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HISTORY BEFORE IT HAPPENS®

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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

NO! I'M "ROYAL."

Welcome to this week's **Trends Journal**: HERE "KING"! HERE, BOY! NO! I'M "ROYAL".

Turn on the news now—your favorite Presstitute channel—and they'll be covering the rise of Prince Charles to King Charles III following the death of Queen Elizabeth II, who reached the ripe old age of 96.

The bottom line to all of this "The Queen is Dead, Long Live the King" hype is to delude the general public into believing nobility reigns above We The People of Slavelandia... stupid little morons who must obey their lords.

In fact, this is the same message that trickles down that prime ministers, presidents, politicians and dignitaries across the spectrum are of a higher order than the public that they "serve."

What a world.

On the economic front, the latest consumer price index numbers and today's diving Dow are abysmal. But **Trends Journal** subscribers know we have been warning about a major equity crash and Dragflation which is now front and center across the global economic landscape.

Ukraine War

There are also news reports that claim Ukrainian forces are staging a counteroffensive of epic proportions against Russian troops. There's just one problem: reporters have been banned from the frontlines and Western news reports rely on the trustworthiness of Kyiv, which has been one of the most corrupt capitals in the world.

We are headed for the worst socio-economic and geopolitical crisis of our lives, and we are delivering to you our news analysis and trend forecasts based on four decades of experience. Please tell your friends and family about us so we can extend our reach. We are ad-free and have obligations only to you, our readers.

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

EURO ENERGY CRISIS MANUFACTURED IN USA

Well, postponing the closure of Germany's three nuclear power plants hasn't been decided yet. Actually, the green party, let's call them communist green party, are still discussing this and probably will do so until we face black out. (Actually, to be precise, we have another socialist party in the government. But our chancellor Scholz has probably some health problems, because he can't remember many things, particular items related to the Cum-Ex deals with Hamburg's Warburg-Bank.) And, because gas is for these communists still too cheap, they have added an additional tax, in German it is called "Gasanlage". Yes, they also want to reduce the VAT for gas but at the end we need to pay more. The solution is quite simple—we could just utilize Nordstream 2. Oops, the Americans don't like that.

Why? Because Germany is heavily depending on Russian gas. And how can you prevent Europe to become more competitive? You prevent the usage of Russian resources. I could write here pages—our great communist government tells us know how to preserve energy and how to shower. I am still puzzled where the electricity for our electric cars is supposed to come from. I think it is obvious —it is either the stupidity of German politicians or it is a plan to destroy our country, or maybe both.

Zarathustra

PUTIN STRATEGY GOLDEN

Even Biden realized inflation was real; so, he was forced to lie about it. How can our demented president be ahead of the Europeans?

So, Russia sells gas at a 30% discount to those with Rubles or gold. Demand is high. Gold is stock piled. And, western currencies, economies weaken. Suspect Putin is smiling all the way to the bank.

Steve Hawes

HOUSING BUST FALLOUT?

Won't private equity firms that bought up all these houses, many at the peak of the housing bubble, suffer when the housing market turns south and they have to write-down the value of all those homes that can't be sold or rented?

Brettagher

THE TECHNOLOGY JOB EQUATION

Cutting jobs has been the mainstay of Corporate America for decades. That's the main reason to improve technology, employ less people to do the same job. Biggest cost to Corporations is manpower.....so they say.

Hieronymus Meilink

UNION RANK AND FILE

Do you think that the unions will benefit the rank and file? I ask this question because Unions have not benefited anyone I have come across in a very long time, the examples I have seen only show the union benefiting the union. Sadly a fact at least the areas I have witnessed first hand.

Frank Stella

FAUCI CAN RESIGN BUT HE CAN'T HIDE

Fauci's resignation doesn't absolve him and his associates in government and commerce from the liabilities they foisted on humanity throughout the earth! There is a ploy the criminals are rolling out to justify their actions and in some way shield them from prosecution for Crimes Against Humanity with the COVID-19 experimental mRNA vaccinations.

