nations follow the Communist Chinese Way by locking people in their homes and closing down life to fight the COVID War, on the money front, the EU, Japan, and the U.S. added fascism to their "democracies." Their central banksters buying up corporate bonds to help the “Bigs,” equals the merger of state and corporate powers… which the Fascist King, Benito Mussolini, called “fascism.”

Yes, the new Commie-Fascist way is the way of the Western world that keeps going to war to bring “freedom and democracy” to countries they conquer, while stealing their own citizen’s money to enrich themselves and the crime syndicate they represent.

Rigged

Right in front of the world’s eyes for all to see, but blind to the facts, is how rigged the stock market game is. Having nothing to do with reality, it is nothing more than a corrupt Wall Street gambling casino.

Yes, equities had their big month’s spike in July. Pushing them up was the “happy” news that inflation spiked higher than what was forecast.

In mid-July, while the Dow Jones had estimated inflation in the U.S. would rise by 8.8 percent, the U.S. Bureau of Labor Statistics reported that the consumer price index spiked 9.1 percent from a year ago in June.

Despite that news, which indicated the Fed would have to raise interest rates at least 75 basis points, the markets rose higher. And then, when the Fed did raise interest, equities kept their upward climb.

Then last week, The Street predicted that America’s Gross Domestic Product would increase in the second quarter by 0.3 percent. Adding to the list of other rotten forecasts that were way off, no, the GDP didn’t increase, the Bureau of Economic Analysis reported that the GDP fell 0.9 percent at an annualized rate. But that didn’t stop the equity markets from rising.

And back in the old days, considering there was a 1.6 GDP decline in the first quarter and then down 0.9 percent in the second quarter, the media would call it a recession.

But those days are gone.

Instead, for days they pumped up U.S. Treasury Secretary Janet Yellen's pitch, that a recession "is not what we're seeing right now."

This is the same Janet Yellen, who, as we extensively reported, said for a year-and-a-half that there was no inflation.

Yet, despite her failed forecasts, the Presstitutes promote her bullshit that there is no recession as though she knows what she is talking about, while blackballing the **Trends Journal**'s accurate forecasts.

TRENDPOST: *We had long ago forecast stronger inflation in articles such as our Economic and Markets Overview sections in our 27 October, 2020 and 3 November, 2020 issues and documented it through last year in our Markets Overview sections on 23 February, 2021 and 18 May, 2021, "Inflation Spreads" (12 Oct 2021) and "Inflation on the Rise" (7 Dec 2021), among a host of other articles.*

However, Yellen continued to echo Powell's assertions of "disinflationary pressures around the globe" early last year, then for several months parroted his assertion that high inflation is "temporary," then "transitory."
Like the Fed itself, which she once chaired, Yellen has lost all credibility as an economic seer... but she is still championed by the mainstream media.

TRENDPOST: *First, inflation was "temporary;" then it became "transitory," a more effective weasel word that implies an even more vaguely defined period of time.*

*Now Powell knows what everyone else, especially **Trends Journal** readers, have known for more than a year: inflation is a serious, long-term threat to the U.S. and global economies.*

In an August speech, Powell listed five factors convincing him that high inflation was "temporary." One of them: the absence of "broad-based" inflation.

At the time he spoke, inflation already had widely permeated commodities and consumer goods ("Commodities Supercycle Underway?" and "Inflation Ripples Through U.S. Economy," both from our 11 May 2021 issue).

Powell was either deluding himself, deliberately misspeaking—perhaps to keep markets and shoppers calm—or he and the Fed staff are abysmally incompetent at reading numbers available in news reports.

Commie-Fascism

Therefore, at this time in the decline of civilization where only war is promoted and peace is forbidden, and the rich get richer ... there is no connection to economic reality and equity market fantasy in the mainstream narrative.

Considering the terrible economic news last week, plus the ongoing Ukraine War, equities should be in a sharp downturn and precious metals should be spiking... yet, it is in reverse: equities up, precious metals down.

Again, as we have clearly stated with facts and data, the COVID War's financial, mental and spiritual damage inflicted upon We the People by draconian political dictates is incalculable. It has destroyed the lives and livelihoods of billions.

And now, the "We're #1" warmonger nation of the world that has killed countless millions since the end of WWII and now championing WWIII, the United States of America... has ramped up a confrontation with China.

What does this have to do with economics?

Everything!

There will only be an economy of death and misery if the current socioeconomic and geopolitical trends are not reversed.

Today, U.S. House Speaker Nancy Pelosi—a government crime syndicate stalwart who has been sucking off the political tit her whole life and whose father was in congress and both he and his son were mayors of Baltimore—defying a Chinese warning, took a trip to Taiwan today.

After she landed, the People's Liberation Army announced that later this week "important military training operations" and live ammunition drills would take place in numerous areas surrounding Taiwan.

Stating that "China firmly opposes and sternly condemns this, and has made serious démarche and strong protest to the United States," its Ministry of Foreign Affairs said Pelosi's visit is "a serious violation of the one-China principle and the provisions of the three China-U.S. joint communiqués."

Playing the same old freedom and democracy bullshit game, despite America's etched in stone murderous war crime track record, Pelosi said upon her arrival that "Our congressional delegation's visit to Taiwan honors America's unwavering commitment to supporting Taiwan's vibrant Democracy."

Again, while this is the economic section of the **Trends Journal**, as per our Globalnomic® trend forecasting methodology, all things are connected. Pelosi's visit is more than just geopolitical... it is socioeconomic, and as tension escalates so too will economic turmoil.

Accusing the United States of escalating tension with China, its Foreign Ministry said Pelosi was "playing with fire" and her actions may result in "disastrous consequences" and that "The United States should and must take full responsibility for this."

As Gerald Celente says, "When all else fails, they take you to war."

Just as the Ukraine War often overshadows the EU and U.S. economic crisis that is escalating, so too has the Pelosi visit overshadowed the weakening Chinese economy.

Thanks to communist China's dictatorial stringent zero-COVID policy, consumer demand has weakened and so too has its purchasing managers index which went negative in July, pulling back to 49.0 from 50.2 in June.

On the housing front, according to China Real Estate Information Corporation, the country's top 100 property developers saw their sales plummet by nearly 40 percent in July.

On the key export side of business, according to *The Wall Street Journal*, China's PMI subindex tracking export orders remained in contractionary territory for a 15th consecutive month.

And, as we note in the **TODAY** market analysis in this **Trends Journal**, as military tensions increase between the U.S./Taiwan vs. China... so too are tensions increasing in Asia's equity markets.

War and Poor

And while President Biden ramped up the war in Ukraine by sending another half billion dollars of weapons to keep bloodying the killing fields—bringing the total sent to Ukraine to over $60 billion since the Russian invasion—for Americans, it's another day older and deeper in debt.

Today, the New York Federal Reserve reported that household debt in the U.S. spiked to a new high, hitting above $16 trillion in the second quarter.

Enriching the Bankster Bandit's credit card scam—whose average credit card interest rate is 19.13 percent for new offers and 15.1 percent for existing accounts, according to WalletHub—American's credit card balances surged $46 billion in the last quarter... up 13 percent, and the largest spike in more than 20 years.

So, while the Presstitutes in the media applaud Pelosi's trip to Taiwan, and while comic, clowns and politicians wave the Ukraine flag for America to send more money to the most corrupt country in Europe according to the European Union, 48 percent of America's slaves fell deeper in debt.

The American Consumer Credit Counseling also reported that nearly 20 percent of Americans had to cut their savings rate, and the number who went into debt was up

11 percent from the last quarter. J.D. Power also reports that 64 percent of Americans classify themselves as "financially unhealthy.

But as for Peace Rallies that object to America's foreign entanglements and stealing American taxpayer's money to make them poorer while enriching the military industrial complex rather than repairing the nation's rotting economic foundation and crumbling infrastructure, they are blackballed by the Western media.

Getting Worse

Four in 10 U.S. adults report they now find it "somewhat difficult" or "very difficult" to pay for normal household expenses, according to a U.S. Census Bureau survey taken in late June and early July.

That figure indicates that 90 million households are losing ground to inflation, 50 percent more than a year ago, the bureau noted, and the highest since it began asking the question in August 2020 as the COVID War intensified.

In Dallas, 45.9 percent of families reported struggling, compared to 27.9 percent a year previous. In Detroit, the proportion of households that have difficulty has risen by 20 percentage points.

One in every eight New York state residents is late in paying utility bills, according to a new report from the state comptroller's office.

The average arrears is $1,467, almost double the $768 average owed in March 2020, the office noted.

Nationally, more than one in three households cut expenses on, or just did not buy, basic necessities such as food or medicine so they could pay utility bills, the census bureau study discovered.

More than 20 percent of families kept their household temperatures at a level they believed was unsafe or unhealthy for at least a month to cut utility costs, the survey reported, and the same proportion had had trouble keeping current with energy bills.

And as we reported in this and previous **Trends Journal**s, this trend is going global.

LAST WEEK: RALLY MARKED STRONGEST MONTH SINCE NOVEMBER 2020

Last week's rally in stocks made July the best month for U.S. equities since November 2020.

Investors were cheered by stronger-than-expected earnings results from several major corporations, including Alphabet, Amazon, Apple, and Microsoft.

Of 278 of the S&P's 500 companies to report earnings as of 30 July, 209 have beaten analysts' forecasts.

Amazon's share price jumped 10 percent on Friday after a stellar earnings report; Apple's stock value leaped up 19 percent in July.

Investors also took heart from news that the U.S. economy contracted for the second consecutive quarter, indicating the economy has slowed and raising hopes that the U.S. Federal Reserve might ease its aggressive pace of interest rate increases, *The New York Times* said.

"Investors are betting that much of the negative [economic] news has been priced in, that the Federal Reserve could become less aggressive in tightening monetary policy, and there's enthusiasm in equity markets for slower inflation and fewer [interest] rate hikes," fund manager Baylee Wakefield at Aviva Investors said to the *Financial Times*.

The Standard & Poor's 500 index gained 9.1 percent in July, ending the month 11 percent higher than November 2020. The Dow Jones Industrial Average added 6.1 percent for the month and the NASDAQ shot up 12 percent to book its best month since April 2020.

However, the gains were unable to erase markets' generally dismal performance during the first half of this year.

The S&P posted its worst first half of a year since 1970 and new data shows that the U.S. economy puckered by 0.9 percent in the second quarter.

The two-year Treasury note's yield ended Friday at 2.897 percent, still higher than longer-term notes.

When short-term securities show a higher yield than longer-term counterparts, the result is an "inverted yield curve" and often has been a harbinger of a recession.

The junk bond market yielded 5 percent last month, its best one-month return since October 2011, data compiled by Bloomberg showed.

Still, the numbers should not be taken to mean that happy days are here again.

"The [markets'] move higher is a reflection that the current round of updates from corporate America are not as bad as feared," *The Wall Street Journal* noted, "which is different than those results being good."

Gold followed stocks' rally, rising 3.6 percent on Friday to $1,782 at 5 p.m. U.S. EDT.

Brent crude oil's price grew by 1.4 percent last week, surrendering most of the larger gains it added over the five days, including briefly reaching above $110 on Friday.

West Texas Intermediate fared better, climbing almost 5 percent for the week to $98.51.

Bitcoin continued its slow recovery, adding 10.4 percent, or more than $2,000, during the week to reach $23,784.

Abroad, Europe's Stoxx 600 tracked U.S. markets and rose 3.0 percent for the week. The Nikkei 225 also gained, rising 0.4 percent.

South Korea's KOSPI index lost 0.3 percent as its export-dependent economy faced growing fears that a global recession is approaching. In Hong Kong, the Hang Seng index slid 1.9 percent. Mainland China's SSE Composite dropped 0.6 percent and the CSI Composite gave up 1.6 percent.

YESTERDAY: BREATHER BEFORE JOBS REPORT

The Dow Jones Industrial Average shed 46.73 points, or 0.14 percent, to close the trading day at 32798.40. The S&P 500 dropped 11.66 points, or 0.3 percent to 4118.63, and the Nasdaq Composite Index fell 21.71 points, or 0.18 percent, to end the day 12368.98.

Stocks were down on Monday in another bumpy day of trading where stocks were slightly higher and then fell lower during the morning trading session. Some traders expressed a sense of optimism that the Federal Reserve may be approaching the end of its monetary tightening to combat record inflation rates. The S&P 500 began the week at its seven-week high.

Some traders say the market is taking a breather before the jobs report due out at the end of the week. Economists told *The Wall Street Journal* that they expect to see the U.S. economy add about 250,000 jobs in July, which is lower than the 372,000 from June.

The **Trends Journal** has noted that President Joe Biden has insisted that the country is not in a recession based on the strength of the job market. This is despite two consecutive quarters of a shrinking economy due in large part to soaring inflation.

The yield of a 10-year U.S. Treasury traded at 2.605 percent, which was down from Friday when it traded at 2.642 percent.

TREND FORECAST: *Despite some of the optimism felt on The Street, the market shows signs that it will continue to face some headwind and the gains in July could be lost, in the words of Frank Sinatra, to the summer wind.*

Weary investors raised concerns about the drop in the real yield in the 10-year Treasury from its high in June when it hit 3.482 percent. (A real yield adjusts for inflation.)

"Real yields have dropped a stunning 82 bps in just a few weeks," Jurrien Timmer, the director of Global Macro at Fidelity, tweeted. "It's as if the Fed is easing policy, when in fact it is not even done tightening. Maybe the Fed needs to walk back a bit from the dovish interpretations of its 'data dependent' comments to the press?"

Elsewhere, Europe's Stoxx 600 fell slightly by 0.82, or 0.19 percent to close at 437.46. Britain's FTSE 100 dropped 10.01 points, or 0.13 percent to 7413.42.

South Korea's Kospi also jumped points, or 2.4 percent and the Shanghai Composite increased by 0.21percent and closed at 3259.96, and the Shenzhen Component rose 1.2 percent to close at 12413.87. Hong Kong's Hang Seng index rose slightly to close at 20165.84.

The European market is anticipating the Bank of England's expected move this week to raise its interest rates by 50 basis points with inflation hitting 9.4 percent in June—a 40-year high.

There is lingering worry in Europe as Russia continues to cut off countries from its gas supplies. Bank of America said in a research note on Monday that the gas situation in Europe is "quickly moving from our 'bad' to our 'ugly' scenario in the past month.

We point out in this week's issue that analysts do not believe Europe will be able to stockpile a sufficient amount of gas before the winter.

GOLD/SILVER: Gold prices approached $1,772—a four-week high—late Monday due to the weakening U.S. dollar index and anticipation of the jobs report due out on Friday for the month of July. The U.S. dollar has seen an almost 10 percent jump in value since January but has hit two-month lows. The dollar index hit 105.22 on Monday. Foreign investors tend to shy away from gold when the dollar is more expensive.

Silver saw its four-week high and was trading at about $20.30 as of midday Monday.

TRENDPOST: *Once again, we see the price of gold benefit when the U.S. dollar comes down and the yields on Treasuries become less attractive to investors. Gold and silver prices are not expected to move dramatically. The value of the U.S. dollar is expected to remain high given other world currencies are so weak. Gold is an attractive investment when there are fears of an economic slowdown, and Biden has been trying his best to convince the country that it is not in a recession.*

And now, with war drums beating louder around Europe and Asia, gold will shine as a safe-haven investment.

BITCOIN: Bitcoin, the cryptocurrency many see as a benchmark crypto, started the month down about three percent as it continues to flirt around the $24,000 mark.

The weakening of the crypto that once traded at nearly $70,000 per coin has allowed other cryptocurrencies to challenge it for market supremacy. Fortune magazine reported that the price of Ethereum has soared recently and “fans of the No. 2 token by market value are reviving predictions that it is destined to one day take over the throne,” which is called “flippening.”

The report said Ether’s market value has increased about 50 percent in July to about $210 billion, which is less than half Bitcoin’s value.

Joe DiPasquale, CEO of BitBull Capital, told the magazine that he believes Ether is a “major differentiator.”

“Bitcoin has been the hundred-pound gorilla, but Ether is really the other hundred-pound gorilla. Everything else trails behind,” he said.

Ether was trading at about $1,695 per coin on Monday.

TREND FORECAST: *September will be a big month for Ether enthusiasts because the crypto is expecting a software upgrade that will move the system from miners—like Bitcoin—to staked coins. The new system is believed to be more energy efficient and could offer new security for coin holders.*

Ben Edgington, a developer, told The Defiant: "There are very real costs associated with not doing the merge: 130,000 tons of carbon dioxide every day. It's nearly a million tons a week. Every week we twiddle our thumbs, that's a megaton of carbon dioxide we´re emitting."

One of the top criticisms that cryptos have faced are the amount of energy they use. If Ether creates a system that can dramatically cut the energy output, the coin will become a lot more attractive to companies and people who want to be seen as "green," thus sending the value rocketing. Bitcoin will likely not be far behind to match the new technology.

TODAY: MARKET HIT TURBULENCE AFTER PELOSI VISIT TO TAIWAN, FED TALK

The Stock Market declined today on news of House Speaker Nancy Pelosi's landing in Taiwan, plus indicators that say the Fed is not done raising interest rates to fight inflation, and concerns about energy prices.

The Dow Jones Industrial Average was down 402.23 points, or 1.23 percent to 32396.17, and the S&P was also down 27.44, or 0.67 percent to 4091.19. The NASDAQ Composite was down 20.22, or 0.16 percent to 12348.76.

Stocks fell in the afternoon after Federal Reserve leaders said the central bank was not done raising interest rates to combat inflation and the turbulence caused by Pelosi's trip to Taiwan.

Stocks have been recovering some early summer losses after strong corporate profit reports, but this week promises to be exciting with a key job report expected on Friday, a key OPEC meeting on Wednesday, and the aftermath of Pelosi's visit to Taipei…not to discount the raging war in Ukraine that shows no end in sight.

The Job Openings and Labor Turnover report that was released today showed the number of job openings decreased to 10.7 million on the last business day of June, according to the U.S. Bureau of Labor Statistics.

"Hires and total separations were little changed at 6.4 million and 5.9 million, respectively. Within separations, quits (4.2 million) and layoffs and discharges (1.3 million) were little changed," the report said.

Mary Daly, the San Francisco Fed president, told CNBC that the Fed was "nowhere near" done increasing interest rates.

Some of the key stock movements on The Street today were Caterpillar, which saw shares fall 5.8 percent to $183.51 after missing forecasts, and JetBlue, which was down 6.4 percent to $8.04 after reporting a loss in the quarter.

TRENDPOST: *Between sanctions against Russia that have backfired, complacency for months on inflation, draconian COVID-19 lockdowns, continued provoking of world powers, and injecting trillions into the economy, it is only because the game is rigged that there has not already been a dramatic crash in the markets.*

We have long noted that the Bankster Bandits will do all they can behind the scenes to delay the market crash, but these rate hikes will do little to bring down inflation and more to bring down the economy, which equals: Dragflation.

Europe's Stoxx 600 was down 1.39 points, or 0.32 percent, to 436.07, and Britain's FTSE 100 was down 4.31 points, or 0.06 percent to 7409.11. South Korea's Kospi was down 12.63, or 0.52 percent to 2439.62. Japan's Nikkei was down 398.62. points, or 1.42 percent to end at 27594.73. The Shanghai Composite was down 73.69, or 2.26 percent to close at 3186.27. The Shenzhen Component was also down 293.85 points, or 2.37 percent to close at 12120.02. Hong Kong's Hang Seng sank 476.63 points, or 2.36 percent, to close at 19689.21.

Asian stocks took a beating after tensions between China and the U.S. jumped after House Speaker Nancy Pelosi visited Taiwan despite Beijing threats. Zhao Lijian, the foreign ministry said at an earlier press conference that China would "never sit idly by" and will uphold its "territorial integrity."

Pelosi said the visit was important because it reaffirmed U.S. support for democracy. Hours before her trip, Washington, once again, said it does not support Taiwan's independence.

Stocks in Asia were also hit after South Korea announced its inflation rose by 6.3 percent in July compared to 2021. Hong Kong's second-quarter GDP was down by 1.4 percent, meaning the city is in a recession.

OIL: Oil prices were in the green today based on the continuing weaker dollar and were trading up 0.80 to 94.72 per barrel. Brent crude was up 0.88 points to 100.93 per barrel and West Texas Intermediate Crude was trading up 0.73 points to 94.59 as of 2:26 p.m. ET.

Oil was trading higher before Wednesday's Organization for Petroleum Exporting Countries [OPEC] meeting. President Joe Biden has been urging OPEC members to start producing more barrels to bring down costs at the pump that has been contributing to inflationary pressures.

OPEC has shown that it will not be pressured by the U.S. to ramp up production. Countries that have the capacity to produce a higher output are extended. The BBC reported that Riyadh is producing 11 million barrels of oil each day.

Analysts believe that there are several factors at play that have brought down prices since hitting their 13-year high of $130 in March. Demand is lower due to soaring inflation, the Ukraine War, China zero COVID policy and recessions.

And to keep the oil flowing, European governments are backing away from efforts to ban the insurance on tankers carrying Russian oil.

***TRENDPOST**: The Bigs Continue to Get BIGGER. Despite economies struggling to pay for soaring energy costs, BP announced Tuesday that it pulled in better-than-expected numbers last quarter, which sent share prices up three percent. The New York Times said BP, Chevron, Exxon Mobil, Shell, and TotalEnergies pulled in $60 billion in profit while small businesses run on steam.*

These profits are why it is laughable when President Joe Biden tells the average American schmuck that they need to pay record prices at the pump for the good of "democracy."

Oil prices will remain volatile due to uncertainties from the Ukraine War and the potential of further COVID-19 lockdowns in China. Brent has met resistance between $105 and $109 and could surge above $150 per barrel later this year should the Ukraine War persist and tensions increase between Israel and Iran.

GOLD/SILVER: Gold was trading down today at 3:30 p.m. ET at about 1781.30, and silver was trading at 19.97.

Gold prices tend to rise in response to a weakened dollar, recessionary fears, and rising yields on Treasuries, and, on paper at least, it seems that all the right ingredients are in place, which is why gold hit its four-week high earlier today.

The dollar has come down to 105.5 after hitting a high last month at above 108.5. The Federal Reserve announced last week that it will raise interest rates by 75 basis points, but there are indications that it will not continue the pace of 75 basis point hikes.

Charles Evans, the head of the Chicago Federal Reserve, told reporters at a briefing today that the central bank may opt for a 50 basis point raise at next month's meeting.

TREND FORECAST: *There have been many variables at play when it comes to the prices of precious metals. Considering the state of geopolitical and socio economic affairs, as we see it, gold prices should be well above $2,000 per ounce mark. And as we have greatly detailed in previous **Trends Journal**s, Banksters like JPMorgan Chase have been convicted for rigging the precious metals markets.*

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.

BITCOIN: Bitcoin was trading down about 211 points at about 3:30 p.m. today and valued at 23,062.

The crypto has seen recent gains, but is still far from its November high at above $64,000 a coin. We have reported on some recent upheaval in the crypto industry, and on Tuesday, *The Wall Street Journal* reported that Michael Saylor, the CEO of MicroStrategy Inc., would be leaving the post.

Saylor, a founder of the company, has been one of the most vocal advocates for bitcoin but MicroStrategy said it lost $1.06 billion in the second quarter. The paper said he turned the company into a "buy-and-hold vehicle" for the crypto. He will move to take on the role of executive chairman where he aims to focus on bitcoin acquisition strategy.

TREND FORECAST: *MicroStrategy seems to be long on the cryptocurrency, even when other big investors, like Tesla, seem to be hedging their positions. CoinDesk reported that MicroStrategy has not sold its holdings and, instead, bought 480 more bitcoins for an average of $20,817 per coin.*

The report, citing an earnings report, said MicroStrategy took a non-cash digital asset impairment charge of $917.8 million on its bitcoin holdings last quarter, which is up from $170.1 million from the previous quarter.

Now trading in the $23,000 per coin range, we maintain our forecast that bitcoin prices will rise when the coin solidly passes the $25,000 range. In the meantime, there is still a downward risk.

BIG DEAL? FED LIFTED INTEREST RATES

Members of the U.S. Federal Reserve's Open Market Committee voted unanimously on 27 July to add three-quarters of a point to the key federal funds interest rate.

The hike followed the same-size increase the committee made in June, making the successive increases the Fed's most aggressive policy tightening in 40 years.

The rate will now move between 2.25 percent and 2.50 percent, while U.S. inflation shot up to 9.1 percent in June.

Fed chair Jerome Powell declined to speculate on the size of the central bank's next rate increase at its September meeting.

However, he did say that at some future time the bank will slow the pace of rate increases.

"There is some evidence at this time" that the economy is "seeing the slowdown in economic activity that we think we need," Powell noted.

However, "it's likely that [recent rate hikes'] full effect has not been felt by the economy, so there's probably some significant additional tightening left in the pipeline," he warned.

The interest-rate futures market is betting that the Fed will lift rates to around 3.5 percent before January, then begin to lower rates in 2023, *The Wall Street Journal* said.

Stocks rallied on the news and Powell's comments, with the Standard & Poor's 500 index adding 2.6 percent on the day. The NASDAQ grew by 4.1 percent, its biggest one-day gain in two years.

Yields on the 10-year treasury note fell.

Powell dismissed claims that the U.S. is in a recession.

“There are just too many areas of the economy that are performing too well,” he said.

The U.S. GDP shrank 0.9 percent in this year’s second quarter, following a 1.6-percent contraction in the first. Two consecutive quarters of diminishing economic activity is the technical definition of a recession.

However, the U.S. is not seen as being in a formal recession until one is declared by the nonprofit National Bureau of Economic Research. The bureau weighs the performance of various sectors of the economy together before determining that a full-blown recession has arrived.

TREND FORECAST: *Two consecutive quarters of shrinking economic output and ever-rising inflation means the U.S. has entered a period of Dragflation, our Top 2022 Trend in which as the economy contracts, prices will continue to expand. Yet, our definition is blackballed by the mainstream media who instead promote that recession is not real and at worst Europe and the U.S. will enter a period of “stagflation”: stagnant economy and rising inflation.*

Furthermore, with the average inflation rate in the U.S. at 8.6 percent, bringing the Fed rate to a 2.25 to 2.50 rate will do next to nothing to bring down inflation.

GAMBLERS ON THE STREET SEE RATE CUTS NEXT YEAR

Speculators playing the market in interest rate futures are betting that the U.S. Federal Reserve will continue raising interest rates aggressively through this year, then begin to cut them in the second half of 2023.

The underlying assumption is that the Fed will drive the economy into a recession, which it then will seek to cure by cutting interest rates to revive GDP, *The Wall Street Journal* said.

Currently, the yield curve for treasury securities is inverted, meaning that short-term yields are higher than longer-term returns.

By keeping longer-term rates lower, the Fed's actions will delay any recession and keep the central bank's rate-hiking policy aggressive in the short term, the *WSJ* cited speculators as saying.

Belief that the Fed will begin cutting rates by mid-2023 means that Treasury securities' yields will move lower the further away in time the securities will mature.

Ten-year notes closed Friday at 2.781 percent, their lowest since 27 May.

Players see the Fed's key rate peaking at 3.3 to 3.5 percent late this year, then easing back next June and dropping to about 2.5 percent by mid-2024.

TREND FORECAST: *"It's the economy, stupid." That was the behind-the-scenes campaign line when Bill Clinton was running for President in 1992... and it holds true today.*

We forecast that the Fed will lower interest rates in attempts to boost economic growth prior to the 2024 Presidential elections, since whoever is running the White House, runs the Fed. Indeed, when equities were crashing in December 2018, it was

Donald Trump that pushed the Fed to lower interest rates to artificially prop up equities and the economy.

Indeed, as Gregory Mannarino illustrates in his article, Magic Money, "Central Banks are sending a BIG message to the stock market as of late which reads like this: "WE GOT YOUR BACK! AND WE COULD NOT POSSIBLY CARE LESS ABOUT SURGING INFLATION."

MORTGAGE RATES FALL AFTER FED HIKES RATES

U.S. mortgage rates fell last week after the U.S. Federal Reserve added three-quarters of a point to its key interest rate.

The interest on a 30-year, fixed-rate mortgage dropped from 5.54 percent on Wednesday, the day the Fed raised its rate, to 5.22 on Thursday. It slumped to 5.13 percent on Friday and closed Monday, 1 August, at 5.28 percent, according to Bankrate.com.

Mortgage rates have been drifting lower since mid-June when they peaked above 6 percent in some areas.

The drop in loan rates followed news that the U.S. economy contracted 0.9 percent in July, putting the U.S. into a technical recession.

Fears of a recession pushed more investors into government securities. Demand for the bonds and notes rose, pushing prices higher. When the securities' prices rise, yields fall.

Mortgage loan rates closely mimic the yield on the 10-year treasury note, so when that yield sank, so did mortgage rates.

"The housing market seems to be settling into an equilibrium now that demand has leveled off," Daryl Fairweather, chief economist for real estate brokerage Redfin, said in a statement.

"We may still be in for some surprises when it comes to inflation and rate hikes from the Fed but, for now, an ease in mortgage rates has brought some relief to buyers who were reeling from [June's] rate spike," he added.

Although Redfin has reported a recent bump in searches on its website and home tours, those are leading indicators.

The number of purchase contracts signed and houses sold is still decreasing, as we report in "New Home Sales Fall to Two-Year Low In June" in this issue.

TREND FORECAST: *Now that the Fed has lifted its key interest rate above 1.5 percent, the housing market is beginning to crumble, as we have long forecast it would.*

Last year's home-buying frenzy bid prices up to ridiculous levels, with buyers sometimes offering $50,000 or more above asking prices.

As a result, the average selling price of U.S. homes in this year's second quarter was $525,000, according to the Federal Reserve Bank of St. Louis. (See "New Home Sales Fall to Two-Year Low In June" in this issue.)

As we also have noted in "Home Prices Set Yet Another Record While Sales Fall" (26 Apr 2022) and elsewhere, the housing market already has frozen for modest-and middle-income buyers, with those groups now representing less than half of all home sales.

Scarce, expensive materials will keep new home prices high for the foreseeable future, keeping the price of existing homes aloft and out of the reach of average American families—especially as they continue to be battered by rising prices and rising interest rates.

These factors are creating the first generation of Americans who are likely to be lifelong renters, denied the opportunity to build wealth by accumulating equity in a home of their own.

CONGRESS ADDS ANOTHER HALF TRILLION IN DEBT WITH NEW BILL

After a year of negotiations and false starts, Senate Democrats won Joe Manchin's agreement to a plan to spend $385 billion to speed the U.S. transition toward cleaner fuels and $100 billion to expand subsidies for Medicare drug coverage and for health insurance under the Affordable Care Act, or "Obamacare," for three years.

The proposed legislation also would enable the federal government to negotiate lower drug prices under Medicare, cap drug prices under Medicare, impose a minimum 15-percent corporate tax, close some tax loopholes, and give the Internal Revenue Service more resources to collect unpaid taxes.

Proponents claim the measures would reduce the deficit by $790 billion and net the government $305 billion over 10 years, leading legislators to name the proposal "The Inflation Reduction Act."

If enacted, the law would be the most forceful action Congress has taken on green energy and greenhouse gas abatement.

The proposal is not guaranteed to pass the Senate. Not all Democrats have agreed to it, most notably Kyrsten Sinema (D- AZ), who, like Manchin, has been a notable holdout on other Democratic proposals.

Republicans in the Senate have all but sworn to oppose the plan. However, the proposal is part of a budget reconciliation measure, which is not subject to a veto.

Therefore, if all Democrats and vice-president Kamala Harris vote for the proposal, it would pass to the House of Representatives, where Republican leaders have instructed their members to oppose it, *The Wall Street Journal* reported.

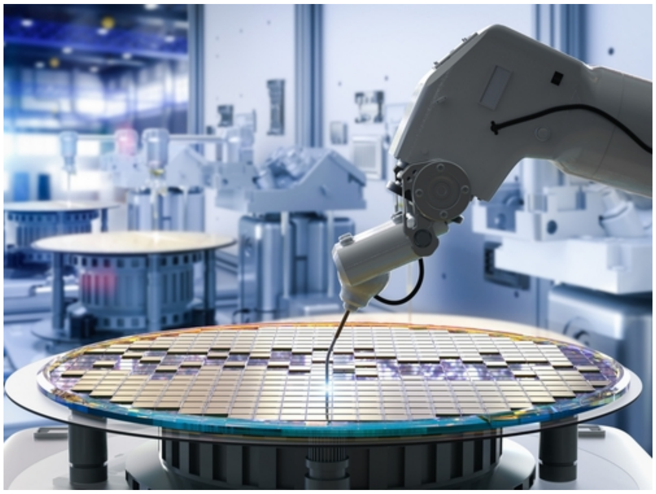
Currently included in the Inflation Reduction Act:

- $313 billion in new revenue by charging minimum taxes on large corporations that use exemptions to drop their income tax liability below the current 31-percent rate, sometimes to zero;
- $14 billion in additional taxes by scaling back breaks for venture capital and private equity firms;
- $30 billion in tax credits for the manufacture of solar panels, wind energy systems, and batteries, as well as processing of crucial industrial minerals;
- $10 billion in tax credits for construction of clean energy manufacturing plants;
- $500 million through the Defense Production Act for manufacturing heat pumps and processing crucial industrial minerals;
- $60 billion to mitigate the disproportionate impact of pollution in low-income neighborhoods;
- $20 billion for programs that will cut emissions from agriculture;
- $27 billion for a "green bank" to fund clean energy projects.

TREND FORECAST: *As with all federal legislation, we forecast the bill will create more damage than good with the bulk of the assets funneled into the revolving door of those businesses who control the government.*

Furthermore, despite the forecast that if the Obamacare subsidy is made permanent after the three years specified in the bill, the government's net gain would shrink to $150 billion over ten years, according to the nonprofit Committee for a Responsible Federal Budget, we dispute their assessment. Indeed, Obama care has enriched the big medical corporations while imposing taxation without representation on the plantation workers of Slavelandia U.S.S.A.

SENATE SHOVELS $280 BILLION INTO CHIP MANUFACTURE GANG



Mussolini named it, American has long been doing it: Fascism, is the merger of state and corporate powers.

The House of Representatives sent a bill to President Joe Biden's desk last week that will earmark billions in financial assistance for U.S. companies to create domestic semiconductor facilities to counter China's growth in the industry.

The bill comes with a $280 billion price tag that will include subsidies and other tax breaks for these companies. Republicans were opposed to the bill and called it the equivalent of corporate welfare. *The Wall Street Journal*, citing an estimate, reported that China intends to spend about $150 billion through 2030 to assist its industry and other Asian countries have been assisting their semiconductor companies for decades.

Peter Hanbury, a partner with expertise in tech supply chains at Bain & Co., told the paper that the U.S. is in a "race to subsidize semiconductor manufacturing."

TRENDPOST: *The **Trends Journal** has detailed the worldwide shortage of computer chips and its impact in such stories as "Global Chip Shortage to Cost Auto Makers $210 Billion This Year" (5 Oct 2021), "Global Chip Shortage Slashes Economic Outlook" (2 Nov 2021) and "Semiconductor Stocks Riding High on Chip Shortage" (23 Nov 2021).*

This century, computer chip manufacturing has migrated to lower-cost countries, leaving developed economies vulnerable to the kinds of supply disruptions the COVID War exposed. We have identified "Self-Sufficiency" as a TOP TREND in 2022.

The trend toward self-sufficiency will see companies and countries cultivating not only domestic chip supplies, but also homegrown capabilities across a range of critical industries, such as steel-making and electronics manufacturing.

Proponents of the bill say it helps even the playing field since it can cost U.S. companies about 30 percent more than Taiwan or South Korea to produce these chips, the WSJ reported.

The Bill

The Chips and Science Act of 2022 comes with $52.7 billion for the construction of these facilities, which can cost tens of billions of dollars to erect. The bill also includes $24 billion in tax incentives and another $39 billion for semiconductor manufacturing.

Biden praised the bill in a statement and said it will lower costs and create jobs. The vote cleared the House in a 243-187 vote.

"By making more semiconductors in the United States, this bill will increase domestic manufacturing and lower costs for families," Biden said in a statement. "And, it will strengthen our national security by making us less dependent on foreign sources of semiconductors."

We reported earlier this year that Intel announced plans to invest more than $20 billion to build two new chip-making plants near Columbus, Ohio, with the possible investment growing to $100 billion and eight plants over the next ten years. (See "INTEL FOLLOWS ONE OF OUR TOP 10 TRENDS: SELF SUFFICIENCY.")

About $11 billion will go towards research and training and $2 billion will fund quick data transfers to the military, the paper said.

The bill passed the Senate. Sen. Bernie Sanders, I-Vt., came out against the bill.

"The question we should be asking is this: should American taxpayers provide the microchip industry with a blank check of over $76 billion at a time when semiconductor companies are making tens of billions of dollars in profits and paying their executives exorbitant compensation packages? I think the answer to that question should be a resounding no," Sanders said on the Senate floor.

TRENDPOST: *Once again, the U.S. finds itself playing catch-up to China.*

The New York Times reported last week that Beijing was able to apparently leapfrog the U.S. when it comes to semiconductors that include circuits "about 10,000 times thinner than a human hair" and rival those made in Taiwan, which is known as an industry leader.

*The **Trends Journal** has long noted that China's business is business, while the U.S.'s business is war. (See: "TOP TRENDS 2021: THE RISE OF CHINA," and "DUH! PENTAGON SURPRISED BY CHINA'S TEST OF HYPERSONIC MISSILE.")*

We have noted that both China's manufacturing abilities and tech innovation were at third world levels before Bill Clinton and George W. Bush brought the communist nation into the World Trade Organization at the turn of the century.

It was U.S. and European companies that exported their manufacturing facilities and high technology to China so they could use its cheap labor to make their products... and sell them back to the citizens around the world at much higher prices so they could boost their profit margins.

Thus, with the U.S. workforce having slid into the service sector economy—working at Walmarts, janitorial jobs, hospitality sector, restaurant workers, packing and shipping for Amazon, stocking shelves and cashiers at Dollar General, Kroger's etc.—what was once a nation of manufacturing innovation and creativity has descended into Slavelandia. (Read "SLAVELANDIA: RICH GET RICHER, POOR GET POORER." 13 Oct 2020.)

As we have long forecast, the only way the United States—which is rich in natural and human resources—will halt its economic decline is to become a self-sustaining economy.

The Times said the Biden administration has worked to keep key equipment away from China when it comes to these semiconductors "because progress in chip manufacturing is now scrutinized as a way to define national power—much the same way nuclear tests or precision-guided missiles were during a previous cold war."

TREND FORECAST: *Barely a mention by the mainstream media of why and how American companies left the U.S. manufacturing base and went to cheap labor nations to make what they needed as the U.S. middle class shrunk.*

Nothing about NAFTA and bringing China into the World Trade Organization that had companies take government money and eliminate high paying manufacturing jobs that were sent overseas... while selling the crap that the Americans would be better off as a "service sector" economy.

This bill, as with most Federal, state and local legislation, is more tax breaks and funding for the Bigs and lower wages and more poverty for the plantation workers of Slavelandia.

THE PENSION FUND PLUMMET

Plunging stock and bond prices have left state and local public pension funds with assets to cover only 77.9 percent of what they will eventually owe, Bloomberg reported.

Last year, the funds had 84.8 percent of the money needed to meet their obligations, according to the nonprofit Equable Institute.

That translates to almost $500 billion less that pension funds have on hand.

Calpers, California's pension fund for public employees and the nation's largest, reported it lost 6.1 percent of its value in its most recently completed fiscal year.

Idaho's public employee retirement fund shed 9.5 percent in its fiscal year ending 30 June, its fourth worst return ever.

Public pension funds have lost an average of 10.4 percent so far this year, Equable calculated, erasing about half of the 25-percent gains the funds booked last year as federal stimulus money kept financial markets oiled.

"The threat to states is not the investment losses," Anthony Randazzo, Equable's executive director, told Bloomberg. "The threat is the contribution rates that are going to have to go up because of the investment losses."

Corporate and individual contributions to pension funds, now around 30 percent of payroll, will need to rise to 35 percent by 2030 to ensure funds can meet their obligations, Randazzo estimates.

Public pension funds' unfunded liability will reach $1.4 trillion this year, he warned.

For years, public pension funds have been seeing their future liabilities grow faster than their assets.

To make up the difference, pension funds have been venturing into riskier investments that dangle the chance of high profits, such as junk bonds and private equity, the latter now comprising more than 10 percent of state pension funds' holdings, Equable said.

However, the Ukraine war and resulting sanctions, inflation, and rising interest rates have dashed many of those hopes.

Most recently, pension funds have been borrowing to invest, as we reported in "Pension Funds, Facing Deficits, Borrow to Invest" (5 July, 2022).

If pension funds are unable to meet their obligations, their payments are taken on by the Pension Benefit Guaranty Corp. (PBGC), a federal agency that insures pension funds, meaning that taxpayers supply the missing money.

TREND FORECAST: *With Americans increasingly having to choose which basic expenses to not pay from month to month (see "Consumers Find It Harder to Pay Bills Now Than During the COVID War" in this issue), workers will balk at seeing more taken out of their paychecks to fund a far-off retirement.*

A growing number of retirement funds will be unable to meet their obligations, especially when the 65-million-strong Generation X begins to retire in 10 years.

When that happens, state and federal taxpayers will be handed the bill—the same taxpayers already covering Social Security and Medicare costs for Baby Boomers.

Ultimately, to prevent a collapse of the pension system and widespread bankruptcies among retirement funds, legislatures will be forced to step in with solutions that will roil the retirement plans of millions of Americans.

CONSUMER CONFIDENCE LACKS

Consumer confidence fell in July for the third consecutive month, according to the Conference Board, an international nonprofit consortium of corporations.

Consumers' outlook fell to a rating of 95.7 last month from 98.4 in June and dropped below economists' expectation of 97.2, freighted with concerns about rising food and fuel prices in particular.

Buyers are now less likely to buy cars, homes, and major appliances in the near future, due largely to the combination of rising prices and higher interest rates, the survey found.

Consumers also had a gloomier view of current business conditions and the outlook for job growth than in June.

TREND FORECAST: *As we had forecast in "Consumer Confidence Sags in May" (7 Jun 2022), consumer confidence will not rise until inflation shows a consistent downward trend and wages rates rise above inflation.*

Some analysts claim that inflation has peaked, or is peaking now. If so, that will not be clear until at least October, when September's figures are reported.

With U.S. inflation rising again in July, it remains unlikely that inflation will reverse course this year without a sudden, dramatic recession. And, considering the real economic conditions that are affecting consumers, such as rising debt levels, the "confidence" levels will continue to decline.

DURABLE GOODS ORDERS ROSE 1.9 PERCENT IN JUNE

In June, the value of orders for pricey items designed to last three years, such as refrigerators and factory robots, grew by 1.9 percent to $272.6 billion, the U.S. commerce department reported.

However, when defense spending is excluded, June's gain was 0.4 percent. During the same month, inflation flew at 9.1 percent.

Commerce department figures are not adjusted to account for inflation. Therefore, the actual number of durable goods ordered in June declined.

The value of new orders for non-defense goods and also excluding aircraft rose 0.5 percent to $73.9 billion in the month, according to *The Wall Street Journal*.

During the first half of this year, the dollar value of orders for these so-called "core" durable goods was 10.1 percent greater than the same period in 2021, the department said.

The dollar value of durable goods orders has grown in eight of the past nine months, the department said.

The gains "will reverse in July," Ian Shepherdson, Pantheon Economics' chief economist, wrote in a research note last week.

June's gain "does not change the bigger picture of a slowdown in spending, but it has not reached recession-type proportions," he said.

TREND FORECAST: *The market for durable goods has been caught up in Dragflation, our Top 2022 Trend of declining economic activity amid rising prices.*

The reduction in the volume of durable goods will continue to fall in the months ahead and is a leading indicator of, as well as a cause of, recession.

SHERWIN-WILLIAMS CUTS OUTLOOK, WARNS OF "AGGRESSIVE" PRICE HIKES

International paint purveyor Sherwin-Williams cut its per-share earnings outlook for 2022 from around $9.50 a share to around $8.65, although it reported higher sales in terms of dollar volumes in its second quarter.

The company's share price dropped as much as 13.2 percent on the news, but later recovered to end down 8.8 percent on 27 July.

"Raw material costs have not yet moderated," the company said in announcing the cut, and promised "aggressive actions throughout the second half of the year" to protect its margins.

The company also complained of lingering supply chain tangles.

Sherwin-Williams will raise retail prices 10 percent in Latin America on 6 September and will boost prices elsewhere as well, the announcement said, but did not disclose the increase or its schedule.

TRENDPOST: *The company's results indicate a slowing in the home improvement and do-it-yourself markets, which thrived during the COVID War as people had free government money but fewer ways to spend it.*

Now, with inflation forcing people to divert money to food, fuel, and other essentials, sprucing up homes will remain less of a priority for the foreseeable future.

SPOTLIGHT: U.S. REAL ESTATE

HOUSING MARKET LEADING U.S. TOWARD RECESSION, NAHB CHIEF SAYS

The weakening U.S. housing market is leading the country into a recession, Jerry Howard, CEO of the National Association of Home Builders (NAHB), said in a recent Bloomberg interview.

Residential real estate makes up 15 to 18 percent of the U.S. GDP in a typical year, according to the NAHB, so a decline in home construction weakens the broader economy.

A slumping home construction market has led every recession since World War Two, Howard pointed out.

In June, purchases of new homes dropped by 8.1. percent, year over year, to an annual rate of 590,000, the lowest in two years, the NAHB reported. Purchases of existing homes were down 5.4 percent for the month.

The market is squeezed from two directions.

First, mortgage interest rates have doubled in the past year. The average U.S. rate for a 30-year, fixed-rate mortgage was 5.57 percent on 29 July; a year ago, the rate was below 2.5 percent. On Monday, the average was 5.28 percent, Bankrate.com reported.

Second, builders' cost for materials and labor has risen relentlessly, making new homes less and less affordable for modest and middle-income buyers and also driving up the cost of existing homes as competition for them sharpens.

Just 13 percent of new homes sold in June were priced below $300,000, while a year ago the number was 26 percent, the U.S. census bureau reported.

The proportion of U.S. consumers planning to buy a home in the next six months fell to 4.4 percent in July, the lowest in seven years, according to the Conference Board.

As a result, builders' confidence in their industry's future prospects has fallen for seven consecutive months in the NAHB's monthly survey. In July, builders' outlook dropped 12 points to a ranking of 55, the second-largest monthly plunge in the survey's history, and the lowest point since May 2020 as the COVID War began.

Housing may have led the country into every recession in recent history, but it also has led the country out, Howard noted.

However, this time the recovery might take longer than usual, he warned.

Federal trade negotiators should pursue agreements with Canada to allow more Canadian lumber into the U.S. to push down materials costs, Howard urged.

Better skills training in the building trades and prioritizing immigration permits for skilled trade workers also would help ease the crisis, he said, as would easing overly stringent zoning regulations and building codes.

"The softening of single-family construction should send a strong signal to the Federal Reserve that tighter financial conditions are producing a housing downturn," Robert Dietz, the NAHB's chief economist, told Business Insider.

TREND FORECAST: *Rising interest rates and the high costs of labor, material, and land on which to build new homes will prevent the home construction industry's economic recovery this year.*

Much of the industry's purchases will be made by private equity firms, which have swooped into the housing market in the last two years, buying not only individual houses but also contracting to buy entire tracts of new housing that they can rent at premium prices.

NEW HOME SALES FALL TO TWO-YEAR LOW IN JUNE

New contracts signed in June for home purchases were 20 percent fewer than a year earlier, to their lowest since September 2011, excepting March and April 2020 as the COVID War began, the National Association of Realtors (NAR) reported.

The number of homes under contract declined by 8.6 percent in June, compared to analysts' predictions of a 1-percent dip.

Closed sales of new U.S. homes also fell in June, marking the fifth monthly decline this year and the lowest rate in two years, Bloomberg reported.

Purchases of new single-family homes dropped by 8.1 percent to 590,000. Economists surveyed by Bloomberg had predicted 655,000.

Sales of new homes are now 13.4 percent lower this year than during the first six months of 2021, according to the National Association of Home Builders (NAHB).

The average interest rate on a 30-year, fixed-rate mortgage was under 3 percent at the end of last year; in some markets, it has topped 6 percent this year. The U.S. average rate stood at 5.28 percent on 1 August.

Rising interest rates have combined with record-high home prices to shut lower- and middle-class buyers out of the market.

The reason: only the well-off can afford high monthly mortgage payments that include suddenly higher interest rates.

The average selling price of a U.S. home was $525,000 in this year's second quarter, according to the Federal Reserve Bank of St. Louis.