The ploy being spread in the mainstream media is that they shouldn't be blamed for the introduction of a bio-weapon introduction on humans and the resultant lockdowns, mask mandates and social distancing was a result of MASS PSYCHOSIS!!! What a crock of shit! They openly violated the Nuremberg Code and the law says it is a life or death sentence for anyone who violates the code as International Law! A day of reckoning has to be prosecuted against all the criminals especially the WHO AND WEF AND UN before the Great Reset destroys the planet earth!!!

harlow53

THE NEW WORLD DISORDER

You know, GC, what's amazing is that in the entire Western world there is not a single opposition candidate, party or ideology to the beast that confronts us. I've been saying it now for 10 years on this site, nothing can possibly happen until there is first a Reformation, then a Renaissance which leads to the third R, which is a Revolution. Without the first two, nothing can happen. A Reformation means the people take the Word itself into their own hands and absorb it, and what they will find is that the Bible is a rebuke of the kings, the priests, the rich, and those who serve them.

Once this happens, people are freed and can explore their own God-given creativities, which is a Renaissance. We hear people credit the Founding Fathers for freeing the world, but they could have done nothing without the efforts of those like Martin Luther and Michelangelo. With this wisdom, the Founding Fathers knew to put in checks and balances, and separate church and state. As it says in Revelations, we are kings and priests before God for ever and ever. Amen.

Dave from L.A.

AI UTOPIA NOT PART OF THE PROGRAM

AI is nothing but partiality. It can only repeat what has been programmed into it. Sure the complexity of AI goes up all the time and someday may reach singularity. At that point have it make a decision that involves empathy. AI will be a psychopath and we have enough of those in NGOs and government already.

a1achiropractic

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TRENDS ON THE ECONOMIC AND MARKET FRONT

ECONOMIC UPDATE - MARKET OVERVIEW

As we would say in The Bronx, “Bullshit has its own sound.”

And the ongoing bullshit spewing out from The Street, which pushed equities higher over the past four sessions, was that inflation in the United Soviet States of America (U.S.S.A.) was on a downtrend and happy economic days are here again:

Stocks Rise Before Inflation Data
S&P, Dow and Nasdaq Composite notch their fourth consecutive day of gains

> *Stocks rose ahead of inflation data that are expected to show further cooling of consumer prices.*

– *Wall Street Journal,* 13 September 2022.

Or how about this from today's *Financial Times*:

Consumers' inflation and home price expectations ease

> *US consumers' economic outlook eased further in August as inflation and home price growth expectations declined, an improvement that is still unlikely to lead the US central bank to loosen monetary policy at its next meeting.*
>
> *Analysts polled by Reuters expect August's consumer price index to register a reading of 8.1 percent year on year, down from 8.5 percent in July.*

Thus, with the belief of lower inflation on the near horizon, equities kept moving higher as fear eased that the Bankster Bandits, i.e. U.S. Federal Reserve, would only raise interest rates .50 basis points rather than .75 basis points when they meet next week.

Instead, despite sharply falling gas prices which had economists surveyed by Dow Jones predicting a 0.1 percent decline for overall inflation and a rise of just 0.3 percent for core inflation... month over month, headline inflation rose 0.1 percent and core inflation rose 0.6 percent.

Costing more to live in an apartment or home, shelter costs went up 0.7 percent for the month. The price for buying a new vehicle and receiving medical care both rose by 0.8 percent.

Hitting Americans in their stomachs, the food at home index, which represents grocery prices, shot up 13.5 percent over the past year... the sharpest spike since 1979.

TRENDPOST: *Year on year, overall inflation is up 8.3 percent... yet U.S. Fed interest rates are just 2.50 percent. And even with a 75 basis point rise, real interest rates, when taking inflation into account, will still be deep in negative territory. Thus, even with rates still relatively low, the artificially pumped up economies and equities will deeply dive without more cheap money.*

Deep Down

Before today's inflation data was released, Dragflation—rising inflation, declining economic growth—was hitting Wall Street and Main Street. And now, the worst is yet to come.

FactSet reported that analysts had lowered their third quarter growth projections by 5.5 percent... the sharpest cut since the second quarter of 2020, when the world's dictators (aka politicians) locked down the plantation workers of Slavelandia to fight the COVID War and brought economic activity to a halt.