However, data from the census bureau and the U.S. Department of Housing and Urban Development pegged June's average selling price at $456,800.

Either of those figures place the average-priced home for sale beyond the means of the typical household with two working adults, which now has a median income of $70,768, according to the census bureau.

The proportion of U.S. consumers planning to buy a home in the next six months fell to 4.4 percent in July, the lowest in seven years, according to the Conference Board.

"Buyers are balking due to deteriorating affordability conditions and growing sticker shock," Danushka Nanayakkara-Skillington, the NAHB's assistant vice-president for forecasting, told Business Insider.

Nationally in June, buyers canceled 14.5 percent of home sales under contract, the highest number since April 2020 when the COVID War began, John Burns Real Estate Consulting said.

PulteGroup, a major U.S. home builder, saw new orders fall 23 percent in the second quarter, year on year. The cancellation rate more than doubled during the period, from 7 percent to 15.

"The uptick we have seen in cancellations has really been in the last 30 to 60 days, and the leading driver has been buyers' remorse," CEO Ryan Marshall said in a late July earnings call.

"A big part of that comes from buyers that made a buying decision during the run- up in interest rates, and as talk of recession increased, their remorse and fears have also increased with it," he said.

D.R. Horton, which builds more U.S. houses than any other company, reported that buyers pulled out of 24 percent of their contracts in the second quarter, up almost a third from the same time the year before.

The cancellation rate is a signal “that more Americans are now struggling to afford home purchases,” BI noted.

At the end of June, 457,000 new homes were up for sale nationally, the most since 2008. At the current sales pace, the market would need 9.3 months to find buyers for them, compared with 8.4 months in May.

Closed sales dropped by 36.7 percent in the western U.S., 2 percent in the South, and 5.3 percent in the Northeast. The Midwest was the only part of the U.S. where sales increased.

The number of U.S. homes sold this year will drop 13 percent below 2021’s total but begin to rise again early next year, according to the NAR.

TRENDPOST: *Like the auto industry, home construction underpins a large swath of the U.S. economy. The impact of falling sales and slowing construction will ripple throughout a range of markets and industries, further tipping the economy toward recession.*

"ZOOMTOWNS" NO LONGER ZOOMING

"Zoomtowns"—second-tier cities that boomed when workers could relocate away from urban centers and "commute" to their offices via Zoom—are seeing their luster fade.

Boise, Idaho's capital city, was one of the most popular: it offered cheap housing, spectacular scenery, few COVID-related mandates, and it was reasonably close to Seattle and California. Home prices soared as migrants flooded in.

Now the Zoom boom is over.

With mortgage rates their highest in 13 years, home buyers are no longer willing to pay last year's record prices.

In June, 61 percent of homes listed for sale in the Boise metro area took a price cut, according to online brokerage Redfin, the highest rate of price-chopping among the 97 metro areas Redfin monitors.

Other top-tier Zoomtowns seeing housing prices slide include Denver, Salt Lake City, and Tacoma, Redfin noted.

Mortgage rates topped 5 percent in April and "it was like somebody just turned the lights off," Shauna Pendleton, a Redfin agent in Boise, told *The Wall Street Journal*. "Buyers just disappeared off the face of the Earth."

Boise's slump is not unique.

U.S. home purchases have declined for five consecutive months through June. Mortgage rates have virtually doubled since December, inflation is crimping household budgets, and homes for sale are still relatively scarce, especially in the low- to mid-price ranges.

In June, the number of active listings of houses for sale in Austin, Tex., perhaps the hottest of all Zoomtowns, rose 218 percent year on year. In Phoenix, the number was 156 percent higher.

In Ada County, which includes Boise, there were 179 percent more houses on the market than a year earlier.

Those houses will remain on the market longer than they would have last year.

"Too many buyers cannot afford housing in this market," Nancy Vanden Houten, Oxford Economics' chief economist, said to the *WSJ*.

HOME PRICES RIDING FOR A FALL, FORMER IMF OFFICIAL PREDICTS

A combination of factors points to home prices falling in the second half of this year, according to Desmond Lachman, a senior fellow at the American Enterprise Institute and former deputy director of the International Monetary Fund.

First, rampant inflation, which reached 9.1 percent in June, will force the U.S. Federal Reserve to keep raising interest rates at its next few meetings, he told Business Insider.

That will translate to higher mortgage interest rates, which will slim down the number of households that can qualify for a mortgage, especially as lenders tighten their lending criteria further ahead of a possible recession.

Second, the Fed is no longer buying mortgage bonds. It was buying $40 billion a month during the COVID War, ensuring cheap money for average borrowers. Now lenders are more choosy, pushing mortgage rates higher.

Third, the higher interest rates have chopped demand for new houses, as we report in "New Home Sales Fall to Two-Year Low in June" in this issue.

That will be the biggest single factor forcing prices lower, Lachman said.

Fourth, the Fed's aggressive moves on interest rates are raising the odds that the U.S. will enter a full-blown recession after entering a technical one last month.

A technical recession is defined as two quarters of shrinking economic activity. Economists wait to acknowledge a recession until the nonprofit National Bureau of Economic Research declares one.

During recessions, people lose jobs and delay major purchases such as houses, Lachman noted.

Fifth, the plunging stock market—down almost 20 percent this year—has wiped out a significant amount of wealth, making people skittish about the future, he said, and predicted that share prices have further to fall.

Home prices will remain high because sellers will be reluctant to let go of current asking prices, he said, but will be forced to later on as houses sit on the market for longer and longer.

Prices will shed 15 to 20 percent next year before beginning to recover toward the end of 2023, he said, coinciding with the Fed beginning to reduce interest rates.

José Torres, senior economist at Interactive Brokers, expects to see home prices fall as much as they did during the Great Recession, he said in a late July interview with BI last week.

"A perfect storm is brewing in the real estate market due to near decade high construction levels and plummeting demand," he said.

"Right now there is a shortage of [housing] supply," Lachman acknowledged, "but if demand is falling off a cliff, it doesn't matter that there's a shortage of supply. If demand falls enough, you're going to have those inventories going up and the price coming down."

BANKS TIGHTEN LENDING ON COMMERCIAL REAL ESTATE

Banks are lending less, setting more stringent borrowing criteria, and charging higher interest on purchases of hotels, office buildings, shopping malls, and other commercial properties, *The Wall Street Journal* reported.

The stricter requirements reflect not only the recent rise in interest rates, but also the wobbly market in commercial properties and what many see as the growing risk of a recession, which would likely increase the number of loans that go bad.

In this year's second quarter, banks issued $20.6 billion in securities backed by commercial mortgage loans, almost a third less than the $29 billion they lent in the first three months of this year, according to research service Trepp.

In June, banks issued only $3.6 billion in collateralized loan obligations, which are securities backed by short-term loans to developers.

In contrast, in February banks issued $8.9 billion worth.

Collateralized loan obligations are seen as somewhat riskier than other kinds of property loans.

The outlook for commercial real estate turned especially sour last month when inflation topped 9 percent, *The Wall Street Journal* said.

In the second quarter, investors bought $190.3 billion in commercial properties, 17 percent more than the same period a year earlier, data service MSCI said.

That is a fraction of the 150-percent increase booked in the second quarter of 2021, MSCI noted.

The number of second-quarter deals was 22 percent fewer than a year previous.

After peaking in March, commercial property values have slipped about 5 percent, research service Green Street noted.

TREND FORECAST: *Since the beginnings of the COVID War in "Real Estate's Reality" (7 Jul 2020), we have predicted the unfolding decline of the commercial real estate market and documented its implosion in articles such as "Commercial Real Estate: Boom or Bust?" (25 May 2021), "Return to Office Postponed: Commercial Real Estate Bust?" (14 Sep 2021) and "Real Estate Markets Down as Interest Rates Rise" (28 Jun 2022), among others.*

Through our ongoing coverage of the commercial real estate's demise, regular readers have been able to verify the accuracy of our predictions.

In urban centers, the groundshift to remote work has destroyed large swaths of the retail economy that depended on commuters to buy lunches, business wear, and other staples. Remote work has left both retail and office landlords with fewer tenants and reduced incomes from which to pay mortgages and taxes.

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

Local governments feel the loss of tenants and economic activity as a plunge in sales and property taxes, leaving officials to fund the same level of services with less money. In those cases, services have to be reduced to balance municipal budgets.

Ultimately, the result is felt by residents of those areas, as their quality of life deteriorates because services are pared back, making cities less appealing to new retailers and companies seeking office space.

TRENDS ON THE GLOBAL ECONOMIC FRONT

WHEN THE ECONOMY FALLS JOBS GO WITH IT

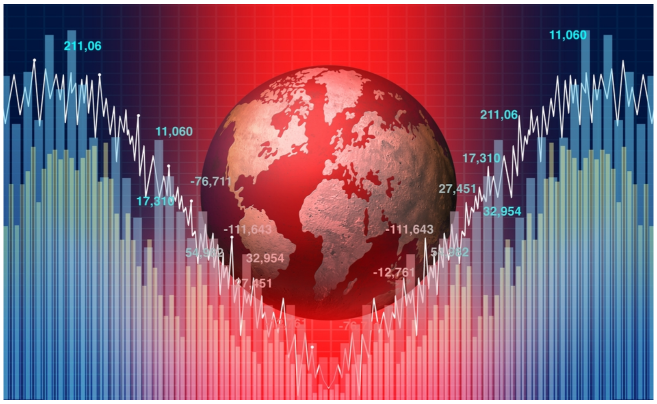
Inflation and interest rate hikes are causing companies in many sectors to lay off employees. To illustrate the employment trends and the socioeconomic implications, each week we will list job losses.

Initial claims totaled 251,000 for the week ended July 16, up 7,000 from the week before and above the 240,000 Dow Jones estimate. The Philadelphia Fed manufacturing index fell to a reading of -12.3, and produced the lowest employment reading since May 2021.

- 7-Eleven cuts 880 jobs as part of restructuring
- Arrival considers 800 job cuts in response to “the challenging economic environment”
- Vero bank cuts 75 jobs
- Just Eat eliminates 350 delivery jobs in France
- Capsule has cut an undisclosed amount of its workforce

- Hydrow cut 75 staff members or 35 percent of its workforce
- Flyhomes loses 150 staff or 20 percent
- Lyft fired another 60 employees
- The Mom Project laid off 54 workers
- Olive cut 450 jobs
- Invitae let go of 1000 employees
- Gemini cut another 68 jobs
- Lusha fired 30 workers
- Microsoft Corp. is eliminating many open jobs, including in its Azure cloud business and its security software unit
- Shopify plans to lay off 10 percent of its global workforce, close to 1000 employees
- Re/Max slashed 17 percent of its workforce
- Vimeo is firing 6 percent of its staff
- Rivian will fire 5 percent
- Thrasio cut 20 percent of its employees
- Canopy Growth will let go of 250 workers
- Facebook is preparing for staff cuts up to 10 percent
- Vox Media cuts 39 employees
- Clearco has announced multiple waves of firing
- Co-op Group cuts 400 jobs
- Amazon shrinks staff by 100,000 workers
- Netflix cut another 300 people in June
- Twitter laid off 100 members
- Tesla cut another 200 jobs
- Whoop is cutting 15 percent of its workforce
- Ford plans to cut 8,000 workers in its gas-fueled vehicle division
- Asurion laid off 750 employees
- OpenSea cuts 20 percent of its staff
- ChowNow cut 100 jobs
- Hopin laid off 29 percent
- U.S. startups have laid off 6,000 employees since the start of July
- Robinhood slashing nearly 25 percent of jobs

TOP TREND DRAGFLATION: GLOBAL BUSINESS ACTIVITY SLOWS SHARPLY IN JULY



Business activity slowed worldwide last month, according to surveys of purchasing managers.

In the U.S., the composite purchasing managers index (PMI) encompassing both goods and services, sank to 47.5 in July, compared with 52.3 in June.

Ratings below 50 indicate economic contraction.

“The downturn signaled a further loss of momentum across the economy not seen outside of COVID lockdowns since 2019,” research service S&P Global wrote in a statement.

Business in the U.S. service sector fell dramatically, *The Wall Street Journal* said, with the PMI for services dropping the most in one month since May 2020.

Rising prices of food, fuel, and other necessities are forcing consumers to dedicate a larger share of incomes to essentials and cut discretionary spending on things like dining out and yoga classes.

The Eurozone’s composite PMI for July also crossed below 50, falling from 52.0 in June to 49.4 last month, S&P Global reported, with Germany’s economy suffering the steepest drop. (See “Germany Stalls, Other EU Economies Claim Growth in July” in this issue.)

Japan’s factory productivity declined for the first time in five months, with new factory orders dropping at their steepest since November 2020.

TRENDPOST: *While analysts warn of stagflation, the world's economy has entered into a period of rising prices and falling economic output, the definition of Dragflation, our Top 2022 Trend.*

TREND FORECAST: *If current patterns continue, Dragflation will persist until a severe recession crashes the global economy.*

Central banks' tepid interest-rate hikes are having little effect, as we note in "ECB Raises Interest Rate By a Half-Point" in this issue.

More likely, high prices will force consumers to simply stop buying a wide range of discretionary goods and services, leading into a recession that will bring prices down across a wider portion of the economy and causing some sectors of inflation to decline and/or pause.

However, there are always the wild cards, be they made by humans or nature, and the wildest of cards currently being dealt are WWIII.

EMPLOYERS FACE TRIPLE-WHAMMY: COVID-19 INFECTIONS, LABOR SHORTAGES, AND SUMMER VACATIONS

At this rate, it's remarkable anybody's going to work at all.

Employers are facing a confluence of issues that are leading to staffing shortages during the summer months ranging from a surge in COVID-19 infections, a lingering labor shortage, and vacations.

According to data released by the Census Bureau, about 4 million people called out from work between 29 June and 11 July because of a COVID-19 infection. These individuals said they were exhibiting symptoms or caring for a loved one.

The Wall Street Journal reported that the number is a jump from the 1.8 million who called out the same time last year. The report went on to say that another 4.8 million Americans took vacation or other personal days during the week that the study was conducted. Last year, about 3.7 million workers took off in the same week.

Joe DeSimone, the founder and chief executive at Lacrosse Unlimited, told the paper that one of the challenges is the country's child-care infrastructure because so many employees need to stay home to take care of their children.

"Every given day there's an expectation that someone will be out, more because their child has COVID, and they have to figure out child care—they can't go to school, they can't go to camp," he said.

The paper noted that about 353,000 workers dropped out of the labor force in June alone.

TRENDPOST: *The* ***Trends Journal*** *has reported extensively how COVID-19 has, in many ways, given the power back to employees—many of whom want higher pay, more respect, and better benefits. The push has led to a major unionization effort in several industries across the U.S., and is a TOP TREND for 2022.*

CNBC reported that there is a growing trend that includes company-wide holidays to fight burnout. PwC, the accounting firm, announced that it will give its 60,000 U.S. employees two annual company-wide, week-long breaks, the report said. The weeks will be in July and December—in addition to vacation time.

"The energy and the enthusiasm is amazing, and that translates to my mind to productivity and happier clients at the end of the day," Tim Ryan, a PwC senior partner and U.S. chair, told CNBC.

NEW WORLD DISORDER: IMF WARNS OF GLOBAL RECESSION

The world economy is teetering on the edge of recession, the International Monetary Fund (IMF) warned in its latest quarterly economic outlook report.

The agency also cut its global growth forecast again, dropping it to 3.2 percent from 3.6 percent forecast in April. In 2023, worldwide economic expansion will be a modest 2.9 percent, the IMF said.

The U.S. economy will grow 2.3 percent this year and 1 percent in 2023, it predicted, down from its April forecast of 3.7 and 2.3 percent, respectively.

The IMF trimmed its outlook for China's 2022 growth from 4.4 percent in April to a revised 3.3 percent now.

"The slowdown in China has global consequences," the IMF report stated.

"Lockdowns added to global supply chain disruptions and declines in domestic spending are reducing demand from China's trade partners," it added.

The Eurozone will add 2.6 percent to its GDP this year and 1.2 percent in 2023, the agency said.

However, the forecasts again may not hold, the IMF noted.

"Risks to the outlook are overwhelmingly tilted to the downside," the IMF's report said, citing prospects of Russia ending natural gas deliveries to Europe, stubborn inflation, China's possible new anti-COVID lockdowns, and debt crises among poor nations. (See "Strong Dollar Weakens Other Economies, May Force Higher Rates" in this issue.)

Also, growing geopolitical tensions between the West and a Russia-China axis could further disrupt global trade, the IMF warned.

"We have higher inflation and it's broader inflation," Pierre-Olivier Gourinchas, IMF's chief economist, told *The Wall Street Journal*. "It's seeping into services."

In most countries, wage increases are badly lagging price hikes, he noted.

"We have a slowdown in the U.S., in China, and in the euro area," Gourinchas pointed out. "The three largest economies in the world are stalling right now."

Inflation in poor countries will average 9.5 percent this year, the agency said.

TREND FORECAST: *As Gerald Celente notes, "When people lose everything and have nothing left to lose, they lose it."*

As prices for food, fuel, and other staples rise, so do tempers.

Many governments, especially in poor nations, are facing the growing prospect of default and have few resources to put toward relieving consumers' price pain.

Continued inflation will drive people into the streets. Protests will stir social and political turmoil, creating new political movements with the power to destabilize governments.

Sri Lanka's collapse this summer is only the first; other nations will undergo the same fate.

STRONG DOLLAR WEAKENS OTHER ECONOMIES, FORCES HIGHER RATES

The U.S. dollar has gained about 12 percent in value this year relative to other major currencies, in large part because the U.S. Federal Reserve has raised interest rates more aggressively than have the central banks of many other major economies.

Also, fears of a global recession and geopolitical turmoil have spurred investors to seek safety in the world's reserve currency, boosting dollar-denominated instruments and making other currencies less attractive.

Poland's zloty and the Hungarian forint have fallen to new lows against the dollar recently.

Even the euro was briefly worth less than a dollar last month, although it has now barely edged back above the buck, closing at $1.03 on 1 August. The euro has lost 10 percent of its value against the dollar this year.

According to the terms of international trade, imports of a range of goods—including food and fuel—must be paid for in dollars.

About 40 percent of invoices presented to countries for their imports require payment in dollars, according to a recent study by the International Monetary Fund (IMF).

Surprisingly, prices for transactions between businesses in two distant countries can be affected more by the dollar's strength than by the value of the two native currencies, the IMF study found.

"Trouble is coming in emerging markets," Megan Greene, senior fellow at Harvard University's Kennedy School of Government, told *The Wall Street Journal*.

Sri Lanka's recent collapse "is a familiar story in emerging markets and a sneak peek at what's to come," she said.

Currently, about 60 percent of the world's 75 poorest countries are in, or close to, debt distress—a situation in which a country is unable to meet its debt payments—the IMF has calculated, with some middle-income countries also now starting to show signs of trouble.

After more than a year of lofty commodity prices buoying poor nations' revenues and delivering fat returns to investors in those currencies, a slowing world economy now is shrinking those revenue streams.

As a result, "cracks are appearing" in emerging countries' currencies, Goldman Sachs analysts said in comments quoted by the *WSJ*.

Hedge funds are betting that eastern European currencies are among the most vulnerable now, the *WSJ* said.

"If flows of [Russian] gas are cut off [to Europe] this summer," the forint and zloty "will bear the brunt of it," Stephen Gallo, foreign exchange strategist at BMO Capital Markets, predicted to the *WSJ*.

The two currencies lost as much as 6 percent against the dollar in July. The Czech koruna is off 2 percent.

Weak currencies worsen inflation by making imports more expensive.

The solution: to compete with the dollar, many countries' central banks may have to raise interest rates higher faster than they planned.

If more investors can be drawn to their currencies, they will have more resources with which to buy dollars to pay their bills.

Central banks in Hungary and Poland recently raised their interest rates in July, Hungary's by two full points, but to little effect so far.

Late in July, Europe's central bank boosted its key rate from -0.50, where it had lain for eight years, to zero.

However, with the U.S. base rate as high as 2.5 percent, investors were not moved, especially after the Bank of France set its rate at 2.5 percent on 27 July.

TREND FORECAST: *Central banks waited far too long to begin to raise rates, as even U.S. Federal Reserve chair Jerome Powell admitted in March testimony to Congress when he said, "We're not getting our own job done."*

Now the banks are unable to raise rates high enough fast enough to matter to inflation.

Ideally, interest rates should be high enough that, with compounding, they rise above the rate of inflation.

In the U.S., that would place interest rates above 9 percent, not at a maximum of 2.5 percent, where they are now.

The dollar is strong not because the U.S. economy is robust but because other currencies are dramatically weaker by comparison.

TREND FORECAST: *Absent a wild card event, the dollar will remain at the pinnacle of world currencies through the rest of this year.*

GERMANY STALLS, OTHER EU ECONOMIES CLAIM GROWTH IN JULY

Germany's economy, Europe's largest, stalled in this year's second quarter as international trade slowed under China's anti-COVID lockdowns and Russia's varying deliveries of natural gas hobbled industrial production.

Germany gets about a third of its natural gas from Russia, which has variously slowed or halted deliveries in what most analysts assume is punishment for Germany's participation in Western sanctions against Russia for its Ukraine war.

Partly due to rising natural gas prices, Germany's inflation rate sped up to 8.5 percent in July, compared to 8.2 percent the month before.

Germany's GDP has failed to grow in a meaningful way in more than five years, *The Wall Street Journal* noted, and has shown the weakest post-COVID recovery of any major economy.

About 25 percent of German jobs depend on manufacturing for export, compared to 6 percent in the U.S.; Germany's domestic market is too small to absorb more than a small amount of factories' output.

However, Germany's export economy has stagnated since 2017, with industrial output shrinking by 15 percent since then, due partly to high costs domestically and China's rise to global manufacturing dominance.

Now one in six German manufacturers are curtailing or shutting down production due to runaway energy prices.

In addition, the country is predicted to lose five million workers over the next decade as the population ages.

"Germany is in danger as an industrial location," Bernhard Jacobs, managing director of the country's Sheet Metal Forming Industry Association, told the *WSJ*.

Across the European Union's other 19 countries, second-quarter GDP grew 0.7 percent above the first quarter's output.

France, Italy, and Spain welcomed tourists again, boosting their quarterly results by 0.5 percent, 1 percent, and 1.1 percent, respectively.

However, consumer prices rose at a record annual rate of 8.9 percent in July, outpacing June's record inflation pace of 8.1 percent.

Because growth figures are not adjusted for inflation, the 0.7-percent increase in the value of business activity translates to a sizable reduction in the actual volume of goods and services purchased.

"From here on, we expect GDP to continue a downward trend as the services reopening rebound moderates, global demand softens, and purchasing power squeezes persist," ING economist Bert Colijn wrote last week in a research note.

"We expect that to result in a mild recession starting the second half of the year," he warned.

TREND FORECAST: *The European Central Bank has raised its interest rate to zero from -0.50 percent. (See "ECB Raises Interest Rate By a Half-Point" in this issue.)*

Offering investors no interest is better than charging them to store their money, but it still is no incentive to invest.

Investment capital will continue to flow to the U.S., France, and other economies that offer a combination of relative stability and superior interest rates.

And considering the dire economic conditions of Europe, should they raise rates to counter inflation, which is running at 8.6 percent, they would crash the already weakened economy... which, as with other nations, was artificially pumped up with cheap money and government infusions.

Today, the euro slumped to near parity against the dollar. Therefore, the lower the euro sinks the more it costs to buy products and services... and the higher inflation rises.

EUROZONE BUSINESS ACTIVITY TURNS NEGATIVE IN JULY

Business activity in the 19-country Eurozone contracted in July for the first time since February 2021, according to S&P Global's composite purchasing managers index (PMI).

The index fell to 49.4 in July from 52.0 in June. Economists surveyed by Reuters had predicted a rating of 51.

Ratings below 50 indicate contraction.

The turn to contraction heightens analysts' expectation that the Eurozone's economy will fall into recession this year, the *Financial Times* reported.

The euro slipped 0.7 percent on the survey's result, to $1.015. Germany's 10-year bond yield sank to 1.07 percent, the lowest since May, on bets that the looming recession will force the European Central Bank to slow or stop raising interest rates.

TRENDPOST: *Europe is bearing a large share of the economic brunt of not only the Ukraine war, but also of Western sanctions designed to punish Russia for its invasion... which we have detailed is punishing the people and not Putin as President Biden had predicted.*

The war will remain not only a protracted struggle between Ukraine and Russia, but also between Europe's ability to hold firm on sanctions and the exhaustion of the region's residents and economy as prices rise and jobs disappear.

ECB RAISES INTEREST RATE BY A HALF-POINT

On 28 July, the European Central Bank (ECB) ended eight unbroken years of negative interest rates by boosting its key rate from -0.50 percent to zero, double the increase it had previously signaled.

It was the bank's first rate hike in 11 years and the biggest since 2000.

The bank will continue to "normalize" rates at future meetings, it said in a statement.

"Price pressures are spreading across more and more sectors," ECB president Christine Lagarde told a press briefing. "Most measures of underlying inflation have risen further. We expect inflation to remain undesirably high for some time."

Lagarde had all but guaranteed a quarter-point interest bump just a few days before the bank's governing council met.

However, the sudden resignation of Mario Draghi, Italy's prime minister and a former ECB president, coupled to new uncertainties over Russia's natural gas shipments to the region, nudged officials to stiffen rates more.

The bank also has created a "transmission protection instrument" that is intended to make sure interest rates do not rise dangerously high in heavily indebted countries, such as Italy and Spain.

The ECB's governing council has retained the sole right to determine when the instrument is used.

The bank's bump to interest rates is likely to have some, though marginal, effect on slowing inflation, Bert Colijn, senior European economist at ING, told the Associated Press.

“With a recession looming and inflation reaching new highs, the question is how the ECB will respond to an economy which is already cooling down,” he said.

The only remaining major economies with subzero interest rates are Denmark, Japan, and Switzerland.

More than 80 central banks have raised their interest rates this year. And today, Australia’s central bank brought its interest rate to six-year high percent after raising its benchmark 50 basis point to bring its interest rate to 1.85 percent.

But on the grand scheme of rate hikes, it should be noted that they didn’t start raising rates until May, and the 25 basis point hike back then was the first in more than 11 years.

Thus, with interest rates now at its highest point since May 2016 when the bank cut the rate from to 1.75 percent from 2 percent, even at this low level, the housing market that was artificially propped up with cheap money is quickly sinking.

According to CoreLogic Australian home prices sank at the fastest pace since the Panic of ’08 and as rates continue to rise they noted the price slump is “likely to worsen.”

TRENDPOST: *The ECB’s new interest rate has more symbolic than practical value.*

With the region’s inflation at 8.9 percent in July, an interest rate of zero can have no leverage against rising prices.

The bank’s unwillingness to begin to raise its rate until now has rendered it irrelevant to the fight against inflation.

RUSSIA'S ECONOMY RISES ABOVE SANCTIONS AS CENTRAL BANK CUTS RATE

Russia's economy has been harmed less than expected by Western sanctions that were imposed as punishment for its attack on Ukraine, the International Monetary Fund (IMF) noted in its new quarterly economic outlook report.

Russian exports, including oil, "are holding up better than expected," the report said.

"In addition, domestic demand is also showing some resilience, thanks to containment of the effect of the sanctions on the domestic financial sector and a lower-than-anticipated weakening of the labor market," the IMF noted.

While it downgraded the economic outlook for other economies, as we report in "IMF Cuts Growth Forecast Again, Warns of Global Recession" in this issue, the IMF "upgraded its downgrade" for Russia's performance this year.

In April, the agency foresaw Russia's GDP contracting 8.5 percent this year; now it will shrink by just 6 percent, the IMF expects.

However, the IMF sees a deeper contraction for Russia next year, adjusting its forecast from a 2.3-percent shrinkage to a 3.5- percent contraction as sanctions work their way through the economy.

In more surprising news from Russia, on 22 July the country's central bank cut its key interest rate from 9.5 percent to 8.0 on an improved growth forecast and slowing inflation—more indications that Western sanctions have failed to bite as hard as intended.

Inflation has eased from 17.1 percent in May to 15.9 percent in June, the bank noted, and predicted the rate will be as low as 12 percent by 2023.

The cut also was made to ward off possible weakening of the ruble in the event of a global recession or "a strengthening of external trade and financial restrictions"—more sanctions—"which would have an inflationary effect," the bank said in a statement.

When Western sanctions were imposed in February, the bank jacked its rate to 20 percent and the government banned capital from leaving the country.

With the latest rate cut, Russia's ruble strengthened to about 58 to the dollar, compared to 150 to the buck immediately after it attacked Ukraine.

Since then, a series of rate cuts has brought interest levels down below their pre-invasion levels.

TRENDPOST: *Western sanctions were doomed to fail, and will continue to, as long as China, India, and countries in Southeast Asia and Latin America refuse to adopt them.*

While several major economies have suspended trade with Russia, enough countries have maintained trade relations to allow Russia to limp along, paying for its war while keeping a semblance of a domestic economy running.

TREND FORECAST: *The longer the war persists, the more it will negatively affect consumers as prices will continue to rise due to shortages of commodities from the Russian/Ukraine region.*

Go back to 26 February. President Joe Biden said there were only two options following Russia's invasion of Ukraine: "Go to war with Russia, physical... or two make sure that a country that acts so contrary to international law pays a price for having done it."

As inflation numbers grew, Biden declared that "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."

Obviously, by the numbers, he was wrong, but the mainstream media ignores his inaccuracy and the price it has cost on people across the globe.

Not Long Ago, But Long Forgotten

Back in March, the White House announced a ban on Russian oil imports, joining Canada and the United Kingdom. Oil prices in the U.S. hit their highest levels since 2008.

Refusing to acknowledge his and his allies' actions that pushed oil prices higher, Mr. Biden declared, "Democrats didn't cause this problem. Vladimir Putin did," Biden said of the Russian president. "Putin's gas tax has pushed prices higher."

Yet, there was little or no denunciation for his 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."

Moreover, Moscow's fight against the sanctions imposed upon it and the scores of businesses and financial institutions leaving the nation will prove positive for the nation.

It is part of Putin's push against Globalization. Russia has bolstered itself over a long period of time—even prior to the Ukraine War—in preparation for the assault by creating as much of a self-sufficient economy as possible, in line with our Top 2022 Trend of Self-Sufficiency.

NEW WORLD DISORDER TOP TREND: PAKISTAN STUMBLES TOWARD DEFAULT AS RUPEE'S VALUE SLIDES

The value of Pakistan's rupee plunged 7.6 percent last week to 228 to the dollar, its lowest in more than 20 years and its steepest weekly slide since October 1998 as investors came to see Pakistan as the next country to follow Sri Lanka into default.

The rupee's tumble also reflected fears that the International Monetary Fund's $1.2-billion loan agreed to last week might be too little to avert a balance-of-payments crisis, the *Financial Times* reported.

Last week, Fitch Ratings downgraded Pakistan's sovereign bonds from "stable" to "negative," pointing to "a significant deterioration in Pakistan's external liquidity and financing conditions."

The country's foreign currency reserves have shrunk from about $16 billion in June 2021 to roughly $10 billion this summer, barely enough to cover a month's worth of external payments.

To keep current with a $6-billion IMF loan Pakistan received in 2019, the government has ended food and fuel subsidies, sending prices skyrocketing.

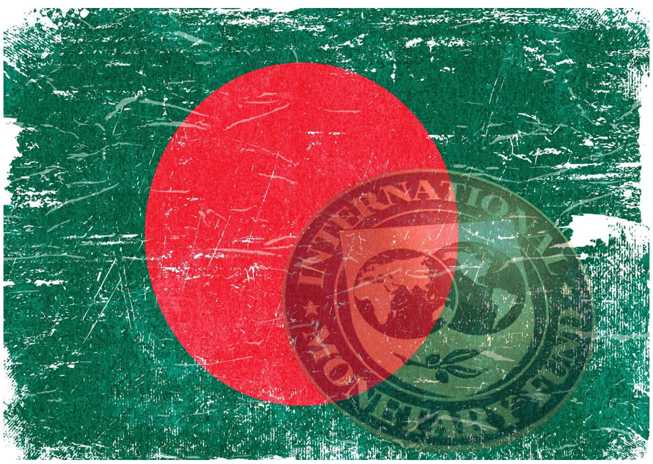
TREND FORECAST: *Pakistan has become another victim of investors' jitters over higher interest rates, a slowing global economy, and inflation, driving them to the safety of the dollar and to abandon riskier markets and currencies.*

The first was Sri Lanka, where relentlessly rising food and fuel prices drove protestors to storm the presidential palace in June and burn the prime minister's home. The government collapsed as the president fled the country.

In mid-July, voters in Pakistan's most populous region handed a victory to the opposition party led by former Prime Minister Imran Khan, who has said Pakistan is stumbling toward "economic collapse."

As Dragflation persists and its economy goes down as inflation goes up, public unrest, protests, riots and government clampdowns in Pakistan will escalate into a civil war.

BANGLADESH ASKS IMF FOR EMERGENCY AID



Bangladesh became the latest Asian nation to ask the International Monetary Fund (IMF) for aid in recent weeks as soaring fuel prices have depleted the country's foreign currency reserves.

"We can't print dollars, we have to earn them," finance minister A.H.M. Mustafa Kamal said in a 27 July public statement.

"We earn dollars through the hard work of our people who work or do business abroad," he added. "They are the driving force of our economy."

Bangladesh had survived the COVID War on the strength of its garment export industry. However, as we have noted, consumer sales are declining and spiking commodity prices, the war in Ukraine, and resulting sanctions have brought the sector down.

Revenue from exports and remittances from Bangladeshis sending money home from elsewhere both have declined this year as the rising cost of living has slashed purchasing power around the world.

Last month, Pakistan came to terms with the IMF to refresh a $6-billion aid plan to avert a balance-of-payments crisis.

The agreement called on Pakistan's government to raise electricity rates and fuel prices and also to halt government subsidies on energy.

Bangladesh's woes raise the specter of Sri Lanka, where skyrocketing food and fuel prices sparked riots that led to the president fleeing the country and the prime minister's home being set alight.

"There already have been protests related to food and fuel prices in at least 17 countries," Samantha Power, administrator of the U.S. Agency for International Development, said in July 27 public comments.

"Sri Lanka's government likely will not be the last to fall," she warned.

Nepal spends about 20 percent of its GDP to import gasoline, diesel fuel, and other petroleum products from neighboring India.

With gasoline prices doubling in the last year, Nepal's debt to India "has risen to dangerous levels," *The New York Times* said.

India itself has seen its foreign reserves shrink by $7.5 billion in the week ending 15 July, data from the country's central bank showed.

TREND FORECAST: *The New World Disorder will escalate across the globe as economies go down and inflation rates rise. As Gerald Celente notes, "When people lose everything and have nothing left to lose, they lose it."*

Not only will there be political upheavals in nations such as Bangladesh, so too will the refugee trend persist as more poor people from poor nations do what they can to escape poverty, crime, government corruption and violence.

And the more refugees that seek refuge in safe haven nations, the strong populist movements will grow in those countries to keep the refugees out.

QUALCOMM REPORTS DROP IN DEMAND FOR PHONE CHIPS

Qualcomm, one of the world's chief suppliers of computer chips for mobile phones, trimmed its sales forecast for this year as inflation forces consumers to curtail unnecessary spending.

The reduced outlook comes even though the company reported a 36-percent sales increase in its most recent quarter, notching $10.94 billion in revenue and edging past analysts' forecast of $10.86 billion.

The company's shipments of chips for handsets will slip by 5 percent this year, CEO Akash Palkhiwala said in a statement.

Demand for the company's 5G chips will be between 650 million and 700 million in 2022, he said, down from the 750 million Qualcomm had forecast earlier.

The company's share price dipped 4 percent on the news.

Demand for computer chips of all kinds soared during the COVID era of remote work.

However, inflation, supply disruptions due to China's massive lockdowns this spring, and the Ukraine war and resulting sanctions have coincided with many workers returning, at least part-time, to a central office.

As a consequence, mobile phone sales will shrink by 7.1 percent this year compared to last, according to market research firm Gartner. The company had earlier predicted a 2.2-percent increase.

To offset slowing sales, Qualcomm is seeking to get its chips into fast-selling products.

As part of the effort, it reached an agreement with Samsung to provide chips for Samsung's phones, tablets, computers, and other devices.

TREND FORECAST: *We note this trend since as goes hi-tech, so goes the economy. This is a key indicator of worse economic conditions on the near horizon.*

SPOTLIGHT: INFLATION

EUROZONE INFLATION SETS ANOTHER RECORD IN JUNE

Inflation across the 19 Eurozone countries climbed to 8.9 percent in July, a record outstripping the 8.6-percent high mark set in June, the European Union's statistics office reported last week.

Energy prices soared again, rocketing up 39.7 percent on disruptions in Russia's natural gas deliveries.

Food prices gained 9.8 percent, slightly more than in June, due to transport troubles and shortages caused in part by the Ukraine war and resulting Western sanctions.

Germany's economy stagnated (see "Germany Stalls, Other EU Countries Claim Growth in July" in this issue), while the rest of the Eurozone squeaked out 0.7-percent growth measured in euros, but a nearly 9-percent inflation rate meant that the actual volume of goods and services purchased declined sharply.

Europe's claim of marginal growth contrasted with the U.S.'s two consecutive quarters of economic contraction, increasing fears of a recession.

Although a recession is technically defined as two consecutive quarters of a shrinking economy, the job market remains stronger than before the COVID War and many analysts, including U.S. Federal Reserve chair Jerome Powell and treasury secretary Janet Yellen, have said recently that the U.S. is not in a full-blown recession.

TREND FORECAST: *With the European Union telling nations to cut back on gas usage which will in turn slow economic growth, the worst in Europe is yet to come: Dragflation.*

And the ECB, by only bringing interest rates to zero from negative .50 basis points knows it... or else they would have raised rates higher to combat inflation which is soaring.

SPOTLIGHT: BIGS GETTING 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. And most importantly, a lot of these acquisitions were made with the belief of rising economic growth.

Also, as economies go down and interest rates rise, the debt burden from these M&A's will grow heavier, crashing many of them into bankruptcy and default on debt.

AMAZON TAKES OVER ONE MEDICAL

Amazon will buy One Medical for $18 a share, a premium more than 75 percent above One Medical's closing share price on 24 July.

The deal, which includes debt, is valued at about $3.9 billion.

One Medical is based on a subscription model, with subscribers paying a monthly fee to have access to physicians and other services.

It operates 180 medical offices in 25 U.S. metro areas and works with 8,000 other firms to provide a range of services and benefits. The company moved aggressively into telemedicine during the COVID War.

However, the business lost momentum and shares were trading last month below their initial offering price.

The purchase continues Amazon's push into the $4-trillion U.S. health care industry.

Amazon opened a discount online pharmacy in 2020, two years after it paid $1 billion to buy PillPack, a mail-order prescription delivery service.

The new deal could face opposition from Lina Khan, chair of the Federal Trade Commission, who has been openly critical of economic power concentrated in a few mega-scale tech companies.

Jonathan Kanter, antitrust chief at the U.S. justice department, also has said it is crucial to rein in the power of giant tech firms to dominate markets.

JETBLUE BUYS TROUBLED SPIRIT AIRLINES FOR $3.8 BILLION

After months of bids and counterbids against Frontier Airlines, JetBlue Airways has agreed to pay $33.50 a share to take over Spirit Airlines to create the fifth largest U.S. passenger air carrier.

The deal values Spirit at $3.8 billion.

Spirit's share price rose 5.6 percent on the news while JetBlue's was unchanged. Frontier shares leaped up 20.5 percent after it bowed out of the contest.

Spirit canceled 2,800 flights between July and August last year due to staffing shortages and technical glitches. With American, it was one of two U.S. air carriers that have received the most complaints from customers, according to the Federal Aviation Administration.

Buying Spirit will expand JetBlue's presence in Florida, Puerto Rico, and Los Angeles as well as at hub airports in Atlanta, Chicago, Dallas, Detroit, Houston, Miami, and Las Vegas.

Frontier and Spirit had reached an agreement earlier, then JetBlue jumped in with a competing offer.

The two carriers had been toying with the idea of a merger for years.

JetBlue's guerilla offer sparked acrimony, particularly from Spirit, which defended its tentative deal with Frontier. In response, JetBlue accused Spirit's management of not looking after shareholders' best financial interests.

The prickly partners will seek regulatory approval early next year and expect to close the deal early in 2024, they said in a joint statement.

There may be turbulence along the way: regulators have said the U.S. airline industry is too concentrated and have sued JetBlue and American Airlines over the pair's partnership at terminals in Boston and New York.

"The merger will be a case of the winner's curse," business professor Erik Gordon at the University of Michigan, said to *The Wall Street Journal*.

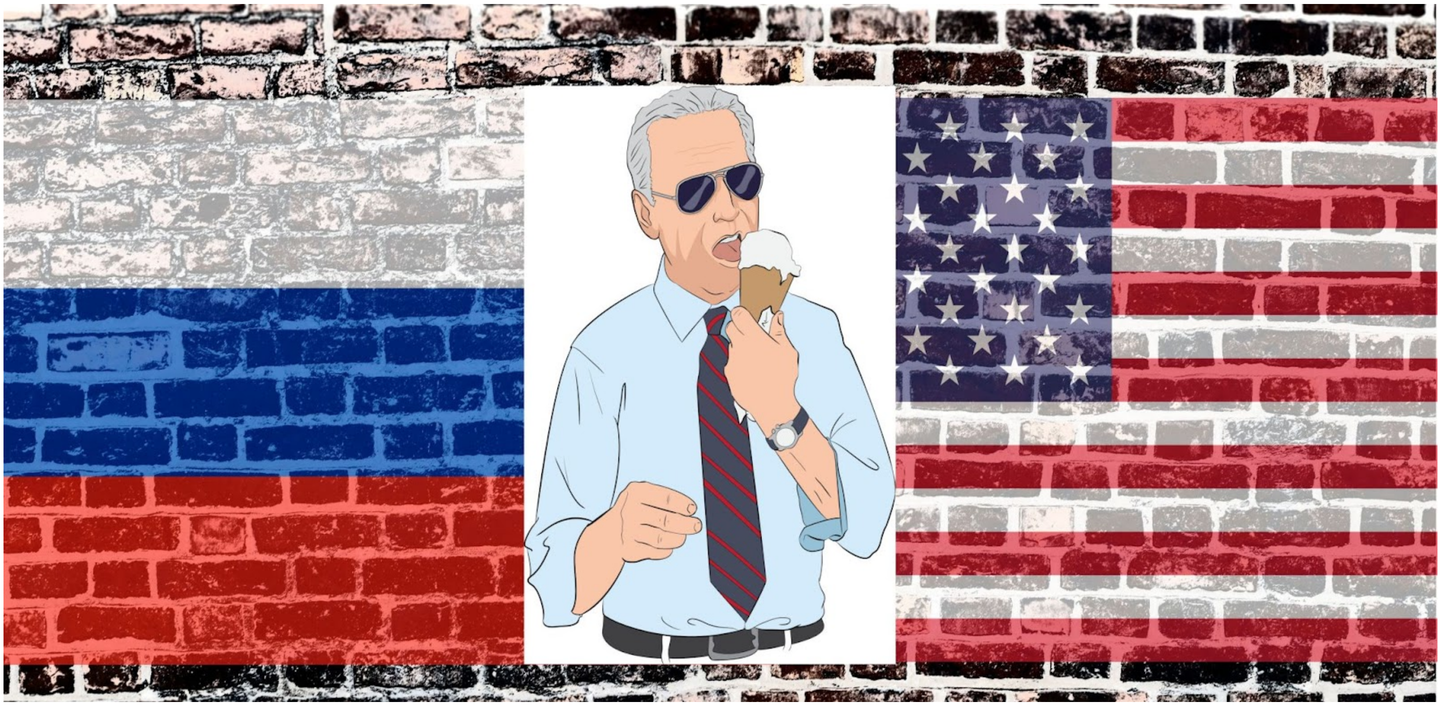
"JetBlue will face years of nightmares trying to integrate aircraft, systems, and cultures that are from different planets," he predicted.

When American Airlines subsumed U.S. Airways a decade ago, negotiating contracts for different groups represented by the Transport Workers Union of America took four years, Gary Peterson, who leads the union's air division, told the *WSJ*.

"Combining work groups is like combining the Mets and the Yankees into a single organization," he said.

If the deal does get done, it may inspire smaller and regional carriers to merge to stay competitive, Helane Becker, senior analyst at investment bank Cowen, said to the *WSJ*.

SPECIAL UKRAINE WAR REPORT



BIDEN WRONG: "RUSSIA NOT PAYING SERIOUS PRICE," CONSUMERS ARE. RUSSIA GAS FLOW CUTS MAKE IT WORSE.

After Russia invaded Ukraine, U.S. President Joe Biden said the sanctions he imposed on Moscow were "the broadest sanctions in history," and that "Russia will pay a serious price."

Getting even for the broad range of U.S./NATO sanctions imposed upon them Russia, as we have reported, has begun to cut off gas and oil flows to Europe and force those who want to buy it, to pay for it in rubles.

To weather the drying up gas storm, Germany, Europe's biggest consumer of Russian gas, is working to deal with the realities that it can be completely cut off from Moscow's supplies.

Russia has already limited the flow on Nord Stream 1 pipeline into Germany by 20 percent capacity, raising the possibility that Europe will not have a large enough stockpile before the fall and winter months. (See “WAR IN UKRAINE ECONOMIC OVERVIEW,” “RUSSIA ENDS GAS EXPORTS TO POLAND, BULGARIA. GERMANY AND ITALY ARE NEXT,” “BANNING RUSSIAN GAS IN EUROPE COULD LEAD TO INDUSTRIAL RATIONING” and “EU: LIFE WITHOUT RUSSIAN GAS IS A ‘MAXIMUM ECONOMIC WARFARE SCENARIO.”)

The EU responded to the move by announcing that it will cut gas usage by up to 15 percent over the winter.

Charles-Henri Gallois, the president of the Generation Frexit campaign in France, told *European-Views* that countries like France and Italy cannot easily replace Russian gas.

“Other European countries, including France, will suffer as well because Russia was an important oil supplier. Economic sanctions are doing more damage to Europe than to Russia. The recession is obvious,” he said.

Energy Prices Surge in Europe

Moscow's decision to further cut the flow of gas on its Nord Stream 1 pipeline sent energy prices up by 14 percent, or 230 euros for a megawatt-hour.

Adding to the energy woes are current weather patterns. Spain and Portugal have been experiencing unusually low levels of rain that has hampered their hydropower output and France has been experiencing mechanical issues at nuclear plants.

There is lingering fear in Europe about just how far governments may go to deal with the energy crisis.

There’s a chance that fuel can be rationed and thousands of jobs could be at risk if companies decide to close factories.

Europe's gas reserves are at about 65 percent full. The goal is to reach 80 percent by the beginning of November. In order for Europe to reach its storage goals for the fall and winter, countries need to save 12 billion cubic meters of gas, which The Associated Press said would fill about 120 LNG tankers.

Analysts say the EU will not be able to reach its goal of 80 percent capacity.

"There is a very big and legitimate worry about this winter," Michael Stoppard, vice president for global gas strategy at S&P Global, told *The New York Times.*

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.*

The situation in Europe is about to get much worse, and cracks in the united front against Russia will begin to emerge as inflation has hit 8.9 percent for countries that use the euro. Energy costs have been seen as a main driver.

The European Commission announced that electricity wholesale prices have jumped by 411 percent in Spain and Portugal in the first quarter of the year, Euronews.com reported. They rose 343 percent in Greece and 336 percent in France in 2021.

Moscow once supplied Europe with about 40 percent of its natural gas before the 24 February invasion. The Associated Press said Russia now provides Europe with about 15 percent of its gas flows.

French and German governments have moved to nationalize Électricité de France SA and Uniper SE that they have called essential to their economies, according to The Wall Street Journal. The report also said that some industrial companies have already curtailed operations.

Germany provided Uniper a 17 billion-euro rescue package to prevent the collapse of its energy network, Bloomberg reported.

Olaf Scholz, the German chancellor, interrupted his vacation to announce the proposal. He said Berlin will do everything necessary to make sure the country succeeds.

“We will overcome the difficult times together,” he said.

The German city of Hanover moved to ban hot water in public buildings, which means cold showers, and handwashing in these government facilities, CNN reported.

“Every kilowatt-hour saves the gas storage tanks,” Mayor Belit Onay’s office said.

Lights on public buildings and public fountains will also be turned off.

"The goal is to reduce our energy consumption by 15 percent," he said. "This is a response to the looming gas shortage, which is a big challenge for municipalities—especially for a big city like Hanover."