Bad to Worse

Totally absent in the mainstream business media inflation overview is how and why inflation keeps spiking. Not a peep of the more than $14 trillion that Washington and the Federal Reserve pumped into the economy and the Wall Street Gang to artificially prop up the economy they killed when they launched the COVID War!

Not a word about the zero interest rate policy that artificially boosted the housing markets.

There's also silence about the massive sanctions imposed on Russia by the United States and NATO and how their pumping scores of billions to ramp up the Ukraine War have sharply driven up a series of commodity prices that have hit consumer's pocket books.

TREND FORECAST: *Week after week, we have provided hard data which accurately illustrates the dire socioeconomic and political straits that lie ahead.*

The reality is front and center on Main Street and will be hitting Wall Street, driving all indexes deep into bear territory as the Federal Reserve keeps raising interest rates to bring down inflation... measures they should have imposed a year-and-a-half ago when inflation began to rise.

However, as we have greatly detailed, across the Western bloc, the Banksters and government rulers denied inflation was rising, calling it temporary and transitory which the mainstream media supported... blacklisting those of us who provided facts that it was real and would continue to escalate.

Again, the outcome is clear and simple. The higher and faster interest rates rise, the deeper the equity markets and economies—that were artificially boosted with cheap money, artificial money—will decline.

The hardest hit will be the commercial business sector as the work-at-home trend becomes a permanent part of workforce culture, as companies downsize to save rental expenses... and go out of business as economic conditions deteriorate.

And, as Gerald Celente has warned, the deeper the economy falls the higher crime and violence will rise: "When people lose everything and have nothing left to lose, they lose it." And as a result of the COVID War, which we had long warned about when politicians launched it, the data proves, with crime rates sharply rising... people have lost it.

Also, the deeper economic conditions fall and the higher social unrest rises, the louder war drums beat, as they are in the War between Ukraine, NATO and the U.S. vs. Russia. As Mr. Celente notes: "When all else fails, they take you to war."

LAST WEEK: STOCKS END FIRST POSITIVE WEEK IN A MONTH

After sliding early in the week, equity prices rose through Friday, led by consumer products makers, financial services firms, and manufacturers.

For the week, the Dow Jones Industrial Average grew by 2.7 percent, the NASDAQ added 4.1 percent, and the Standard & Poor's 500 index rose 3.6 percent.

Much of the buying was done by bottom-feeders picking up bargains after three straight weeks of losses, *The Wall Street Journal* said.

Also, earnings among U.S. corporations have largely held steady, lending encouragement to stock buyers.

"I don't see an earnings collapse," Jack Ablin, Cresset Capital's chief investment officer, told the *WSJ*. However, "if we go into a recession, it's a different matter."

The dollar lost ground, with the *WSJ* Dollar Index slipping 0.7 percent.

The dollar has been holding firm as the euro is squeezed by soaring energy prices and Japan's yen has fallen victim to rock-bottom interest rates held firm by the country's central bank.

Gold's continuous contract bounced through the week, ending essentially flat at $1,727.

Brent crude's price slid on Tuesday and Wednesday, stabilized on Thursday, and rallied to $92.15 by 5 p.m. U.S. EDT. West Texas Intermediate, which sets U.S. oil prices, bumped up to $86.79.

Oil prices firmed after OPEC+ announced a largely symbolic production cut, which we report in "OPEC+ Trims Production in Warning to West" in this issue.

Bitcoin rallied on Friday, adding 8 percent by 5 p.m. U.S. EDT on 9 September and rising to $21,508.

The yield on the benchmark 10-year treasury note rose from 3.291 percent Thursday to 3.321 percent Friday.

Yields have risen for six consecutive weeks, a sign of traders' optimism about the U.S.'s economic future, the *WSJ* noted.

Still, investor sentiment remains darkly bearish, according to a Bank of America analysis.

To get control of inflation, central bankers in Europe and the U.K. have indicated a willingness to raise interest rates high enough to cause a "growth recession." The degree of the U.S. Federal Reserve's rate hike due this month is far from certain.