However, as a result of these less consumption measures, European economies will decline as less gas and oil will mean less business... at a time when recessionary pressures are already building.

NEW YORK TIMES MURDER MENTALITY: U.S. WEAPON TRANSFERS TO UKRAINE IS A “WEDDING REGISTRY”

Staying on its war path, but making it pretty, the self-anointed “Paper of Record” *The New York Times* posted an article last week titled, “U.S. Military Coordinates a Sort of Wedding Registry for Arms to Ukraine.” It was written by Eric Schmitt, a top hack reporter at the paper who won a Pulitzer Prize.

Yes, this is the same *New York Times,* which, on 8 September 2002, when little Daddy's Boy, President Georgie Bush, VP Dick "Penis" Cheney and the White House squad was selling the Iraq war, published the headline: "THREATS AND RESPONSES: THE IRAQIS; U.S. SAYS HUSSEIN INTENSIFIES QUEST FOR A-BOMB PARTS."

Written by bullshit "bioterrorism expert" Judith Miller and *Times* flunkie Michael Gordon, the article was a total lie. The media freaks falsely claimed Iraq tried to import thousands of high-strength aluminum tubes to produce enriched uranium so they could make atomic weapons.

Keeping on its war footing, the *Times* published an article last week that gave a glimpse into the paper's approach to the Ukraine War and the U.S. intervention by sending billions of dollars of weapons to Kyiv to keep bloodying the killing fields.

It reads glibly that, "It takes a village to help Ukraine fight the Russians," and carries the wedding theme throughout. Schmitt describes the dozens of military logistics specialists tucked away in an attic inside the U.S. European Command headquarters in Germany as a "cross between a wedding registry for bombs, bullets, and rocket artillery, and military version of FedEx."

TRENDPOST: *The mainstream media has been pro-war since before Russian tanks ever started to roll into Ukraine. There are several reasons: 1) The U.S. media is nothing more than the propaganda wing of the government; 2) The news writers and producers were taught to hate Russia since they were very young; 3) There is the lingering belief that Russian President Vladimir Putin "must be stopped" in Ukraine or he will take over the world; 4) War is good for ratings.*

Schmitt's article concludes with a quote from Rear Adm. R. Duke Heinz, the European Command's chief logistician. Heinz was identified as a veteran of the Iraq and Afghan wars, and he told the paper that even he cannot define "what winning looks like for the Ukrainians."

But the U.S. "and our allies and partners are in it until he [Ukrainian President Volodymyr Zelensky] tells us he doesn't need any more help."

So, on that rationale, what Zelensky—the former sitcom comedian who played the role of the President of Ukraine on TV and became the President of Ukraine declares—We the People of the United States will do as he says... and support Zelensky all the way to the Gates of Hell.

The ***Trends Journal*** *has reported on the media groupthink when it comes to Ukraine. (See "HEY STUPID! PROPAGANDA NETWORKS WILL TELL YOU 'WHAT YOU NEED TO KNOW ABOUT UKRAINE,'" "U.S. ACCUSED OF OPERATING BIOWEAPONS LABS IN UKRAINE, MOUTHPIECE MEDIA PROMOTES GOV'T LINE" and "TRENDS ANALYSIS: U.S. NEWS OUTLETS PERFORM PROPAGANDA ACROBATICS IN UKRAINE WAR.")*

The Times' article, as usual, promotes the need to send even more advanced weapons to Ukraine and presents the story as though there is not a single American opposed to escalating the war and promoting peace.

Lloyd J. Austin, the U.S. Secretary of Defense who sat on the board of directors with Raytheon, the nation's second largest defense contractor... once again said there is a pressing need to rush weapons like High Mobility Artillery Rocket Systems into Ukraine.

Asking other nations to supply more weapons of death to Ukraine, Austin said, "And so we understand the urgency, and we're pushing hard to maintain and intensify the momentum of donations."

Once again, no talk of peace or negotiations... just more war and more weapons of death.

TRENDPOST: *The New York Times was blasted by the so-called "liberal" media for their hyping the Iraq War. "This is one of the great journalistic mass delusions of the era," Michael Wolff, a media commentator and columnist for Vanity Fair said back then.*

Iraq War lies were bad! But now Vanity Fair is a prime promoter of America's support for the Ukraine War that lacks the "why" it happened and how corrupt the Ukraine *government was and is. (See The Guardian article “Welcome to Ukraine, the most corrupt nation in Europe.”)*

Look how Vanity Fair recently pumped up a little comedian who knows shit about Ukraine, how and why the war began and other details: “Ben Stiller Meets His ‘Hero’ Ukrainian President Volodymyr Zelenskyy.”

Who, with a brain bigger than a pea cares what this little comedian Ben Stiller—who’s Daddy was Jerry—believes on a geopolitical scale?

Dumbed down Americans and corporate media, that’s who!

ZELENSKY ADMITS TO 'EIGHT YEARS OF WAR' IN DONBAS—BUT IGNORED BY PRESSTITUTES AND POLITICIANS

Ukrainian President Volodymyr Zelensky acknowledged his country's eight-year conflict in the Donbas between Russian separatists that resulted in the death of over 14,000 people, which Russian President Vladimir Putin cited before the February invasion.

Ukraine and Russia are divided over who was at fault during the years-long conflict in the eastern region of the country. But just days prior to the Russian invasion, Putin signed friendship treaties with the Donetsk and Luhansk people's republics in the region. He also signed the presidential decree recognising the independence of these separatists regions before the war.

Zelensky noted that 28 July was the first time the country ever marked its statehood and said the move was important. He said the country is in the throes of a brutal six-month-old conflict with Russia on top of the “eight years of war in Donbas.”

“We will celebrate,” he said. “Despite everything. Because Ukrainians cannot be broken. The Day of Ukrainian Statehood will confirm the connection of Ukrainians living now with many generations of our people.”

Following the United States overthrow of the democratically elected president of Ukraine. Viktor Yanukovych in 2014, Ukrainian forces attacked the Donbas region. (See “Washington is Driving the World to the Final War,” 28 Apr 2014; also “Special Report From the Front Line in Ukraine.”

Ukraine has long accused Russia of providing weapons and troops to these separatists in Donbas, a charge that Russia denied. Moscow, in response, accused Kyiv of committing a "genocide" against the pro-Russian separatists in the region, which Ukraine denied.

Yet, as we note, the western media no longer reports on the fact that in 2014, the U.S. backed the overthrow of Ukrainian President Viktor Yanukovych and the replacement government led by Petro Poroshenko.

FACTS: Following the U.S. led coup that overthrew Ukraine's President Victor Yanukovych in early 2014, Crimeans voted to secede from Ukraine and align with Russia. During the 2014 uprising, some 97 percent of the citizens of the Autonomous Republic of Crimea voted to leave Ukraine for integration of the region into the Russian Federation.

In 2014, Ukraine and these separatists agreed to the 12-point Minsk Agreement that called for a ceasefire in the region, but both sides violated the deal. In February 2015, the Minsk II Agreement also called for a ceasefire, which Ukraine has, as Zelensky noted, violated.

Russia said the deal requires Kyiv to allow separatist authorities to form their own central government. Ukraine said it will never allow Moscow to have a de facto veto on foreign policy decisions.

Eastern Donbas has seen some of the fiercest fighting since Russia launched its invasion in February. The industrial region includes Donetsk and Luhansk. Zelensky on Saturday urged all civilians in the region to flee due to the increase in fighting.

He also called on the U.S. to recognize Russia as a terrorist state. Ignoring America's mass murder of millions in its foreign wars based on lies such as Vietnam, Yugoslavia, Iraq, Afghanistan, Syria, Libya, Yemen, etc., the U.S. Senate unanimously passed a resolution last week calling on the State Department to identify Russia as a state sponsor of terrorism.

Zelensky Says No Peace Until Ukraine Reclaims Lost Land

The Ukrainian president doubled down on his claim that Kyiv will not sit down for negotiations with Moscow until Russian troops pull out of areas that are now in their control.

Zelensky told *The Wall Street Journal* in an interview late last month that there will be no ceasefire because any freeze in the conflict would essentially allow Russian forces to catch their breath and regroup.

"They will not use this pause to change their geopolitics or to renounce their claims on the former Soviet republics," he said.

Zelensky said Ukrainian society "believes that all the territories must be liberated first, and then we can negotiate about what to do and how we could live in the centuries ahead."

He told the paper that the more pressing need is more air-defense systems from the West to counter Russian artillery superiority.

Oleksii Reznikov, the Ukrainian defense minister, said Kyiv will need "at least 100" additional HIMARS in order to reverse Russian gains in Donbas.

Air Force Magazine reported that the U.S. has delivered 12 HIMARS and has promised at least four additional systems. The report said the Biden administration also promised Kyiv the National Advanced Surface-to-Air Missile System that is the same one used to defend Washington.

TRENDPOST: *As we have reported, completely absent in the American media reports of the current U.S. stand with Ukraine is the role Washington and Victoria Nuland played in the overthrow of its government in 2014. (See “VICTORIA ‘FUCK THE EU’ NULAND WHO SPEARHEADED OVERTHROW OF DEMOCRATICALLY ELECTED PRESIDENT OF UKRAINE IN 2014, STLL IN POWER.”)*

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.”*

Nuland, who speaks Russian and French, boasted that Washington had invested $5 billion in non-governmental organizations (NGOs) in Ukraine, sold the bullshit line that the purpose of NGOs is to “teach democracy.”

Nuland, now Under Secretary for Political Affairs at State, still plays a role in U.S.-Ukraine policy and said last month that Moscow likely agreed to a grain-export deal because leaders felt “the hot breath of global opprobrium.”

U.S. APPROVES ANOTHER $550 MILLION IN WEAPONS SHIPMENTS TO UKRAINE

The White House announced on Monday that it will send another $550 million in weapons to Kyiv that will mostly include ammunition for the High Mobility Artillery Rocket Systems (HIMARS).

The latest round of weapons brings the U.S.’s total military support to more than $8 billion. The U.S. has also sent roughly $54 billion in aid to Ukraine to bail out its economy and help Kyiv pay salaries, pensions, and health care.

The latest package will also include 75,000 rounds of 155mm artillery.

Defense News reported that Ukraine is currently operating about 16 Lockheed Martin-made HIMARS that Ukrainians say have been effective in preventing Russian advances.

On Friday, a senior defense official said Ukrainian forces have been able to strike surface-to-air missile sites in Kherson thanks to the advanced rocket system.

Ukrainian President Volodymyr Zelensky has upped his tough talk in recent weeks and recently said that his military intends to "inflict the highest possible damage on the enemy."

"Even the occupiers admit we will win. We hear it in their conversations all the time. In what they are telling their relatives when they call them," he said.

The **Trends Journal** has long reported on the refusal of Kyiv to negotiate to end the battle by making concessions. (See "RUSSIA WINNING WAR, U.S./UKRAINE REFUSES TO NEGOTIATE FOR PEACE," "WEAPONS POURING INTO UKRAINE, NO TALK OF PEACE, JUST MORE AMMUNITION," "BIDEN SAYS PUTIN MUST PAY PRICE OVER INVASION IN UKRAINE" and "ZELENSKY REJECTS PEACE PROPOSAL, SAYS UKRAINE WILL BEAT RUSSIA.")

TRENDPOST: *OccupyPeace.com held a rally last month in Kingston, N.Y., that featured some of the top names in the pro-peace movement including Gerald Celente and Judge Andrew Napolitano, and the event was not picked up by one media outlet—not even the local paper called The Daily Freeman.*

In America, Peace is both a dirty word, and a banned word.

The Presstitutes that are providing the public with the government-approved propaganda are too dumb to realize the consequences of their ignorance. Celente has said the U.S. is not in a proxy war with Russia; he said WWIII has already begun.

The Biden administration consists of nothing more than recycled failures from the Obama administration that are in The Club, and we're paying for it.

TREND FORECAST: *We maintain our forecast that Ukraine will not gain back its territory.*

Ukraine would have been forced to negotiate with Russia months ago if not for the multi-billion dollar weapon flows from the West and billions in funding to prop up the economically broke and busted Kyiv government.

The West is fighting more than just a "proxy war" with Russia. It is, by its money and weapons transfers into Ukraine, an accessory to the crime.

We forecast, as economies in the West decline, the war drags on, and Ukraine loses more territory to Russia... the massive weapons and money flows will dry up and Russia will win the war.

FEATURED ARTICLES BY GUEST WRITERS

POLICING THE WORLD IS A FULL-TIME JOB

China pushes back against US-led military intervention in Asia

By Philp Giraldi

Every leader and top official now in power in the so-called Western World seems to have forgotten that the North Atlantic Treaty Organization (NATO) was founded in 1949 as an alliance that was ostensibly defensive in nature, intended to counter the expansion of Soviet style communism in Europe.

That role continued to be the raison d'etre of the organization until communist governments themselves collapsed in both Russia and in the Eastern European states that collectively made up the Warsaw Pact during the 1990s. After that point, NATO no longer had any reason to exist at all as the alleged military threat posed by the Kremlin and its allies vanished virtually overnight.

But clever politicians were quick to put the alliance on life support instead of simply dismantling it. Lacking the threat posed by the Warsaw Pact, NATO was forced to come up with other reasons to maintain military forces at levels that could quickly be enhanced and placed on a wartime footing. Washington and London took the lead in this, citing the now shopworn defense of a “rules based international order” as well as of “democracy” and “freedom.”

And fortunately for the national defense industries and the generals, it soon proved possible to find new enemies that provided justification for additional military spending. The first major engagement outside the obligations defined by the original treaty took place in Europe to be sure, but it was in the Balkans where of NATO during the 1995 Operation Deliberate Force.

The war ended after the signing of the General Framework Agreement for Peace in Bosnia and Herzegovina in Paris on December 14th 1995. Peace negotiations were finalized a week later but fighting resumed between Kosovo and Serbia in the following year, which led to another NATO intervention that eventually ended with the restoration of Kosovo’s autonomy and the deployment of NATO forces, which bombed the Serbs to compel their compliance with a draft cease fire agreement.

NATO also played a role improbably enough in the US invasion and occupation of Afghanistan, which was justified by claiming that an Afghanistan free to set its own course would become a hotbed of terrorism which would inevitably impact on the United States and Europe. It was a paper-thin argument, but it was the best they could come up with at the time and it also eventually involved soldiers from additional friendly countries like Australia.

As we have subsequently seen, however, it was all an argument without merit as Afghanistan became a money pit and a graveyard for thousands of locals and foreign soldiers. It is now again in the hands of the Taliban after a bungled withdrawal of US forces and the collapse of the puppet government in Kabul that Washington had installed.

Turn the clock forward to the present. As everyone but President Joe Biden has recognized, the United States and NATO are currently engaged in a proxy war against Russia in Ukraine, which many observers already believe has some of the attributes of World War III. As Russia neither threatened nor attacked any NATO member state, the argument that the response in arming and training Ukraine was defensive was rendered irrelevant.

Nor can it credibly be claimed that Russia is a haven for terrorists, quite the contrary. Nevertheless, Biden has stated that the US will be in the fight on behalf of Ukraine for "as long as it takes." Does he mean years, and all done without a declaration of war by Congress as required by the US Constitution?

And more appears to be coming. Joe Biden, during last week's trip to Israel, made clear that the United States is "prepared to use all elements of its national power" to stop Iran from getting a nuclear weapon and has signed a pledge with the Israeli government to commit itself to do so.

If Biden presses the argument that Iran is an international threat due to its impending development of nuclear weapons, will he appeal to NATO to support a joint military option to disarm it? I believe he just might do that. And he might just want to consider how the entire set-up and framing of the issue by Israel is somewhat of a trap. Israel considers Iran's current nuclear program to be intended to create a weapon, which "they continue to develop," and there are plenty in the US Congress who would agree with that.

So, if Iran is clearly creating a thermonuclear device, the time to strike is now, isn't it? And bear in mind how the US/Israeli campaign to condemn is multifaceted.

Shortly before the meetings held by Biden and his crew with the Israelis, US government sources set the stage for what was to come by going on the offensive regarding reports that Iran may be selling highly capable offensive drones to Russia for use in Ukraine as well as subsequent claims coming out of Washington that the Iranians are seeking to assassinate senior US officials in revenge for the killing of Revolutionary Guards General Qassem Soleimani in January 2020.

One wonders why they waited so long and why the White House has chosen to publicize these stories at this point.

And the US and NATO are also getting involved with China's geopolitical policies, on a path that Beijing is warning is extremely hypocritical and which might lead to armed conflict. The signs that the Chinese might be targeted by NATO, possibly over the Taiwan independence issue, came following a stark warning by US Secretary of State Tony Blinken delivered at the NATO summit in Madrid at the end of June.

Blinken accused China of "seeking to undermine the rules-based international order," the same type of critique recently leveled against Russia and Iran. Blinken's comment was elaborated on by NATO Secretary General Jens Stoltenberg, who observed how "China is substantially building up its military forces, including nuclear weapons, bullying its neighbors, threatening Taiwan … monitoring and controlling its own citizens through advanced technology, and spreading Russian lies and disinformation."

Stoltenberg's indictment of China was followed by a NATO issued "strategic concept" document that declared for the first time that China poses a "systemic challenge" to the alliance, alongside a primary "threat" coming from Russia. The document copied Blinken's language, citing "The deepening strategic partnership between the People's Republic of China and the Russian Federation and their mutually reinforcing attempts to undercut the rules-based international order run counter to our values and interests."

Finally, the US and British governments collaborated to condemn China as the "biggest long-term threat to our economic and national security." The declaration came in a July 6th joint news conference in London, where Christopher Wray, director of the FBI, and Ken McCallum, director general of Britain's MI5, accused China, like Russia, of interfering in US and UK elections. Wray also warned the business leaders in the audience that the Chinese government has been "set on stealing your technology, whatever it is that makes your industry tick, and using it to undercut your business and dominate your market."

Chinese Foreign Ministry spokesman Zhao Lijian initially responded a few days after the NATO summit, observing that the “so-called rules-based international order is actually a family rule made by a handful of countries to serve the US self-interest,” adding that “[Washington] observes international rules only as it sees fit.” Addressing the issue of the role of NATO specifically, Zhao accused Blinken of using NATO to “hype up competition with China and stoke group confrontation.”

He added that “The history of NATO is one about creating conflicts and waging wars…arbitrarily launching wars and killing innocent civilians, even to this day. Facts have proven that it isn’t China that poses a systemic challenge to NATO, and instead it is NATO that brings a looming systemic challenge to world peace and security. Thirty years after the end of the Cold War, [NATO] has not yet abandoned its thinking and practice of creating ‘enemies’ … It is NATO that is creating problems around the world.”

China has a point. What NATO is threatening is war, as it is a military alliance. The Chinese appear to understand that NATO is the world’s largest military bureaucracy which has developed since 1991 an overriding institutional commitment to ensuring its permanent existence, if not expansion, even after it has clearly outlived its own usefulness.

So Beijing might justifiably wonder, how does China – on the other side of the globe – fit into NATO’s historic “defensive” mission? How are Chinese troops or missiles now threatening Europe or the US in ways they weren’t before? How are the Americans and Europeans suddenly under military threat coming from China?

The Chinese appear to understand that if there is no threat to “defend” against, then a threat must be manufactured, and that is precisely what we are seeing vis-à-vis Russia, China, Iran and even Venezuela. Washington has become addicted to war and NATO is the chosen tool to give those wars the patina of legitimacy.

To launch those conflicts requires either inventing an imaginary threat, or, as in the case of Russia, provoking the very threat the “defensive” bureaucracy was designed to deter or thwart. All indications are that NATO – now embracing 30 countries – is doing both and the results could easily be disastrous for all parties involved.

Former congresswoman Tulsi Gabbard particularly abhors the cynical recklessness of the Biden Administration driving the process, explaining how “The reality is, President Biden, members of Congress, leaders in our country, the wealthy, they will have a safe place to be in the event of a nuclear war that they are behind causing while the rest of us in America and Russia, people around the world, will be decimated from this event.”

Prize winning journalist Chris Hedges has also defined the unthinkable that is at stake, and it is past time for Americans and Europeans to take note and stop the madness. Hedges opines that “The massive expansion of NATO, not only in Eastern and Central Europe but the Middle East, Latin America, Africa and Asia, presages endless war and a potential nuclear holocaust.”

One might also note that New Yorkers are now being informed about what to do if there is a nuclear attack. Yes, that is precisely the problem – we have an administration in Washington that should be protecting the people living in this country, not setting up scenarios that might lead to their slaughter. Will someone please point that out to Joe Biden?

Philip M. Giraldi, Ph.D., is Executive Director of the Council for the National Interest, a 501(c)3 tax deductible educational foundation (Federal ID Number #52-1739023) that seeks a more interests-based U.S. foreign policy in the Middle East. Website is councilforthenationalinterest.org, address is P.O. Box 2157, Purcellville VA 20134 and its email is inform@cnionline.org.

TRENDS IN THE MARKETS

MAGIC MONEY

By Gregory Mannarino, [TradersChoice.net]

Central Banks are sending a BIG message to the stock market as of late which reads like this: "WE GOT YOUR BACK! AND WE COULD NOT POSSIBLY CARE LESS ABOUT SURGING INFLATION."

Just two weeks ago the European Central Bank/ECB began an UNLIMITED bond buying program encompassing the entire Eurozone. Since that time, the ECB has stated that it is prepared to do more (how the ECB can do more than unlimited remains a mystery to me). This action by the ECB has been followed up by the Federal Reserve, although no official announcement has been made.

So how do we know that the Fed has in fact followed the ECB unlimited bond buying spree? Simple. Just follow the money! Bond yields, more specifically the 10-year yield.

In just the last 2 weeks, in fact ever since the ECB made their unlimited bond buying program known, the U.S. 10-Year yield has cratered nearly 90 basis points! In order for the 10-Year yield to drop so dramatically in such a short amount of time, an enormous amount of debt buying must take place.

Let's look a bit deeper here…

Who benefits by artificially suppressing bond yields? And why?

NUMBER ONE—Central banks (in this case the Federal Reserve). The power of ANY central bank resides in its ability to issue debt, and therefore inflate—the more debt a central bank can issue the stronger they become.

NUMBER TWO—By artificially suppressing yields, it creates an environment of risk! The stock market goes higher.

NUMBER THREE—By pushing stock prices higher it gives the illusion of a prosperous economy, and the general public gets duped.

The downside to all this debt buying is this—it is massively inflationary which hurts consumers.

Central banks, none more so than the Federal Reserve and the ECB, do not care at all about surging inflation as long as it keeps the stock market propped up. In fact, both the Federal Reserve and the European Central Bank continue to do everything in their power to assure that inflation will continue to rise.

Central bank issued Magic Money, which is relentlessly and by design hyper-fueling the current global debt crisis, WILL NOT STOP until a moment of "maximum saturation" occurs. A maximum saturation moment is achieved when surging inflation overcomes a central bank's ability to issue more debt—then the system collapses—just like a Ponzi Scheme.

A collapse of the current system will result in a liquidity crisis and all transactions stop, leading to a currency crisis/collapse of the system—by design. Then a new system will be introduced—one with extreme control.

TRENDS IN TECHNOCRACY

By Joe Doran

HOW "IMPACT INVESTING" IS BAMBOOZLING INVESTORS TO IMPOSE A WOKE AGENDA

Some call it "Impact Investing." Others refer to it as ESG (Environmental, Social and Governance), or Socially Responsible Investing (SRI).

It's essentially a trend of investment fund managers making decisions not based on financial interests of their investors, but instead on a "woke" political agenda.

Funds are divesting from perfectly legal and profitable fossil fuel companies and technologies, for example, as a matter of ideology and beliefs concerning "climate change."

They might argue that their investments are in promising green technologies, but in fact the investment choices are being made regardless of financial return considerations.

Investment firms are also increasingly divesting from companies connected with the firearms industry in the U.S., despite the profitability of that sector. The meat industry, milk and cattle production and raising, and so on—woke targets of impact investing are as expansive as the woke political agenda itself.

Though “impact investing” as it is currently being carried out has grave legal problems, it is nonetheless becoming widespread.

One major ethical and legal problem is that many investment funds and firms engaging in politically motivated decision-making have not explicitly labeled and marketed the involved investment funds as catering to those political objectives.

Investors, including individuals via 401(k)s or IRAs, or governments contributing via entities like pension funds, often have no idea of, and have not chosen the politically motivated, non-financial based objectives of the funds.

The funds and their managers are thus operating deceptively, and directly against their fiduciary responsibilities to investors.