Also, Britain and Europe are in a full-blown energy crisis, with recessions virtually certain, and China continues rolling anti-COVID lockdowns across large portions of the country's manufacturing regions.

Despite those clouds, China's stock indexes rose last week.

The SSE Composite expanded by 2.5 percent, the CSI composite 2 percent, and Hong Kong's Hang Seng index edged up 0.5 percent.

The all-Europe Stoxx 600 gained 1.2 percent and the Nikkei 225 in Japan rose 2.4 percent.

South Korea's KOSPI index slipped 1.8 percent last week.

YESTERDAY: ALL EYES ON CPI DATA

The Dow Jones Industrial Average was up 229.63 points, or 0.7 percent to 32,381.34 on Monday and the S&P 500 was also up 43.05 points, or 1.1 percent to 4,110.41. The NASDAQ Composite also rose 154.10 points, or 1.3 percent to 12,266.41.

Traders expressed optimism that inflation in the U.S. already maxed out. That, combined with the end of earnings season, means most investors will just monitor the Federal Reserve's next move. The U.S. consumer-price inflation data will be announced on Tuesday.

"If inflation moderates quicker than expected, I think the Fed can get more comfortable that their job might be closer to being done than they originally thought," Stephanie Lang, chief investment officer at Homrich Berg, told *The Wall Street Journal.*

The CPI data will influence the central bank's next move on how to tackle inflation, which is at 8.5 percent in the U.S. The bank's next monetary policymaking meeting is set for 20 to 21 September.

The New York Fed's Survey of Consumer Expectations for August, which was released Monday morning, found that Americans believe inflation will hit 5.7 percent in a year, and 2.8 percent in three years. In July, Americans were pessimistic about inflation and told the survey that they believe inflation will still be around 6.2 percent a year from now and 3.2 percent in three years.

Analysts say there's evidence that there is optimism because the price of gas at the pump is down, along with the price of oil.

Elsewhere, the European market was in the green on Monday with growing confidence about U.S. inflation figures and recent reported gains by the Ukrainian military against Russia. The FTSE was up 121.96 points, or 1.66 percent, to 7,473.03, and the STOXX 600 was up 7.38 points, or 1.76 percent to 427.75.

FTSE hit a two-week high despite data showing that the British economy contracted by 0.2 percent in July, according to the Office for National Statistics. The British consumer is dealing with inflation at 10.1 percent and the average Brit is seeing an 80 percent increase in their annual energy bill, which is hurting their spending power, which is a drag on the economy.

In Asia, the Nikkei was up 1.16 percent to finish the day at 28,542.11. South Korea's Kospi and the Chinese markets were closed due to a holiday.

Japan's Nikkei was up due to a confluence of good news, ranging from reports that Tokyo will scrap its cap on daily visitors next month, and the hopes that the U.S. will see positive CPI data.

TRENDPOST: *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. China is still locking down, Europe is looking to put price caps on Russian oil, and we're relying on the same central Banksters who* *called inflation “transitory” for the better part of a year, to be the ones to save the economy.*

Goldman Sachs is reportedly planning on cutting hundreds of positions within the firm as its deals business dried up the past year. A person with direct knowledge of the situation told CNBC that Goldman will reinstate a tradition of “annual employee culls, which have historically targeted between 1 percent and 5 percent of lower performers, in positions across the firm.”

OIL: Brent crude was up $1.16, or 13 percent to $94.00 a barrel on Monday and West Texas Intermediate was up about $1, or 1.1 percent, to $87.78. Reuters, citing the U.S. Department of Energy, reported that U.S. emergency oil supplies hit their lowest level since October 1984 on 9 September.

Jennifer Granholm, the head of the department, told the news outlet that there’s a chance that more oil could be released from the reserve after the program—which was announced six months ago to offset rising prices—ends in October.

Gas prices at the pump in the U.S. averaged $3.74 on Friday, which marked a 25 percent drop from June, when the average price was $5.02 a gallon.

TRENDPOST: *Janet Yellen, the U.S. treasury secretary, told CNN on Sunday that the price of gas prices could pop in the winter, if the EU puts a price cap on Russian oil exports.*

She said with the EU dramatically cutting back on Russian oil purchases to the point that they "will mostly stop buying" from Moscow, plus a ban on providing services that allow Russia to ship oil by tanker, "It is possible that that could cause a spike in oil prices."

"It's a risk, and it's a risk that we're working on the price cap to try to address," she said.

We note the words and deeds of the former Fed Head who is now in control of the U.S. Treasury to illustrate the arrogance and ignorance of those leading the charge to death, suffering and destruction.

Yes, the harder and longer the Ukraine War rages and the deeper the sanctions that are imposed on Russia, the higher gas and oil prices will rise. But for Yellen and all the other Bankster bandits, hedge fund, private equity and other members of the Wall Street Gang—plus the heads of big business monopolies in control of manufacturing, service, retail and other sectors of the economy—their primary concern is the bottom line of how much they can make... not how much it costs to fill their car or heat their house.

GOLD: The precious metal was trading in the $1,740-per ounce range on Monday, hitting as high as $1,745.90 and as low as $1,735.10.

The precious metal still faces a strong U.S. dollar, but could get a lift if the inflation data comes in lower than expected, raising the chances that the Federal Reserve will ease its monetary tightening.

We have long noted that a strong U.S. dollar makes the metal a less-attractive safe-haven investment for foreign buyers. When gold is up against high interest rates, the non-yielding asset also becomes less attractive compared to Treasuries. The yield on the 10-year Treasury note rose to 3.361 percent on Monday, up from 3.321 percent on Friday.

TRENDPOST: *Gerald Celente said the price of gold should be much higher than it is currently trading due to economic turmoil and uncertainties. However, as U.S. interest rates rise and the dollar gets stronger, non-yielding bullion prices will continue to weaken.*

BITCOIN: The world's most popular cryptocurrency bounced around on Monday after recent gains. Bitcoin was trading at about $19,433 late last week, and jumped to $22,326 Monday.

Some bitcoin traders expressed optimism that the crypto hit its bottom and that it could be enjoying overall market optimism with the upcoming Ethereum Merge and is set to take place on 14 September.

Bank of America announced in a research report on Friday that the Merge from proof-of-work to proof-of-stake could "generate a higher-quality yield (lower credit and liquidity risk) as a validator or through a staking service rather than on block-box lending/borrowing applications may also drive institutional adoption," CoinDesk reported. Ether has been up about $75.94 over the past five days.

The Merge is seen as a test for the entire sector and observers will watch to see if it will go smoothly.

TRENDSPOST *Gareth Soloway, a popular crypto-trader who has a significant following of about 154,000 on Twitter, told Be In Crypto,"If things don't go well, you could see a dump in Ethereum's price."*

"However, I'm of the belief that they've prolonged The Merge to double check, triple check, quadruple check that it's going to go smoothly," he said.

He warned investors to be careful not to jump into Ether too quickly after The Merge.

"Once you get outside of that, then I would be very careful. I wouldn't be someone who would be buying on the completion of The Merge," he said.

TODAY: STOCKS HAVE WORST DAY IN YEARS… WORST IS YET TO COME

The Stock Market took a beating today—its worst day since June 2020— after new signs show the Banksters at the Federal Reserve are not doing enough to tame surging inflation in the U.S.

The Dow Jones Industrial Average plummeted 1,276.37 points, or 3.94 percent, to 31,104.97 and the S&P 500 also shed 177.72 points, or 4.32 percent, to close down 3,932.69 points. The NASDAQ Component was down 632.84 points, or 5.16 percent, to 11,633.57. It was the worst day of 2022 for all three indexes.

As we noted above, the U.S. Labor Department's Consumer Price Index showed prices rose by 8.3 percent in the 12 months ending in August, which was higher than traders had been anticipating. The jump was blamed on increases in medical, food, and shelter prices.