DeSantis Brings the Issue to the Forefront

Florida Governor Ron DeSantis is one politician who has shown an understanding of the problem and a willingness to fight back.

This past week, DeSantis issued a ban on state pension investments in funds that followed ESG guided “impact investing” objectives.

DeSantis noted in an interview on Fox News that some Wall Street banks are already integrating their politics into their investments by discriminating against businesses that oppose unrestricted immigration or those that invest in the production of firearms.

The investment agenda, as might be expected, perfectly dovetails with Democrat objectives. Democrats have just reached an agreement that will implement a number of deceptively labeled “green initiatives” that heavily subsidize immature energy technologies that can’t otherwise compete, and are filled with overblown claims of being environmentally friendly.

Democrats are currently attempting to pass gun control legislation. And the Biden administration has loosened Trump era immigration policies. Biden’s latest initiative would issue IDs to non-U.S. citizens crossing illegally over the border.

"It's basically a way for [ESG advocates] to do politics," DeSantis observed about the goals of impact investing. "So we're going to make sure that that fiduciary duty is defined very clearly and that they stick to that. We also want to provide protections for people in the financial marketplace from being discriminated against based on ideology."

DeSantis pointed out that corporations instituting ESG restrictions on investments was a way to effectively usurp the proper authority and rights vested in U.S. citizens via the political process.

"It takes power away from the American people and lodges it into these international corporate titans,” said DeSantis. “And that's not, I think, what our Founding Fathers ever intended.”

Impact Investing Is Politics By Other Means

ESG represents a framework for considering a specific set of activist non-financial factors in making investment decisions.

Blackstone, the world’s largest private equity firm, has adopted ESG principles (“BLACKSTONE ENDS NEW INVESTMENTS IN OIL AND GAS E&P,” 1 Mar 2022).

Of course, like anything else, the label is often used by companies to shield and deflect from practices that are hardly earth-friendly, as woke activists might see it.

For example, Blackstone was heavily criticized in 2019 for commercial projects contributing to deforestation in the Amazon region in Brazil.

Not surprisingly, globalist and activist Non-Government Organizations (NGOs) like the World Economic Forum (WEF) and the Global Reporting Initiative have been instrumental in developing and prostelzing for ESG investing practices.

SoCap Global, an outfit that promotes social investment in conjunction with organizations and NGOs, has a website page that relates some of the history and objectives of social impact investing as follows:

> *"Impact investing is the term for the deployment of investment capital with not only consideration of financial returns, but social and/or environmental considerations as well. While the term "impact investing" is relatively new, being coined in 2007, the idea of sustainable investing has existed for much longer. One of the first modern funds was the PAX World Fund, now the PAX Sustainable Allocation Fund, which was launched in 1971 in opposition to the Vietnam War. Impact investing has since grown to encompass a huge variety of investment strategies across asset classes, impact areas, sectors, and geographies."*

SoCap Global was recently taken over by the Sorenson Impact Center, part of an investment group founded by Jim Sorenson, a former media mogul once recognized as the "richest man in Utah" (net worth 4.4 billion dollars at the time of his death).

Sorenson's bio credits him as having been "a leader and pioneer in impact investing."

But what of the unknowing followers? And what of the entities that should be barred from investing, due to the political conflict?

If all funds were explicit with investors about their non-financial objectives, with regulatory requirements to provide absolute clarity, and if such investing was not open to public money, that would be one thing.

But no such guardrails exist.

And Investopedia noted that while ESG objectives have been used to create and market funds to younger investors who may politically agree with such investing objectives, such funds have been increasingly invested in by government entities:

> *"ESG criteria are also increasingly informing the investment choices of large institutional investors such as public pension funds. According to the most recent report from US SIF Foundation, investors held $17.1 trillion in assets chosen according to ESG criteria at the end of 2019, up from $12 trillion just two years earlier."*

The recent effort by Florida governor Ron DeSantis should serve as a wake-up call to average Americans to press their political representatives for answers—and changes—regarding the corrosively undemocratic power play that ESG guided impact investing is perpetrating against their rights.

"SUSTAINABLE" DEVELOPMENT IS ANYTHING BUT

It's not only Dutch farmers, the Eurozone, and places like Sri Lanka that are reeling from climate regulations being pushed as part of the UN and NGO-led "Agenda 2030" initiative.

U.S. farmers—and indeed, every American—will be feeling pain that may make current economic conditions seem mild a few years from now.
The UN's "Sustainable Development Goals" (SDGs), signed onto by many governments, are behind devastating fertilizer regulations wreaking havoc on farmers from Canada to Spain, and from Holland to the far east.

A 26 July *Epoch Times* story cited a number of experts who say the SDGs will create widespread famine, shortages of critical goods and loss of fundamental freedoms.

In an aftermath of disastrous COVID policies that crippled the macro global economy, and now a war in Europe further driving up energy and food prices, the phasing in of SDG regulations couldn't come at a worse time.

Though "sustainability" and "environmental protection" have been the oft-quoted rationales surrounding the initiatives, the part that isn't said is that the regulations are putting governments in control of vast swathes of the economy—and life in general.

"The end goal of these efforts is to reduce sovereignty on both individual nations and people," Craig Rucker, president of the Committee for a Constructive Tomorrow (CFACT), a public policy organization specializing in environmental and development issues, told the *Epoch Times*.

The UN Agenda 2030 initiative was highly influenced by mega billionaires with vested interests in green energy, farmland, and other assets that stand to gain from the regulations, by technocratic elitist orgs like the World Economic Forum (WEF), as well as by China.

Sri Lanka's government was an early sign-on. The disaster there, exacerbated by those "green" initiatives, is reportedly being memory-holed by the WEF on its website, in an attempt to disguise the role of that NGO.

At the United Nations COP26 climate meeting in 2021, then Sri Lankan President Gotabaya Rajapaksa stated that his country was outlawing artificial fertilizers and pesticides. Rajapaksa has now been deposed.

Protests are still going on in the Netherlands, meanwhile, with a call to action for citizens to join in for the week of 6 August, and police response is getting brutal.

Onerous restrictions of land use, energy use, and what qualifies as "polluting activities" in Agenda 2030 SDGs are so extensive, experts say people will experience a diminishing of prosperity and freedoms the likes of which has not been seen since the advent of the industrial age.

First They Came For Incandescent Bulbs

Right now it's crackdowns on fertilizer and other regulations that have farmers up in arms. In a few years, it will be the prohibition on production of gas (ie. combustion) engines.

The transition from meat, milk and mead to grubs and high-priced water is underway.

And when there are only EVs allowed? You won't own one. The WEF is already calling for a ban on private ownership of vehicles in the name of an Artificial Intelligence and IoT (Internet of Things) mediated "rent on demand" transportation system.

There's a flip side to Klaus Schwab's "You Will Own Nothing" vision of the future. Yes, you, the peons of the world, the useless eaters and breeders, will own nothing.

But Klaus and the masters of the world? They will control everything.

Who controls, owns. And they're out to own it all. Including you. Climate Change is the means to that end, with Agenda 2030 being the nuts-and-bolts regulatory phase-in of this "Great Reset."

New Regs Compound Previous Biden "30x30" Land Grab

The kicking in of new SDG regulations follows controversial Biden directives in 2021 to vastly expand lands locked into "environmental preserves."

A "30x30" initiative signed by Executive Order aims to double American lands held in preserves by 2030, from about 12 percent (in 2020) to a 30 percent goal.

Many midwest farmers directly impacted by the Federal government's initiative were dismayed at the unprecedented land grab.

"Kansas is over 98-percent controlled in private hands, we're not a state that thinks highly or is encouraged or incentivize by the federal or even state government coming and buying private land," Ryan Flickner, Senior Director of Advocacy for the Kansas Farm Bureau, said in a KSNW report at the time Biden order was issued.

The provisions "30 x 30" go further than buying land. It also is forcing landowners to set aside portions of their own land into preserves.

Republican politicians have strongly opposed the "green" land grab. Senator Tracey Mann (R-KA) commented:

> *"I am deeply concerned with Pres. Biden's 30×30 plan. It is egregious that the Biden Administration would consider these land grabs to meet an arbitrary climate goal. I will continue to advocate for Kansas agriculture and work to stop Democratic overreach. #30×30"*

Reaching A Boiling Point

The *Epoch Times* piece noted that farmers, particularly smaller, independent producers that cannot afford the additional expenses of more regulation and oversight, are feeling the most pain.

The green policy pain is set to spread much more widely as fall approaches. Phase-outs of nuclear plants in Germany, and Euro strictures on oil and coal usage and production, were predicated on Russian gas.

That calculation is about to meet winter in the midst of a raging conflict on the continent.

The **Trends Journal** has covered aspects of radical green policy impositions most recently in articles including "ENERGY INFLATION AND GREEN ENERGY TYCOONS" (17 May 2022) and "DUTCH FARMERS DEMONSTRATE TO SHOW CLIMATE AGENDA IS A LOAD OF CRAP" (5 Jul 2022).

ENERGY PLEA WILL LIKELY FALL ON DEAF EARS

As China guzzles American strategic reserve oil with the Biden Administration's assistance, new domestic production and consumption is being radically throttled.

Realclearenergy.org, part of the RealClear Media Group, came out on 27 July with a plea for a more sane energy strategy.

They highlighted three policy prescriptions that would economically benefit the country at a time when recession is hitting home. Chief among them was allowing "robust" oil and gas leasing on federal lands and waters:

> *"First, the Biden administration should reject the idea of a ban on oil and gas leasing on federal lands and waters and immediately commit to a robust leasing plan for oil and gas development in the Gulf of Mexico. The American Petroleum Institute (API), along with the National Ocean Industries Association (NOIA), recently conducted a study by Energy and Industry Advisory Partners that found that a delay in Gulf of Mexico leasing could result in reducing U.S. oil and gas production by nearly 500,000 barrels per day between 2022 and 2040 and cost approximately 60,000 U.S. jobs…*

The article also called on the Biden Administration to reject the idea of banning commercial exports of refined petroleum products, as well as crude oil.

It noted that the United States decreased gasoline prices and increased crude production by 1.8 billion barrels as a result of lifting the crude oil export ban, reducing global oil prices and increasing U.S. employment by an average of 48,000 jobs, according to a statement from American Petroleum Institute (API) and the American Exploration and Production Council (AXPC).

The article's recommendations were based in part on a 10 point energy policy plan put out by the API.

The API of course has a vested interest in oil and gas. Their financial connection is at least clear, compared to the veiled interests of green energy tycoons like Bill Gates, and command and control technocratic elites like Klaus Schwab. (See "ENERGY INFLATION AND GREEN ENERGY TYCOONS," 17 May 2022 and "GREEN ENERGY TYCOONS UPDATE: INVESTIGATING THE 'CLIMATE CARTEL'," 19 Jul 2022.)

The full RealClear article can be viewed here.

THIS WEEK IN SURVEILLANCE

NEW EVIDENCE CDC DIRECTED BIG TECH TO MONITOR AND BAN COVID DISSENT

New documents from a Freedom Of Information Act (FOIA) filing by America First Legal (AFL) show that the CDC closely coordinated with supposedly "private" big tech social media companies to monitor and shutdown COVID policy dissenters.

It represents a criminal violation of the highest law of the land, which bars the Federal government from abridging Free Speech rights of Americans.

The documents detail that multiple COVID vaccine and policy critics were targeted, among them: Dr. Robert Malone (co-inventor of mRNA technology used in the gene therapies deceptively labeled "vaccines"), virologist Adam Gaertner, feminist author Naomi Wolf, and journalists Alex Berenson, Emerald Robinson, and Daniel Horowitz.

In a story about the AFL FOIA findings, AmGreatness.com noted that the CDC worked to get those persons and others banned or suppressed on social media platforms including Twitter.

An AFL article announcing the document findings said the group was moved to make the FOI request after a July 2021 press conference where then Biden Secretary Jen Psaki admitted that the White House was working with social media companies to identify "misinformation."

AFL subsequently issued FOIA requests to the Department of Health and Human Services (HHS), the CDC, the Food and Drug Administration (FDA), and the National Institutes of Health (NIH).

A (Unconstitutional) Chart of "Tweets"

Among the documents eventually turned over by the Biden Administration controlled agencies, after stonewalling and missed deadlines, were emails which showed the CDC sent Twitter representatives a "Chart of Tweets" by people who were to be banned or suppressed for spreading supposed "misinformation."

Another set of documents shows the CDC directing Facebook to censor specific posts.

The obtained documents show example after example of government censoring speech via dictates to compliant social media companies.

The CDC's action represents a violation of the First Amendment, which expressly bars the federal government from abridging rights of Americans.

No Federal court has ruled that sharing data, information and opinions about vaccines, or policies like "social distancing," masking and lockdowns, represents the kind of immediate threat and instant danger criteria for limiting free speech.

That criteria is generally known to most Americans as the "yelling fire in a crowded movie theater" standard.

Even leftist bastion Stanford University reluctantly admitted in an April 2022 law article on vaccine "misinformation":

> *"[T]he First Amendment, which guarantees free speech, continues to provide protection for people who promulgate such faulty information."*

The legal analysis further allows:

> *"...some people who disseminate false statements know they are lies, while others believe they're true. Finally, many people just don't trust the government to not abuse the power to declare something false speech.*
>
> *"All of these challenges make the Supreme Court wary of restricting speech that might ultimately prove to be truthful, or at least contribute to public debate that aids in discovering the truth. The Supreme Court would prefer to let the decision about what's true be hashed out by 'the marketplace of ideas.'"*

"Dangerous Misinformation" Most Dangerous To Constitutional Rights of Americans

Of course, "dangerous misinformation," as declared by political propagandists for government coercion and the monied interests of pharmaceutical companies, often has had nothing to do with the actual quality and veracity of information critical of COVID policies and gene-level therapies.

During the COVID War, the federal government and agencies including the CDC peddled some of the most egregious, dangerous and destructive falsehoods.

The epicenter of truly consequentially dangerous misinformation? How about COVID czar Dr. Anthony Fauci?

COVID vaccine efficacy, protection vaccines were claimed to provide against viral spread, herd immunity levels, benefits of natural immunity, efficacy of social distancing, masking and lockdowns, origin of the virus, Wuhan China virology lab funding, whether the lab was being used to skirt American laws to conduct dangerous “gain-of-function” research…

Fauci deceived, lied and / or disseminated misinformation regarding it all, as Senator Rand Paul (R-KY) and others doggedly established.

Fauci was hardly alone, though he oversaw the official narrative. Government agencies, politicians, corporations with narrow interests and their MSM megaphones all dispersed a continual fear-mongering stream of disinfo.

At this point, a tipping point has pretty much been reached in rejecting that narrative. But the damage is done.

It’s likely that not much will officially result from the revelations in the documents obtained by the AFL.

But in an ongoing information war, the AFL scored a welcome victory against the government’s “dangerous misinformation” smear game. Their rundown of info uncovered via the FOIA documents can be found here.

For related reading, see:

- “UPDATE: GOVERNMENT PAYING NEWSGUARD TO SUPPRESS UNWANTED NEWS AS “MISINFORMATION” (3 May 2022)
- “‘DANGEROUS DISINFORMATION’ LABEL BEING USED TO GUT FUNDAMENTAL FREE SPEECH RIGHTS” (5 Apr 2022)
- “GOVERNMENT: FREE SPEECH IS BAD FOR YOUR HEALTH” (21 Sep 2021)
- “PRESSTITUTES IGNORE FAUCI’S FALSEHOODS: STILL SUCK UP TO HIM” (14 Sep 2021)
- “YOUTUBE BANS SEN. RAND PAUL FOR QUESTIONING FAUCI” (17 Aug 2021)
- “BATSH*T CRAZY: WUHAN WALLS CLOSING IN AROUND FAUCI” (18 May 2021)

TRENDS IN CRYPTOS

CENSORSHIP RESISTANT TECHNOLOGIES BLOCKCHAIN OFFERS RIGHT NOW

Big tech and government censorship will no doubt exert a vice grip on information during the upcoming U.S. midterm elections.

The good news is that there are a growing number of decentralized blockchain apps and services that can help citizens retain their free speech rights and fundamental freedoms.

Looking for permanent file storage for a one-time cost that can't be taken down? The blockchain has it.

How about a website domain which can truly be owned, not rented, and which can't be shut down by a webhosting company? They're on the blockchain too.

Permaweb File Storage

Arweave is one leading example that uses blockchain technology to allow people to permanently store and access digital files.

Arweave is a blockchain network utilizing a crypto wallet and an app. Users can set up a wallet and fund it with the blockchain's native AR token (which can be purchased on an exchange like Kucoin, or swapped for via DeFi swap app, and sent to the wallet).

From there, users can pair their wallet with an "ArDrive" app to upload digital files such as photos and pdfs.

The ArDrive interface has a similar look to storage apps like Google Drive or MEGA.

There is a one-time purchase cost to upload and store the files on the blockchain network.

Folders and files can be designated as "private" (ie. only available to users with a special link) or "public" (browsable by anyone).

Storage currently costs about five cents per megabyte. It's not exactly cheap as far as the upfront cost. But that cost is one-time only, and the file is on the blockchain permanently.

Unlike Amazon or Google storage, files uploaded to a blockchain via ArDrive can't be shut down by a tech company. Used in tandem with a blockchain based website, users can create websites with information and file links that are censorship resistant.

For large datasets, Filecoin is a blockchain based solution that effectively creates a market and incentive for decentralized storage providers and users.

Filecoin positions itself as a decentralized and censorship resistant alternative to Amazon Web Services cloud storage and similar services.

Its pricing, depending on access needs to data, currently falls between one dollar and 25 dollars a year for one tebibyte of storage.

A tebibyte (a more precise storage term than terabyte) provides enough storage for:

- 79 hours of broadcast-quality video; or
- Nearly 143,000 digital photos; or
- 2,199 hours of CD-quality recording.

DApp Development Tools

More ambitious projects including DApp development are being aided by useful tools and projects rooted in the decentralized blockchain technology.

One such project is Spheron. Migrating an existing app to Spheron can be done quickly, and comes with important benefits, including:

- Infinite storage and bandwidth
- 5x Cheaper than centralized providers
- No new code required
- 99.99% Uptime
- 100% Censorship, Hacking, Outage, Track Proof
- Transparent, Immutable and Cryptographically Verifiable

Spheron boasts that it works with dozens of frameworks, allowing everything from host WordPress built websites, to running web apps built with frameworks like Ruby On Rails, to quickly porting apps written in common programming languages like Javascript and Python.

Website Domains With Unstoppable Domains

Anyone who has "purchased" a domain name via a service like GoDaddy or Bluehost, knows that domain names are not really owned, but rented. Users must periodically pay a fee to retain the rights to the domain name.

Domains are issued by an entity called ICANN, and the system is ultimately controlled by corporations and governments that maintain and regulate the system.

With crypto powered permissionless blockchains have come alternate domain systems.

Unstoppable Domains, meanwhile, utilizes the Ethereum and Polygon blockchains to issue various domains with ".blockchain", ".crypto", ".x", ".dao" and other address classes.

Purchased domain names take the form of NFTs (non-fungible tokens) that can be stored in a crypto wallet.

Once purchased, these domains are truly owned, and do not need to be reregistered.

Even the Ethereum Name Service, another blockchain alternative to the ICANN / DNS system, only offers ".eth" domain names for set periods of time. So Unstoppable Domains NFT domains are uniquely valuable.

Since both these blockchain solutions are not utilizing ICANN protocols, web browsers have to be built with functionality to find and display Unstoppable Domain and ENS based sites.

Fortunately, there are extensions for popular browsers like Chrome. And the Brave web browser offers native support.

There are full tutorials on how to set up a basic website utilizing these domains, together with the decentralized IPFS storage protocol (see here and here).

And as noted earlier, ArDrive data links can also be part of a website built using these blockchain technologies.

Why the “Open Internet” Needs a Web3 Revamp

Whether it’s China’s “Great Firewall,” or the West’s “soft censorship” nexus of government and big tech aligned political suppression, the past few years have made it clearer than ever that the “open internet” is subject to political clampdowns.

China abused human rights and used internet censorship in 2020 as it crushed a popular uprising in Hong Kong. In 2021 the regime did its best to crush cryptos by going after bitcoin miners, and implementing a CBDC yuan packed with granular surveillance and control features.

It has also wielded control of digital information to suppress popular dissatisfaction with its “zero COVID” lockdown policies, as well as a growing housing and mortgage crisis.

Western countries have exerted their own authoritarian abuses, enlisting legacy tech companies in the process. The Hunter Biden laptop, “Zuckerbuck” election law manipulations, the COVID War, the Canadian Truckers Convoy protest, and most recently, the Russia - Ukraine conflict, have all provided numerous examples of suppression.

Part of the problem is that private corporations and the government exert vast power over the communication and financial infrastructure.

At the individual consumer level, a person or organization can be banned for violating the usage stipulations of a social media company or fundraising platform.

The centralized nature of control also means governments can direct companies to shut down a social media account or a digital bank account.

On a more macro level, the architecture of the legacy internet can be throttled by countries and global authorities to prevent whole citizenries from accessing verboten information and content.

Eli Dourado, a Senior Research Fellow at the Center for Growth and Opportunity at Utah State University, says that centralized authorities have increasingly leveraged legacy internet and financial system protocols to control political dissent.

> *"Outside of ICANN, governments like China and Russia have continually proposed rearchitecting the Internet at the International Telecommunication Union, the UN agency that hosted the WCIT. They have also been active in cybersecurity standards at the International Electrotechnical Commission, with cybersecurity being a convenient excuse to bake authoritarianism into network architecture. The two countries recently issued a communiqué calling for internationalization of Internet governance, stating that 'any attempts to limit their sovereign right to regulate national segments of the Internet and ensure their security are unacceptable.'"*

Web3 technologies are building a decentralized infrastructure based on permissionless computer nodes operating in peer-to-peer networks.

The networks have no single point of control or failure—sort of like what the legacy internet was meant to provide.

Web3 is still in relative infancy, but aspects of decentralization, permissionless participation, and user ownership of assets are all promising aspects of what its future may hold.

And at least some significant apps and tools can be taken advantage of right now.

NEW STUDY SAYS CBDC WOULD "SMOOTH" ECONOMIES VIA MORE EFFICIENT LIQUIDITY

A new working paper by the European Central Bank (ECB) argues that a Central Bank Digital Currency (CBDC) would more efficiently facilitate monetary liquidity.

There has been significant discussion and some disagreement over whether it should be left to the private sector to issue Euro stablecoins with appropriate regulations, or whether Central Banks should get into the business of developing and maintaining the required digital technology.

The paper noted that there were "bank disintermediation" risks that would come with a CBDC.

Those risks are described in the paper as involving a situation where a "relative increase in the weight of government bond holdings and central bank funding in banks' balance sheets leads to a compression in banks' net interest margins which adversely affects lending supply and, thus, borrowers' welfare."

Of course cryptocurrencies and DeFi apps are already presenting significant challenges to both banks and central banks, by providing people with means to use cryptos for transactions, and engage directly with others via lending and borrowing apps where Smart Contract "Code Is Law."

Study Points To Benefits of CBDC…or Crypto Technology?

It could be argued that the benefits that the study asserts for CBDCs concerning efficiencies in liquidity, don't really require a CBDC at all, but owe to capabilities unlocked by crypto technologies.

The report acknowledges the pressure and challenge that cryptocurrencies have exerted.

Its introduction states that "The ultimate goal of introducing a CBDC is to ensure that individuals operating in an increasingly digitalized economy keep having access to the safest form of money, central bank money."

A significant portion of the report focuses on issues like how CBDC supply might be most efficiently calibrated to have positive effects, without endangering the role of user facing banking institutions.

It contains some fascinating info regarding the modeling it uses to assess the impact a CBDC would have. It also goes into detail about CBDC to GDP ratios that might be optimal, and how calibration of interest rates would figure in with the use of the technology.

The report specifically concluded that "the optimal amount of CBDC in circulation for the case of the euro area lies between 15 percent and 45 percent of quarterly GDP in equilibrium."

The paper summarized its main findings as follows:

> *"First, adequately calibrating the amount of CBDC in circulation is important to mitigate the impact on the banking sector. Such impact depends on the substitutability between CBDC and deposits and on banks' reliance on deposit funding.*
>
> *"Second, the issuance of CBDC exerts a fiscal expansion effect and a bank disintermediation effect through an expansion of the central bank balance sheet and profits. The sign and magnitude of the CBDC-induced net impact on bank lending and real GDP depends on the relative size of each of these two effects.*
>
> *"Third, regardless of their type and specification, welfare-maximizing CBDC rules are effective in mitigating the risk of bank disintermediation and induce significant welfare gains for both savers and borrowers. They induce a*

stabilization effect which improves the liquidity services/disintermediation trade-offs faced by the economy under the introduction of a CBDC…"

The full paper can be found here.