TRENDPOST: Trends Journal *subscribers know that we have criticized Jay Powell, the Federal Reserve chairman, and U.S. Treasury Secretary Janet Yellen for claiming for over a year-and-a-half that inflation was "temporary" then "transitory," and only admitting to it when it could no longer be denied.*

Also, as we had noted, they were either too stupid to see the facts, or were lying about inflation's spike so they could keep interest rates at historic lows to keep artificially pumping up equity markets and the economy.
The two-year Treasury yield was up to 3.754 percent... a new high since November 2007, just before the Panic of '08! The 10-year Treasury yield rose to 3.422 percent from 3.361 percent, which is a sign that investors believe the Fed will keep raising interest rates.

The European market was also spooked by the CPI data out of the U.S. and gave up previous gains. The FTSE was down 87.17 points, or 1.17 percent to 7,385.86, and the STOXX 600 fell 6.32 points, or 1.48 percent, to 421.43.

Stocks were trading slightly up when the CPI data was released which sent them tumbling.

European investors believe the central bank will act more aggressively to bring down inflation in the U.S. and Fed Head Jerome Powell is expected to announce another 0.75 percentage point hike after the upcoming September meeting.

The British pound also fell against the U.S. Dollar and currently exchanges at a rate of 1.15 USD.

Patrick Armstrong, the chief investment officer at Plurimi Wealth, told Reuters that the Federal Reserve is essentially the central bank to the world.

"When it's draining liquidity, that has got impacts for asset valuations everywhere," he said. "Interest rate sensitive stocks in Europe (such as) the tech stocks were really hit hard. Higher interest rates really changes the potential growth for those kind of companies."

Asian markets closed prior to the release of U.S. inflation data. Thus, China's Shanghai Composite was up 1.74 points to 3,263.80 and the Shenzhen Component was up 45.68, or 0.38 percent to 11,923.47. Hong Kong's Hang Seng was down 35.39 points, or 0.18 percent to 19,326.86. South Korea's Kospi was up 65.26 points, or 2.74 percent to 2,449.54. Japan's Nikkei was up 72.52, or 0.25 percent, to 28,614.63.

Chinese President Xi Jinping is expected to attend the Shanghai Cooperation Organization later this week and will have a lot on his itinerary, including a meeting with Russian President Vladimir Putin. The event will take place in Uzbekistan. The plenum will focus on energy and trade among the group's eight members that include China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Uzbekistan, India, and Pakistan.

TRENDPOST: *Reports out today have been focused on the CPI data, but did not mention the dramatic impact that President Joe Biden's Student Loan Forgiveness plan will have on inflationary pressures in the U.S.*

The Committee for a Responsible Federal Budget warned that Biden's order will cost up to $600 billion, and would tack on 0.15 percent on the personal consumption expenditure price index, an inflation indicator.

OIL: Despite the broad market sell off today, Brent Crude was only down 57 cents, or 0.61 percent, to $93.43 per barrel, and West Texas Intermediate was down 0.18, or 0.21 percent to $87.60 per barrel.

The strengthening of the already high U.S. dollar tends to hurt oil prices, since oil, as with many other commodities, is dollar based. Thus, the stronger the dollar, the weaker other currencies which means it costs more to buy less gas and oil. And with the high U.S. CPI data which means increased monetary tightening by the Fed, the dollar will rise higher and other currencies will sink lower. And the higher and faster the

Fed raises interest rates the deeper the U.S. economy will sink, thus pushing oil demand lower.

Bloomberg reported last week that the White House could buy oil to refill the Strategic Petroleum Reserve if oil falls to around $80.

TRENDPOST: *Oil prices will be volatile for the foreseeable future due to high inflation numbers, COVID-19 lockdowns in China, and the Ukraine War. Europe wants to cap Russian oil between $40 and $60 per barrel. Russia vowed to retaliate. Iran also wants to re-engage countries with its oil supplies.*

Gas prices in the U.S. are down 25 percent from their peak of $5.02 in June.

TREND FORECAST: *Again, as we keep noting, the longer the Ukraine War goes on, the higher oil and natural gas prices will rise. And, since they are at near record highs in Europe, the EU will suffer Dragflation worse than the U.S.: High inflation and negative GDP growth.*

GOLD: Gold was down $28.60, or 1.64 percent to $1,712.00 as of 3:42 p.m. ET and silver was down 0.54, or 2.72 percent, to $19.32. As we have noted, gold faces new headwinds when the U.S. Dollar is strong because the precious metal becomes less attractive for foreign buyers.

Gold, a safe-haven asset, also responds negatively when interest rates increase in the U.S. Analysts say today's CPI data could lead the Federal Reserve to increase interest rates by a full point after the next meeting.

TREND FORECAST: *Gold prices will continue to face serious resistance and will likely remain at around the same levels they're selling for now. We have noted that the economy is experiencing Dragflation and the only reason there has not been an equities market crash is because the game is rigged to benefit the Wall Street White Shore Boys. But investors seem to be sobering up to the realities that the inflation problem will not be a quick fix.*

As we forecast, the deeper economies fall, the higher socioeconomic and geopolitical tensions will rise, so too will safe-haven assets such as gold and silver rise.

BITCOIN: Cryptocurrency investors were watching developments on CPI data out of the U.S. to determine if the central bank will continue to raise interest rates by 75 basis points over the next few months because higher interest rates make cryptos less attractive.

Bitcoin took a beating today, falling $1,530.60, or 6.83 percent to $20,870.80 per coin as of 12:30 p.m. Ethereum was also down $116.93, or 6.81 percent to $1,600.04.

Bitcoin fell $1,000 within minutes after the CPI data showed inflation last month was 8.3 percent. The crypto was rising on the buzz that inflation was going to come in lower, which would mean the central bank could ease its monetary tightening.

Besides the CPI data, the U.S. Dollar Index was trading up 1.13 percent to 109.56. As we have noted, cryptos have generally been lagging due to the macro environment and concerns about future moves by central banks to raise interest rates. Cryptos have also shown similar trends to tech stocks.

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

Izvestia, a Russian news company, said Moscow may start accepting bitcoin and other cryptos as payment for international trade next year, Bitcoin magazine reported.

Ivan Chebeskov, the director of the financial stability market for the Russian Ministry of Finance, was cited in the report.

BOND SELL-OFF SHOWS NO SIGNS OF SLOWING

Investors have been steadily pruning their bond portfolios this year, clearing out corporate as well as government bonds, and driving bonds into their first bear market in decades.

The Bloomberg U.S. Aggregate Bond Index, which tracks both kinds of bonds, declined more than 20 percent from its most recent high last week, the definition of a bear market.

After peaking on 4 January, 2021, it has now declined 21 percent.

The index returned 9.2 percent in 2020 and has never before seen a bear market since it was created in 1990.

Owning both corporate and government bonds has been a conventional investment strategy: when one kind fares poorly, the other tends to perform better because each kind is affected by differing economic factors.

That strategy is not working now.

The threat of a global economic slowdown has darkened the outlook for corporate earnings and profits, while higher interest rates have caused government bonds' prices to sag.

Mutual funds devoted to bonds have lost a collective 12 percent over the past 12 months, Lipper reported.

Funds focused on treasury bonds are off 17 percent, while those focused on corporate securities have shed 14 percent.

The dramatic sell-off has surprised many investors, although some saw it as inevitable after bond yields fell to record lows while the U.S. Federal Reserve held interest rates close to zero.

That shot bond prices higher. Prices rise as yields fall.

Treasury bonds never suffer missed payments, but their prices predictably fall as interest rates rise—something the Fed has promised will continue to happen through at least the rest of this year.

TRENDPOST: *Corporate bond prices sag when investors see a rising threat that more companies will default on their debts. The rising number of defaults among junk bonds could spread to investment-grade securities, some fear. (See "Junk Bond Defaults Rising" in this issue.)*

JUNK BOND DEFAULTS RISING

Heavily indebted companies defaulted on $6 billion worth of junk bonds in August, the most since October 2020 when the COVID War was grinding the U.S. economy, Fitch Ratings reported.

More defaults are ahead for the outstanding $1.5 trillion in junk bonds, defined as securities assigned a rating of BB or lower by Standard & Poor's and Fitch Ratings, or Ba or lower by Moody's Analytics.