And for related reading, see "ALGORAND MAKES CASE FOR 'PRIVATE – PUBLIC' CBDC MODEL" (19 Jul 2022).

BLOCKCHAIN BATTLES

SEC REBUKED FOR "REGULATION BY ENFORCEMENT" BY CFTC COMMISSIONER

The Securities Exchange Commision (SEC) using an insider trading scandal involving a [now former] Coinbase employee in order to allege that nine crypto assets should be classed as securities, drew pointed criticism from the Commodity Futures Trading Commission (CFTC) last week.

CFTC commissioner Caroline D. Pham characterized the SEC charges as "gotcha" style regulation by enforcement that only muddied the situation.

Pham also spoke up for her own agency's role regarding crypto regulation and more specifically, insider trading enforcement authority.

"I believe that anything that might impact or implicate the CFTC's jurisdiction, it's our job to go in there to enforce the law, and to make sure that we're prosecuting wrongdoing," Pham said. "If the CFTC is involved in some way, I think we have to have a seat at the table; or if our jurisdiction [is] involved, we have to have a seat at the table."

Regarding the SEC suit naming various cryptos as securities, Pham noted that it was important to provide regulatory clarity to the crypto sector, rather than to pounce with ill-considered enforcement actions.

Pham noted there were “open questions around some of the tokens that are described in the complaint, particularly utility tokens and those involving DAOs (Decentralized Autonomous Organizations).”

Pham said it was important to establish a clear route toward regulation and compliance by focusing on using tools “that don’t involve bringing enforcement cases.”

The CFTC commissioner then called out the SEC suit regarding Coinbase as disruptive, and added “People need to know what the rules are so they can follow them. I don’t believe in any kind of ‘gotcha’ regulation, where the rules are constantly changing on people and they don’t know what they’re supposed to be doing.”

The Coinbase case involved an employee who gave insider information to a relative and a friend, regarding coins that were about to be listed on that exchange.

New coin listings on significant exchanges like Coinbase often result in at least temporary upward price momentum in the coins.

Even before Pham’s remarks, others were pointing out that the SEC move to use an insider trading abuse case to class multiple cryptos as securities, was ham handed and harmful, to say the least.

The nine cryptos named in the SEC complaint include e AMP (AMP), Rally (RLY), DerivaDEX (DDX), XYO (XYO), Rari Governance Token (RGT), LCX (LCX), Powerledger (POWR), DFX Finance (DFX), and Kromatika (KROM).

Former CFTC Head Criticizes Slow Muddy U.S. Regulatory Picture

The intra-government regulatory spat found more perspective via other comments this past week.

Chris Giancarlo, former Commodity Futures Trading Commission chief, warned that the Euro Markets in Crypto Assets (MiCA) bill could become a defacto and unwanted standard of regulation if the U.S. doesn't make its own clear cut rules.

"I'm very concerned with the rapidity of MiCA's evolution," Giancarlo added.

RIPPLE Q2 PROVIDES SEC UPDATE AND NFT REVEAL

The "crypto winter" rally which has seen Ethereum and Bitcoin lead a general market upturn from the deep lows of Spring 2022 has only moderately improved Ripple Lab's XRP token price.

The ongoing SEC lawsuit has been an obvious drag, but a newly released Q2 company report offered some optimism.

The business acknowledged that it is aggressively seeking a resolution to the SEC action, according to ambcrypto.com. Its report emphasized that the absence of regulatory clarity has been a significant roadblock for the whole cryptocurrency sector, not just Ripple.

The report also revealed that Ripple is building an NFT presence. Via a collaboration with FLUF World, a new blockchain called Root Network, will facilitate the NFT venture.

The network will utilize XRP to pay for gas.

CRYPTO WINTER WARMTH

Some speculators may be warming up the current crypto winter. But it would be well to remember that gone are the days when cryptos operated among a strata of coding “cipher punks” and disaffected millennials out to leave corrupt and controlling legacy financial and tech powers behind.

Macroeconomic conditions and world events will decide when the crypto winter is over.

No matter what the current climate, investors (not speculators) would do well to continue to research and identify areas where crypto powered blockchains and DLTs (Distributed Ledger Technologies) are providing innovations and utility.

Unfortunately, 2021 saw such a meteoric rise of cryptos not only in price, but the public conscience, many people’s first dabbling (or plunge) into the sector happened at or near a major cycle peak.

When the sector crashed even harder than the stock market in early 2022, it didn’t exactly earn credibility with many who were already having trouble wrapping their minds around the technology.

That’s the glass half-empty view.

The recent lows of Ethereum (ETH), with over 4,000 development projects running on the network, and Solana (SOL), with over a thousand projects, can be viewed as a second chance for investors.

Projects offering much needed blockchain interoperability, like Quant (QNT), Cosmos (ATOM) and Chainlink (LINK), hit lows along with the sector as a whole, and are still considerably down from their all-time highs.

The glass half-full view is that the crypto crash is a second chance to catch the wave when it significantly rises again, as it likely will, sooner or later.

During the crypto winter, development and disruption haven't gone dormant. Quite the opposite. That's because the technology and the possibilities for transforming whole sectors of the economy, and the way people interact and live, is quite real.

Permissionless public blockchain technologies are opening doors to participation in a wide array of innovations in a way that even the internet itself may only prove to have been a prelude.

Along with AI (Artificial Intelligence and IoT (Internet of Things), crypto technology has been identified as part of a "trivergance" of fast evolving technologies. (See "THE TRIVERGENCE: A BUZZWORD FOR EMPOWERMENT OR ENSLAVEMENT?" 19 Jul 2022.)

We would add that genetic technologies including Synbio (Synthetic Biology) and Bio Pharma represent a fourth component of this revolution. (See "SYNBIO AND BIO PHARMA: YES, THERE'S HUGE UPSIDE," 15 Mar 2022.)

So maybe what's happening is more of a "Quadvergence."

The point is that cryptos are disrupting and changing legacy technologies and ways of doing things.

It goes far beyond Bitcoin, though Bitcoin and Ethereum have certainly led the crypto revolution, and will likely continue to do so.

Larry Fink of Blackrock, a one-time crypto doubter, embodies as well as anyone the turning tide of institutional attitudes toward the sector.

Blackrock took a stake in Circle, which issues the USD stablecoin, currently the second largest of its kind in the crypto sector.

Earlier this year, Blackrock CEO Larry Fink said the investment management firm was "studying digital currencies, stablecoins, and the underlying technologies to understand how they can help us serve our clients," a notably positive signal toward the sector.

More recently, former Blackrock Managing Director Edward Dowd gave his take on the state of the current “crypto winter.”

Dowd said in an interview that “robust” cryptocurrencies would get past the current downturn and emerge as major forces to be reckoned with.

He specifically called Bitcoin “the Amazon of the crypto era.”

Bitcoin’s underlying technology, transparency, and the freedom it provides will undoubtedly help the asset overcome the issues, Dowd argued, according to cryptopotato.com.

Dowd noted that the advantages of BTC such as transferability, not needing to store it in physical vaults, and other aspects, made it an attractive digital commodity.

Others remain more pessimistic, arguing the bottom and full bust that will shake out weak projects still has a ways to go.

Scott Minerd, Managing Partner of Guggenheim Partners, is one of those. As reported by ambcrypto.com, he said about the current market conditions:

> *“I think it’s going to have to deflate further, and we’re going to have something similar to the collapse of the Internet bubble where we have a chance to sort out who are the winners and who are the losers here. And I don’t think we have fully flushed out the system yet.”*

DO BLOCKCHAINS NEED CRYPTOS?

We recently gave our take concerning China’s supposed “innovations” involving blockchains absent crypto tokens (see “CHINA ‘INNOVATING’ BLOCKCHAINS WITHOUT CRYPTO”).

The fact is, China's moves against bitcoin in mid 2021, and then all cryptocurrencies, represented a rejection of a wide swathe of innovation, for ideological and even existential reasons.

That's the problem with any command and control system: it can't abide not having control. (See "THE GEOPOLITICS OF BITCOIN," 27 Jul 2021.)

It's why China has certainly achieved some high-tech milestones, but only by substantially infiltrating relatively open societies and stealing huge amounts of IP (Intellectual Property).

And that's not really innovation, is it?

Innovation requires a certain amount of openness and freedom. That's the Achilles heel of China.

Unfortunately, via Agenda 2030 and other restrictive command and control regulatory schemes, it's becoming a huge self-imposed drag on Western countries as well. (For more on that, see "HOW 'IMPACT INVESTING' IS BAMBOOZLING INVESTORS TO IMPOSE A WOKE AGENDA" in the Trends In Technocracy section of this issue.)

Regarding blockchains and how cryptos fit into the innovation, a recent article at Cointelegraph.com, "Can blockchain be used without cryptocurrency?" represents a good primer, and provides some insights about Smart Contract technology as well.

TRENDS IN THE COVID WAR

CHINA CONTINUES ITS 'ZERO-COVID STRATEGY,' LOCKS DOWN MUCH OF WUHAN AGAIN

China has been one of the last remaining "Zero-COVID" holdouts and announced last week that sections in the city of Wuhan—the city where many believe the disease originated—has been placed under lockdown due to four asymptomatic cases.

Two of these cases were discovered during normal testing and the other two through contact tracing, the BBC reported.

The **Trends Journal** has reported extensively on China's strict COVID guidelines that are intended to snuff out any chance of a major outbreak in the country of 1.4 billion no matter the economic costs. *(See "GLOBAL ECONOMY IMPACTED BY CHINA'S SLOWDOWN DUE TO 'ZERO-COVID' POLICY," "HERE WE GO AGAIN: CHINA RAMPS UP COVID WAR AS KEY CITIES SHUT DOWN" and "CHINA RAMPS UP ZERO-COVID POLICY: STAY HOME, DON'T TRAVEL.")*

The National Bureau of Statistics announced last week that the country's manufacturing purchasing managers' Index (PMI) dropped to 49.0 last month after hitting 50.2 in June.

Chinese President Xi Jinping has received some praise and criticism for his approach. Tedros Adhanom Ghebreyesus, the World Health Organization director-general, called China's COVID strategy "unsustainable."

But China, considering its size, had relatively few cases compared to Western countries. On Tuesday, there were just 553 new infections in China. The U.S. is recording about 500 deaths per day due to the virus.

New York Gov. Kathy Hochul announced last week that the state's hospitalization rate hit levels not seen since February. There were about 2,800 COVID patients admitted into hospitals on Wednesday alone.

China's initial method of taking tough measures against the virus was adopted by other countries that locked down cities except for essential services.

TRENDPOST: *Study after study has shown that these lockdowns did little if anything to stop the spread of the virus in Western countries. (See "STUDY SHOWS LOCKDOWNS SAVED JUST 10,000 LIVES IN U.S. AND EU...BUT KILLED MILLIONS OF LIVES AND LIVELIHOODS," "COVID-19 LOCKDOWNS A COMPLETE POLICY FAILURE" and "WHO NOW SAYS 'WE DO NOT ADVOCATE LOCKDOWNS.")*

Dr. David Nabarro, the WHO's Special Envoy on COVID-19, said in an interview back in October 2020 that political leaders have been too extreme in using lockdowns to try to slow the spread.

"We really do have to learn how to coexist with this virus in a way that doesn't require constant closing down of economies but at the same time in a way that is not associated with high levels of suffering and death it's what we're calling the middle path and the middle path is about being able to hold the virus at bay whilst keeping economic and social life going and we think it's doable," he warned.

The further the public gets from these lockdowns, the more apparent it is that they were ineffective in preventing the spread, but very effective in destroying lives. See:

- “LOCKDOWN LIES IGNORED BY PRESSTITUTES. DISMISSED BY D.C.”
- “SWEDEN WINS COVID WAR: DEATH RATE AMONG LOWEST IN EU DESPITE REFUSAL TO IMPOSE DRACONIAN LOCKDOWNS”
- “COVID WAR LOCKDOWNS SPIKE DRUG ADDICTION IN U.S.”
- “EPIDEMIOLOGIST: LOCKDOWNS ‘MORALLY WRONG’ & ‘A LAZY SOLUTION”
- “GLOBAL FREEDOMS FALL TO RECORD LOWS AMID COVID-19 WAR”

Wuhan Lockdown: Business As Unusual

China's latest restrictions in Wuhan will span for three days and most of the businesses in the city will be forced to close, according to *The Wall Street Journal.* The report said the restrictions were the first imposed since January 2020, at the start of the outbreak. The first lockdown lasted for 76 days.

The most extreme lockdown being imposed in hot zones in the city means residents cannot leave their homes. Bars, movie theaters and all performance spaces have also been closed.

The lockdowns are not limited to Wuhan. Shenzhen, a city of nearly 13 million, promised to "mobilize all resources" to stop the spread of the virus and CNBC reported that Tianjin, which is home to Boeing and Volkswagen factories, has tightened its COVID restrictions.

TRENDPOST: *As we have pointed out in several earlier issues, China led the way during the first round of COVID-19 infections in 2020, and there is little reason to believe that the West will not impose its own lockdowns if another variant begins to spread.*

Europe and the U.S., which have already crushed small businesses and the human spirit during previous outbreaks, have shown a willingness to let Beijing set the bar.

The ease of spread by the BA.5 variant in the U.S. raises the possibility that lockdowns may not be a thing of the past. The variant increases the possibility of a second COVID infection regardless of vaccination status, Reuters reported, citing a study from Portugal.

The researchers wrote that their findings provide "evidence to adjust public health measures during the BA.5 surge."

GERMAN MINISTRY: GET VAXXED, GET SICK

Last week, the German Federal Ministry of Health warned about the dangerous side effects of COVID-19 vaccines, but it was blacklisted in much of the Western media.

As we have noted. When the drug dealers run their ads on U.S. TV, after they hype how "great" they are, they then go over a long list of "side effects."

But not with the COVID Jab! Not advertised on TV are any mentions of "side effects." Thus, they are "perfect."

In the U.S.S.A., where any question of the government and their "officials" dictates are denounced as "conspiracy theories" and "misinformation," only one side—their side—is allowed to be taken.

On 20 July, the German health ministry posted that the Paul Ehrlich Institute, a federal health body with a focus on vaccines, found there were 0.2 reports of severe reactions per 1,000 doses.

The tweet was a correction to an earlier post that said, “One in 5000 people is affected by a side effect after a COVID19 vaccination. If you suspect an adverse reaction, get medical attention and report your symptoms to @PEI_Germany.”

The tweets were seized on by those opposed to these vaccines. One Twitter commenter considered the number of Germans who took these jabs.

“It comes down to the same thing! 1 report per 5,000 doses = 0.2 report per 1,000 doses! Makes at least 38,000 severe cases! Dark figure unknown! Incomprehensible!” the post read.

Children’s Health Defense called the posts “stunning.” Alex Berenson, the former New York Times reporter, said the numbers are likely an “underestimation” due to voluntary reporting.

Those who support the vaccines say alarmist reports on these numbers are “Fake News” because the health agency clarified that these reported cases have not been verified and “no causal connection with the vaccination has been established.”

The Paul Ehrlich Institute did not immediately respond to an email inquiry from The **Trends Journal** seeking clarification.

TRENDPOST: *We have long reported on safety questions tied to these vaccines that were rushed through the approval process during Operation Warp Speed. (See “COVID-19 VACCINES: TRACKING ADVERSE HEALTH EFFECTS” (19 Jan 2021) and “FDA SAYS IT WILL STRICTLY LIMIT USE OF THE JOHNSON & JOHNSON VACCINE DUE TO BLOOD CLOT RISKS” (10 May 2022).*

Questions about safety and the vaccines’ effectiveness seemed to impact the number of people who are willing to roll up their sleeves for a booster shot. Just 48.1 percent of eligible Americans have received their booster jab.

The U.S.’s Centers for Disease Control and Prevention says on its website that the vaccine helps protect people from getting severely ill with COVID-19.

“Side effects are normal signs that your body is building protection. Side effects may have a short-term effect on your ability to do daily activities and should go away in a few days,” the website reads.

The website says serious reactions are rare. Anaphylaxis has occurred in about five cases per one million doses; thrombosis with thrombocytopenia syndrome after the Janssen COVID jab has occurred in about four cases per million doses; Myocarditis and pericarditis was reported in 70.7 cases per million doses of the Pfizer jab among those 12-15, there were about 55 cases per million doses for those between 18 and 24.

The CDC’s website said there have been more than 601 million doses administered in the U.S. since 14 December 2020 through 20 July 2022. “VAERS has received 15,605 preliminary reports of death (0.0026%) among people who received a COVID-19 vaccine,” the website said.

These deaths are under review and the agency insists that the vaccines are safe.

TRENDPOST: *Dr. Clare Craig, a consultant and former National Health Service pathologist, told GBN that the German numbers represent doctors who have reported these adverse effects and the number could be significantly higher.*

She said Germany handed out surveys to 500,000 people after they took their vaccine to learn about potential side effects. The survey found that there was one serious case per 500 after taking the Pfizer or Moderna jab. AstraZeneca’s jab was worse with one in 142.

She noted that these numbers could be off, but said Pfizer’s own trial data identified one in 1,400 who had a serious event after taking the jab.

“These people were either hospitalized, or they had a life-changing event, or life-threatening event,” she said. “These are just very serious, top-of-the-iceberg stories.”

TRENDS IN GEOPOLITICS

U.S. OKs $8.4B WEAPONS DEAL FOR GERMANY, MAKING WAR-MACHINE VERY HAPPY

The U.S. State Department last week approved an $8.4 billion arms deal for Germany that will include the sale of Lockheed Martin F-35 aircraft for Berlin to use during nuclear deterrence missions.

Defense News reported that the 35 F-35s will replace the PA-200 Tornado aircraft by 2030 and will be used during nuclear weapons missions. The funding will be earmarked for aircraft development, related munitions, and training.

The U.S. Defense Security Agency informed Congress last week of the State Department's approval. *The Aviationist* reported that the F-35s will be based in Büchel, Germany. The report said it has never been officially confirmed, but that is the base where it is believed U.S. nukes are stored.

These F-35s will be able to carry the B61-12 bomb, which *Mother Jones* said is the most expensive nuclear bomb ever created at $11 billion for about 400.

German Prime Minister Olaf Scholz has shown how much of the Western world has evolved after Russia's invasion of Ukraine.

His initial approach seemed to be deliberate and sensitive to Berlin's relationship with Moscow. But he has become one of the top critics of Russian President Vladimir Putin and promised to revive Germany's military. (See "GERMANY JOINS THE FIGHT AGAINST RUSSIA: 'OPERATION BARBAROSSA 2.0?" and "HEIL GERMANY AS IT RAMPS UP WAR MACHINE TO BE EU'S TOP FORCE.")

We reported that Scholz addressed the Bundestag in June and vowed to turn the country's military into the largest in Europe to strengthen NATO's eastern flank, which is code for Russia. Scholz used the Russian invasion of Ukraine as his impetus to strengthen Germany's forces. Berlin has already earmarked $107 billion for military projects and will now spend more than 2 percent of its GDP on its military.

The country's military said in May that the new funding will purchase 60 Boeing Chinook CH-47F helicopters, and the 35 Lockheed Martin F-35 fighters.

German Air Force Chief of Staff Lt. Gen. Ingo Gerhartz told *Defense News* "we are shaping our future" with the F-35.

The military news website, citing a source close to the F-35 program, said that aircraft would likely be built at the Lockheed Martin facilities in Fort Worth, Texas. The report pointed out that the other principal contractors involved with the sale "include Pratt & Whitney, providing 37 F135 engines, as well as Boeing and Raytheon Technologies."

Defense News said several other European nations requested the F-35 to update their air forces. Greece has requested 20 by 2028 and Finland also intends to spend $10 billion on 64 of the fighters. *(See "RAYTHEON FOLLOWS BOEING TO D.C. AREA BECAUSE THAT'S WHERE THE MONEY IS," "WAR MACHINE MAKING BILLIONS" and "THE MASTERS OF WAR, AT WAR WITH RUSSIA.")*

TRENDPOST: *It is barely noted by the mainstream media Presstitutes—media whores who get paid to put out by their corporate pimps and government whore masters—that U.S. Defense Secretary Lloyd Austin became a rich man in the private sector when got a position as a board of director on Raytheon, the second largest defense contractor in America.*

OpenSecrets pointed out that Austin earned seven figures from the defense companies. The website in 2020 reported that Austin, who was retired from the military at the time, and Antony Blinken, the current secretary of state, worked as "D.C. partners" for Pine Island Capital Partners, an investment firm specializing in defense companies.

Top officials in the Biden administration who have been the most vocal backers of providing Ukraine with more arms have deep ties to consulting and investment firms for the military. But you will never read those reports in the mainstream media.

TRENDPOST: *As Dwight D. Eisenhower warned in his 17 January 1961 Farewell Address, the military industrial complex has taken over America.*

Adding to the list, Mark Esper, the defense secretary under President Donald Trump and former Raytheon lobbyist, has been hawkish when it comes to China, said he believes the "One China Policy" outlived its usefulness, [and] it is time to move away from strategic ambiguity.

"I think it's important that we begin that national discussion back in the United States," he said before calling on a "bold increase in defense spending."

Esper met with Taiwanese President Ing-Wen Tsai last week and called China the "greatest challenge facing the democracies of the West," Stripes.com reported.

Esper has deep ties to the military-industrial complex and spent years as Raytheon's top lobbyist before joining the Trump administration, Citizens for Ethics reported. The report said he pulled in $1.5 million in salary and bonuses and defined his job as being "responsible for company interactions with members of Congress and their staff at the Federal level and with all state and local elected officials and their staff."

DEADLY PROTESTS BREAK OUT IN CONGO, UN MISSION TARGETED

Did you read the headline news about a family of three dying from Russian attack in Ukraine?

But barely reported in the mainstream media is the deadly protests that broke out in Congo which killed 15 people, including three law enforcement officials working with the UN.

The violence broke out in the mineral-rich eastern region of the country. These protesters raided UN bases in Goma, Butembo, and Uvira, demanding that the agency ends its peacekeeping mission that was established in 1999. *The Conversation* reported that there are more than 16,000 uniformed personnel in the country.

The website said the violence is not only an "expression of the local population's frustrations about the past and the present, but also the uncertainty of their future." There is a feeling among some in the country that the peacekeepers in the UN's Organization Stabilization Mission in the Democratic Republic of the Congo are not doing enough to stop killings by the region's 120 groups of armed rebels. They also call the peacekeepers corrupt.

Hundreds have died over the past few years at the hands of these groups and more than 160,000 have been forced to flee in 2022 alone, according to *The New York Times.*

The **Trends Journal** has reported on a recent flare-up between Congo and Rwanda that has the possibility of developing into an all-out war. (See "WHAT UKRAINE WON'T DO" RWANDA AND CONGO CALL FOR CEASEFIRE" and "U.S. CONDEMNS CONGO KILLING OF INNOCENTS.")

António Guterres, the UN's secretary-general, said in a statement that he was "outraged" over an incident on Sunday morning at a border checkpoint that involved peacekeepers opening fire "for unexplained reasons."

Video emerged of the incident that showed people approaching what appeared to be a UN convoy. Gunshots rang out and the people fled. It was not clear how many died in the latest incident.

Guterres also offered his deepest condolences to the affected families, the nation's people, and the Congolese Government and wished the injured a speedy recovery, the statement read. He promised that there will be "accountability for these events." Some were already arrested.

3 International Police Officers Killed in Clashes

Two Indian and one Egyptian police officer working for the UN in the country were killed on Tuesday after Congolese protesters managed to take guns from local police and fired on the officers, reports said.

Farhan Haq, a UN spokesman, said these clashes were "fueled by hostile remarks and threats made by individuals and groups against the U.N., particularly on social media."

The protests have been taking place while fighting has been increasing between troops in Congo and the M23 rebels.

Congo has accused Rwanda of backing these fighters, a claim Kigali denied.

The U.S. State Department announced that its head Antony Blinken will travel to Congo and Rwanda later this month to try and ease tensions. The department said Blinken "will focus on the role the government of Rwanda can play in reducing tensions and ongoing violence in eastern DRC."

TRENDPOST: *Gerald Celente has long asked, "Would the U.S. have invaded Iraq if the country's chief export was broccoli?*

Congo announced last month that it intends to auction rainforest land for oil investments. Its decision was criticized by Western countries who point to the environmental impact of the move. But Congo said the goal is to reduce poverty in the country and generate economic growth, The New York Times reported.

"That's our priority," Tosi Mpanu Mpanu, the nation's lead representative on climate issues, told the paper. "Our priority is not to save the planet."

TRENDPOST: *On 17 January, 1961, the same day U.S. President Dwight D. Eisenhower gave his farewell address warning the American people that the military industrial complex was in control of the country and robbing it of the genius of the scientists, the sweat of the laborers and the future of the children.*

Patrice Lumumba, Congo's first elected president, was executed in a plot that was allegedly designed by the CIA and its Belgian cohorts.

Lumumba was seized, tortured, and executed in a coup supported by the Belgian gang, the CIA, Jacobin magazine reported. He was replaced by the US-backed dictator Mobutu Sese Seko who the magazine said "laid the foundation for the decades of internal strife, dictatorship, and economic decline that have marked postcolonial Congo."

The killing occurred while the Cold War was playing out, and the U.S. and its allies could not imagine a world where the raw materials found in the country could somehow end up in the hands of the Soviets.

The Guardian, in a 2011 article, reported that Lumumba's hope was to use the raw materials to improve the living conditions of its people.

"In Congo, Lumumba's assassination is rightly viewed as the country's original sin. Coming less than seven months after independence, it was a stumbling block to the ideals of national unity, economic independence, and pan-African solidarity that Lumumba had championed."

ISRAEL TO DEMOLISH PALESTINIAN HOMELAND FOR MILITARY FIRING ZONE

The Israeli Supreme Court ruled in favor of the military to evict some 1,200 Palestinians in the occupied West Bank to make way for a firing zone for the Israeli defense forces.

The Palestinians live in the Masafer Yatta region, which consists of small, poor villages, according to the *Financial Times*.

The legal battle over the land has spanned for two decades and the ruling impacts eight Palestinian villages, the report said. The expulsion would be the most expansive in decades and has been criticized by the UN and EU.

Demolition has already started in the area, which has been called “Firing Zone 918.” Bulldozers guarded by IDF troops have destroyed nine homes in nearby Khirbet al Majaz and 11 in Khirbet al Fakheit. Video emerged on social media that showed some of the homes being destroyed.

Hannah Weisfeld, the director of Yachad, the U.K.'s pro-Israel, pro-peace movement, said she visited Masafer Yatta, which is in Firing Zone 918, and the residents who live there “live under the daily threat of eviction.”

“There is no pressure from the international community to stop the eviction & @IDF has already started demolishing,” she tweeted.

Palestinians and some Israelis have protested the court ruling, and tear gas and stun grenades were used, according to unconfirmed online reports.

The court ruling occurred in May and critics say it was done almost in secrecy. The ruling means IDF can forcibly remove these residents from what has been called Firing Zone 918, which is a swath of land in the South Hebron Hills designated by Israel in the 1980s.

Israel said the area was designated at the time because the land was "uninhabited at the time," the *FT* reported. Those who live there have contested those claims and said their families have lived there for generations.

The court ruled in favor of the IDF because it said the Palestinians failed to provide proof that they own the land.

The **Trends Journal** has reported extensively on Israel's clashes with Palestinians over settlements. *(See "ISRAEL'S NEW 'SETTLEMENT' PLAN CONDEMNED BY U.S., EUROPE," (2 Nov 2021), "ISRAEL TO BUILD MORE 'SETTLEMENTS" (26 Jan 2021), and "ISRAEL TO BUILD MORE REALESTATE DEVELOPMENTS ON PALESTINIAN LAND." (11 Jan 2022.)*

The Norwegian Refugee Council said Israeli authorities have increased both settlement expansion and demolitions since President Biden took office. The organization said in the first six months of this year, Israel approved plans for 4,427 housing units in Israeli settlements in the occupied West Bank.

"This is a huge increase from 3,645 units approved for all of last year," the council said.

Biden visited Israel earlier in July to meet with Prime Minister Yair Lapid and said, "The connection between the Israeli people and the American people is bone deep. Generation after generation, that connection grows. We invest in each other. We dream together. We're part of what has always been the objective we both had. I've been part of that as a senator, as a vice president, and quite frankly, before that, having been raised by a righteous Christian."

TRENDPOST: *While Israel calls them "settlements," they are illegal land grabs under international law. They violate Article 49 of the Fourth Geneva Convention of 1949 that states, "The Occupying Power shall not deport or transfer parts of its own civilian population into the territory it occupies."*

The UN Security Council, the UN General Assembly, the International Committee of the Red Cross, the International Court of Justice, and the High Contracting Parties to the Convention have all affirmed the Fourth Geneva Convention applies, that this is occupied territory, and Israeli settlements there are illegal. (See “ISRAEL’S NEW ‘SETTLEMENT’ PLAN CONDEMNED BY U.S., EUROPE,” “ISRAEL TO BUILD MORE ‘SETTLEMENTS,’” and “ISRAEL ACCUSED OF APARTHEID BY HUMAN RIGHTS WATCH.”)

The Israeli court ruled that international law was not relevant in this case.

A lawyer for the Palestinians promised an appeal because “this is occupied territory, so the Israeli army cannot use the land for general purposes [such as training]. The villages of Masafer Yatta cannot serve as an IDF training field.”

TRENDS-EYE VIEW

SOME 60 PERCENT OF AMERICANS WORRY THEY ARE GOING BROKE

While America has sent over $60 billion to keep bloodying the killing fields of Ukraine and enriching the military industrial complex, a poll released last week by the American Staffing Association found that about 60 percent of American workers said their paycheck will not be enough to provide for their families as the country deals with runaway inflation and higher energy costs.

The online survey found 58 percent of employed U.S. adults expressed the concern, led by 69 percent of Hispanic workers and parents with children under 18 (66 percent).

About 28 percent of those polled said they plan to search for a new job in the next six months in an effort to fight the trend. About 27 percent said they are eyeing a second job.

"Workers are concerned about the effects of inflation, and they're planning on taking action," Richard Wahlquist, the ASA president and CEO, said. "Employers need to provide competitive compensation and work flexibility, and invest in employees' professional development, if they want to keep and recruit quality talent in this labor market."

Baby Boomers were least likely to say they would look for a new job or ask for a raise due to their age.

The **Trends Journal** has reported extensively on the financial strain that many Americans are facing. (See "TOP TREND 2022- UNIONIZATION: LACK OF COMPETITION CUTS WORKERS' LEVERAGE," "TOP 2022 TREND, 'UNIONIZATION,' ON THE RISE," "EMPLOYERS: 'COME BACK TO THE OFFICE.' WORKERS: 'I WANT TO WORK FROM HOME" and the 14 Jun 2022 "ECONOMIC AND MARKET OVERVIEW.")

The Federal Reserve has raised interest rates in an effort to bring down the inflation rate that hit 9.1 percent in June, which was the fastest rate increase since 1981. The problem is not isolated in the United States. The International Monetary Fund said inflation will reach about 6.6 percent in advanced economies and 9.5 in emerging markets.

The Commerce Department announced last week that the U.S. gross domestic product shrank again for the third straight month, which is generally considered the beginning of a recession.

President Joe Biden said the U.S. has strong unemployment numbers and new investments in manufacturing, and insisted that the economy is not in a recession.

"Number One, we have a record job market, and record unemployment of 3.6 percent, and businesses are investing in America at record rates," he said. He continued, "that doesn't sound like a recession to me."

The Wall Street Journal said the "unofficial" definition of a recession is when there are two quarters of shrinking economic output.

The Federal Reserve on Wednesday raised its benchmark interest rate by 75 basis points for the second straight month.

Jerome Powell, the Federal Reserve chairman, agreed with his boss and said he does not believe the U.S. is in a recession because of the strong job market. He said, “2.7 million people hired in the first half of the year, it doesn’t make sense that the economy would be in recession,” the *Journal* reported.

He continued, “Generally the GDP numbers do have a tendency to be revised pretty significantly. You tend to take first GDP reports with a grain of salt.”

The Commerce Department said Friday that consumers increased their spending by 1.1 percent in June, which is an increase from 0.3 percent in May, the paper reported. Spending was nearly flat when adjusting for inflation.

The ASA poll was conducted online in early June and included 2,027 adults in the U.S., including 1,165 who were employed.

TRENDPOST: *The ASA poll followed a survey released earlier in the month by the American Psychiatric Association showed that 87 percent of Americans admitted that they are either anxious or very anxious about inflation.*

“Healthy Minds Monthly is showing us that the economy seems to have supplanted COVID as a major factor in American’s day-to-day anxiety,” Rebecca Brendel, president of the APA, said.

The number of those concerned is up about eight percent from the previous month. Besides the stress of inflation, 51 percent of those polled said they were concerned about the possible loss of income.

"This context is important for psychiatrists and other mental health clinicians to take into account as we see our patients, especially as it pertains to affordability and availability of care,” she said.

Both the COVID-19 anxiety and inflation is a direct result of the disastrous government mishandling of the virus outbreak and inflation, which was brushed off as "transitory" for months before the Biden administration took it seriously. (See "FROM 'TEMPORARY' TO 'TRANSITORY' INFLATION KEEPS SPIKING" and "INFLATION RISING. NOT 'TEMPORARY' OR 'TRANSITORY.'" (26 Oct 2021.)

NOTE TO READERS: *As long ago as 4 August, 2020, we warned in our "Global Economic Trends" section that COVID War mandates would lead to inflation and that those disruptions would make inflation a long-term problem ("Consumer Prices Rise in July," 18 Aug 2021).*

UNIONIZATION TOP 2022 TREND: OVER 1,000 LUFTHANSA FLIGHTS CANCELED AS GROUND STAFF GOES ON STRIKE, PILOTS ALSO SIGNAL PLANS TO PICKET

Lufthansa, the major German airline, announced the cancellations of over 1,000 flights last week after ground teams went on strike over salaries and a Sunday vote by pilots could mean the carrier is going to be facing additional headaches.

Ver.di, the German labor union that represents about 20,000 employees at the airline, wants a 9.5 percent pay increase to keep up with soaring inflation, *The Wall Street Journal* reported. These workers also claim that they face more tasks than usual due to staffing shortages.

Vereinigung Cockpit, the German pilot union, held a vote Sunday that called for an industrial action move that could pave the way for a pilot strike. Pilots voted 97.6 percent in favor of the move that calls for 5.5 percent salary increases. They also want an automatic inflation compensation going forward.

Lufthansa said it respected the result of the vote and is looking for a constructive solution with its 5,500 pilots. The German carrier criticized Ver.di of acting hastily by calling for the strike last week "after two days of negotiations."

The airline canceled flights in Frankfurt and in Munich, impacting 134,000 passengers.

"Ver.di has announced a strike that can hardly be called a warning strike due to its breadth across all locations and its duration," Michael Niggemann, member of the Executive Board Chief Officer Human Resources Deutsche Lufthansa, told SimpleFlying.com*.* "This is all the more incomprehensible given that the employer side has offered high and socially balanced pay increases—despite the continuing tense economic situation for Lufthansa following the Covid crisis, high debt burdens and uncertain prospects for the global economy."

If negotiations fail, a possible pilot strike could occur just in time for the holiday season.

TRENDPOST: *The* ***Trends Journal*** *has long reported that the COVID War brought on days of reckoning for governments and private companies around the globe when it comes to workers' rights. The trend shows no signs of slowing as the world faces surging energy prices and soaring inflation. Strikes have impacted scores of industries. (See "TOP 2022 TREND: UNIONIZATION ON THE RISE.")*

We also reported on how airlines were met with uncertainty when the COVID War was launched in 2020 and tens of thousands of jobs were cut. Some employees also refused mandatory vaccinations to keep their jobs. (See "SOUTHWEST AIRLINES: "NO JABS, NO JOB…NO FLIGHT" and "UNITED AIRLINES TO ALLOW UNVACCINATED WORKERS TO RETURN TO WORK.")

TREND FORECAST: *The travel industry still faces headwinds despite showing promise with customer demand and, in the case of these Lufthansa employees, they want to be compensated for the sacrifice they made during the early days of the COVID-19 lockdowns.*

Christine Behle, a Ver.di official, said Lufthansa cut more than a third of its staff during the outset of the coronavirus and she said stresses are "extremely high" for those workers still there and many are considering leaving the profession, WSWS.org reported. Behle said these workers are even more vulnerable to inflation because they had "three years of wages sacrifice to stabilize the company during the pandemic."

The report, citing the ADV airport association, found that 2.3 million jobs have been cut in the aviation industry since the start of the virus and about 20 percent have not been filled in Germany alone.

Strikes are not limited to Germany. Ryanair has also faced strikes by cabin crew unions over pay. Unión Sindical Obrera (USO) and Sitcpla, have called for a walk out that will last five months until January 2023, Euronews.com reported.

UNIONIZATION TOP 2022 TREND: TRADER JOE'S VOTE TO UNIONIZE

A Trader Joe's in Massachusetts became the company's first store to unionize after workers at the location voted 45 to 31 in favor of the representation—continuing our forecast that unionization will be a Top Trend in 2022.

The union, which is called Trader Joe's United, said in a statement posted online that the majority of the crew at the Hadley location "enthusiastically supported" the push from the start. The union also blamed the grocer, which is perceived by the public as politically progressive, that the company did its best to "bust us."

The vote came in at 45-31.

***TRENDPOST:** The **Trends Journal** has reported extensively on the growth of unions across the U.S. after the COVID-19 lockdowns.*

There have been several factors why workers across the U.S. have turned to unions. *These factors included the surge in profits that CEOs and owners saw during the outbreak that critics say they refused to share. These employees also see no chance of career growth and have complained about safety issues during the outbreak.*

The hypocrisy is notable when companies that position themselves to be progressive in the public have no qualms with cracking down the hardest against union formations. Workers at Starbucks, REI, Apple, Amazon have accused them of trying to bust these unionization efforts through intimidation. (See “TOP 2022 UNIONIZATION TREND UPDATE,” “TOP 2022 TREND, ‘UNIONIZATION,’ ON THE RISE” and “TOP TREND UNIONIZATION, HEATING UP: TOP GERMAN UNION PUSHING FOR HIGHER WAGES.”)

Bob Bussel, the emeritus director of the University of Oregon’s Labor Education & Research Center, told Atlanta Civic Circle that COVID-19 showed workers the decisive role that unions play when employees need to advocate for themselves. He said workers saw that unions provide them a tool to try to "improve your conditions, whereas a non-union worker just doesn’t have that.”

The Bureau of Labor Statistics said about 10.3 percent of American workers are members of a union. But the trend is picking up pace.

The National Labor Relations Board said last month that from 1 October to 30 June, unionization attempts in the U.S. have increased by 58 percent compared to 2021.

Trader Joe's Next Steps

Kayla Blado, National Labor Relations Board director and press secretary for the Office of Congressional and Public Affairs, told ABC News, "If no objections are filed, the results will be certified and the employer must begin bargaining in good faith with the union."

A representative from the grocer told *The Boston Globe* that the store was ready to "immediately begin discussions with union representatives for the employees at the store to negotiate a contract."

"We are willing to use any current union contract for a multi-state grocery company with stores in the area, selected by the union representatives, as a template to negotiate a new structure for the employees in this store; including pay, retirement, healthcare, and working conditions such as scheduling and job flexibility," the store said.

On the surface, the statement seems like the company is keen on working with these employees, but *The New York Times* said the statement implies that Trader Joe's already offers its employees better benefits than other union workers nearby.

Trader Joe's faces another union vote next month at a store location in Minneapolis, the *Times* reported.

The organizers at the Massachusetts location kicked off the campaign in May. They wrote an open letter to Dan Bane, the company's CEO, that they were concerned about their safety during the COVID-19 outbreak, benefits, and pay.

Maeg Yosef, the organizer who worked at the company for 18 years, accused Trader Joe's of engaging in "classic union-busting" tactics, according to WCVB. She said the company hired a law firm that specialized in union busting and explicitly told employees to vote against unionizing.

TREND FORECAST: *Unionization will continue to be a Top Trend and, as inflation continues to rise faster than wages, corporations that wish to incentivize their workforce to do and give the best they can, will raise the pay scale to levels higher than inflation rates.*

REVOLVING DOOR: "IT'S ONE BIG CLUB, AND YOU AIN'T IN IT."

The media and what is called the "education" system, calls the shifting of top people in government to corporations and the shift from corporations to top government jobs a "revolving door."

The door is not "revolving." America is, according to the definition of Benito Mussolini, who called the merger of state and corporate powers "fascism"... a fascist nation. (And what they call "misinformation" if you refuse to swallow their crap, and are censored by the media... it is "communism.")

We have noted how the head of the U.S. Department of Defense, Lloyd Austin, was on the board of directors of Raytheon, the second largest defense contractor in the United States before taking the new government job.

The revolving door between the government and the private sector again reared its ugly head last week after it was revealed that a top Food and Drug Administration official whose focus at the agency was on products aimed at suppressing smoking has taken a job with Philip Morris, the multinational tobacco company.

Matt Holman had been on leave during his process of "exploring career opportunities outside the government."

Nicholas Florko, a Washington correspondent for *STAT News*, noted that Holman was the head of the FDA tobacco center's office of science. He called it a "huge role."

The statement from the agency said Holman worked there for over 20 years and held his most recent post since 2017. The agency said Dr. Benjamin Apelberg and Dr. Todd Cecil will replace Holman until a permanent leader is named.

Philip Morris, which is best known for its cigarettes, also produces e-cigarettes. *The Daily Mail* reported that Holman, during his tenure at the agency, played a major role in e-cigarette approval.

Micah Berman, an associate professor of public health and law at Ohio State University, told *The New York Times* that Holman's departure is "embarrassing for the FDA, which sees itself as a public health agency, to have its employees go to a company that is a leading manufacturer of death."

TRENDPOST: *The* ***Trends Journal*** *has long reported on the revolving door between the government and the private sector. (See "FDA & BIG PHARMA: REVOLVING DOOR KEEPS SPINNING," "NEW FDA HEAD STUCK IN REVOLVING DOOR" and "FDA? TRY FU! DRUG LORDS IN CONTROL."*

TRENDPOST: Amanda Wheeler, the president of American Vapor Manufacturers and a vape shop owner in Arizona, told Filter magazine that "Holman is not leaving the FDA, he's escaping."

"It is hard to avoid the sense that the most serious and essential work on tobacco harm reduction is being done outside of an agency that appears beyond repair," she said.

TRENDPOST: *The relationship between the FDA and the industry it's charged with regulating is hard to describe without using the term "incestuous"; for example, another former FDA commissioner, Scott Gottlieb, who served from 2017 to 2019, now serves on Pfizer's board of directors; see "FDA & BIG PHARMA: ONE BIG CLUB" (29 Jun 2021).*

Gregory Conley, the president of the American Vaping Association, took to Twitter after reports emerged of Holman's new job and he mentioned how small business vape manufacturers on Reddit took issue with the appointment.

"The man who signed a letter last year telling me that my products were not appropriate for the protection of public health is now working for one of the largest tobacco manufacturers in the world. Let that sink in," one person posted.

Conley was likely referring to the Marketing Denial Orders Holman signed that were called "death warrants" for thousands of small businesses and vape shops.

Clive Bates, the editor at The Counterfactual, who supported Holman's decision, said there could be criticism because now Holman wants to work for "the big companies that profit from the brutal barriers to entry imposed by FDA."

He mentioned potential conflicts of interests.

"Have you improperly moved from the regulator to the regulated? That is, from gamekeeper to poacher? I don't think we should dwell on this for long," Bates wrote. "As I understand it, there are strict government guidelines about standing down when you begin a job search and staying apart for two years when you move from a government job to a business with significant interactions with the department you worked in. This sort of move is normal, given the skills overlap. I assume the rules were followed to the letter and in spirit."

TRENDS IN HI-TECH SCIENCE

By Ben Daviss

A POSSIBLE CURE FOR TYPE 1 DIABETES

In the world's 20 million people who have type 1 diabetes, the pancreas is damaged, often by the body's own immune system, and the organ's so-called "beta" cells lose their ability to make insulin. Without insulin, the body can't process sugars into energy.

The treatment is a lifetime of twice-daily insulin injections.

Other cures have shown promise, including pancreas transplants and using stem cells from skin to make new beta cells. However, both treatments require anti-rejection drugs that suppress the immune system in general and put patients at risk for any number of infections.

Scientists at Australia's Monash University may have found a better way to put an end to that endless round of needles.

The researchers collected pancreatic stem cells from persons with type 1 diabetes. Stem cells have the ability to become any one of a variety of specialized cells when exposed to the right biochemicals.

After culturing the stem cells in lab dishes, the research group dosed them with a drug known as GSK126, which has been approved by the FDA as a treatment for cancer.

Normally, pancreatic stem cells don't produce insulin. However, the anti-cancer drug jolted the stem cells to behave like beta cells. A few days after receiving one dose of the drug, the stem cells began making normal amounts of insulin.

TRENDPOST: *The researchers have a lot of work to do: testing the concept in mice, then larger animals before humans with type 1 diabetes can be involved. Any clinical applications for people are at least three years away.*

However, this breakthrough not only holds the solid promise of a cure for type 1 diabetes, but also shows a new direction in research that could do the same for type 2 diabetes, in which the body becomes resistant to insulin or doesn't make enough of it.

Type 2 diabetes has been widely described as a global epidemic. The World Health Organization estimates that 5 percent of the world's population will contract type 2 diabetes by 2030.

BACTERIA EAT PLASTIC POLLUTION IN LAKES

Taking samples of bacteria from 29 lakes in Norway, scientists found several strains of the bugs that grow hale and hearty by eating the remains of plastic bags that can drift into open waters.

The researchers took water samples containing bacteria from the lakes and then added bits of "plastic leachate," the microscopic bits of carbon that result when the bags begin to break down.

When the plastic leachate was added in concentrations normally found in lakes, relevant bacteria grew 2.29 times bigger than they normally do by eating carbon dissolved from leaves and twigs.

The bacteria find it easier to digest plastic leachate, the scientists discovered.

Once they grow big and strong by downing plastic waste, the bugs also are better able to break down harder-to-digest plant-based carbon remainders.

TRENDPOST: *It's not surprising that some bacteria eat plastic waste; bugs have been found or bred that munch on everything from dynamite to nuclear waste.*

These newly identified plastic-eating bugs could play a key role in reducing plastic pollution in lakes and rivers, which, in turn, would keep even more plastic from filling our oceans.

Before that can happen, careful studies would be needed to find what their own waste products would be, how their populations could be kept from booming, and other unintended side effects that could result.

Until then, we'll just have to get into the habit of taking reusable bags to the store.

AI INVENTS NEW PROTEINS FOR DRUGS, VACCINES, AND INDUSTRIAL USES

Living things are protein patterns.

In the human body, about 20,000 different proteins create our various bones and tissues, operate our chemical processes, and create illnesses when proteins go awry.

How a protein molecule is shaped is key to its function and recently, researchers have been using artificial intelligence (AI) to predict proteins' 3D structures from the strings of amino acids that comprise them.

Now AI has moved on. Thanks to scientists at the University of Washington, it's begun designing proteins that haven't existed yet.

Early versions of the AI designed a brand new protein that could bind to and neutralize a flu virus and a toxic bacterium.

All the researchers had to do was show the AI the design of the part of the protein that would bind to the target. The AI scanned a library of possible protein structures and filled in the rest of the blanks to lay out the complete protein in the correct shape.

The latest AI version is more free-wheeling.

Scientists tell the AI what they need – for example, a protein that will bind to a specific target molecule. The AI then generates random proteins and tests the results against a virtual model of the target.

The program discards proteins that don't work. When it finds one that might, it mutates the shape and composition over and over until it dead-ends or until it has a protein that meets the goal.

Because this happens at computer speed, tens of thousands of designs can be tried and judged in a matter of days.

The resulting designs then can be built and tested in a lab.

If the AI's design doesn't work in actuality, the researchers can give that feedback to the AI and send it back to work.

So far, the program has delivered candidate proteins for new drugs, vaccines, and industrial enzymes.

TRENDPOST: *The ability to imagine novel proteins by the thousands promises new approaches to body-friendly disease treatments, vaccines, and industrial processes.*

It could create entire new industries.

Inevitably, this new ability will lead some researchers to contemplate designing novel life forms. (The first synthetic life form was created all the way back in 2010.) The necessary ethical considerations and constraints that will need to surround that work will evolve more slowly than the technology and, probably, much more slowly than those life forms themselves.