Fitch values the junk bond market closer to $1.7 trillion when mid-size companies not included in common indexes are figured into the calculation.

Companies with bonds rated B—one of the lowest rungs on the junk-bond ladder—now make up 25 percent of outstanding junk bonds, compared with 11 percent in 2010, Frank Ossino, who manages a leveraged loan fund at Newfleet Asset Management, told *The Wall Street Journal*.

About twice as many bond issues saw their ratings downgraded as upgraded in the past three months, the widest spread since October 2020, the Bank of America reported.

Companies with sinking bond ratings include well-known names such as Bausch & Lomb and B&G Foods, which makes Cream of Wheat cereal.

The junk bond market doubled during the past decade as companies borrowed heavily to fund takeovers and also to avoid conventional lending venues, the *WSJ* noted.

The same heavily leveraged companies that issued the flood of junk bonds survived the COVID War due to the U.S. Federal Reserve's near-zero interest rate, which allowed teetering companies to borrow more.

As the Fed began raising interest rates this year, companies at risk were squeezed even harder as their borrowing costs rose.

UBS and other investment banks have warned that the Fed's announced plan to keep raising rates to weaken inflation is "a canary in the credit coal mine" for junk bonds, as Morgan Stanley's analysts wrote in a note to clients.

About 1 percent of junk bond issues have defaulted so far this year, the *WSJ* reported.

That figure could rise to 3.25 percent next year, according to an analysis by Barclays, while a Fed survey of lending officers at major U.S. banks found a consensus that as much as 4.5 percent could be in default a year from now.

That would be significantly less than the 7 percent that went bad in 2020.

Also, most of the risky bonds now outstanding will not mature for at least three years, Fitch noted, giving troubled companies some time to get their financial houses in order.

TREND FORECAST: *We said it in "Will Junk Bonds Turn to Junk?" (14 Sep 2021) and "Value of Corporate Bonds Ranked as 'Junk' Doubles in 2022" (10 May 2022): junk bonds really are junk.*

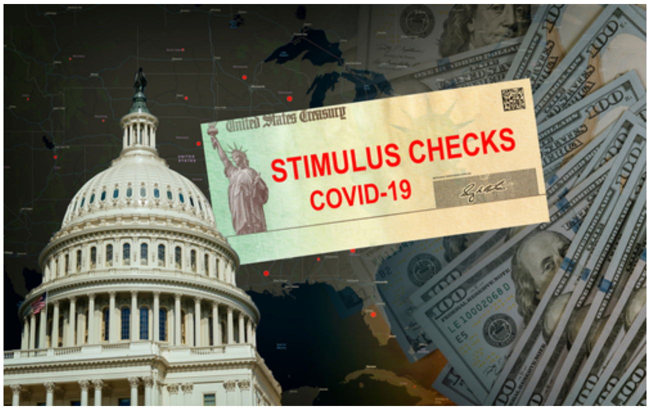
Junk bonds were in trouble as soon as the Fed laid out a timetable for ending its bond-buying spree and raising interest rates.

Now that the Fed has done both, the number and pace of defaults will accelerate.

Among the most overleveraged companies, at least 4 percent will disappear, be bought for cheap by competitors or Bigs, or survive through the Chapter 11 bankruptcy courts.

TREND FORECAST: *As Gregory Mannarino clearly illustrates in his article this week, "Here It Comes AGAIN! Another Big Bank Bailout.", "Today there is no connection whatsoever between what is happening in the stock market and the economy," and that the central banks and governments will do all they can to keep equities and economies artificially high. And, the bottom line is that the more they do to help them, the more it costs We the Little People of Slavelandia, since the more cheap money they inject into the economy, as evidenced by the data, the higher inflation rises: The higher inflation rises it costs more to buy less.*

COVID RELIEF MONEY STILL AWASH IN THE U.S. ECONOMY



Last week, president Joe Biden announced $1 billion in federal funding for 21 regional partnerships across the U.S., focused on advanced manufacturing, biotech, clean energy, and other sectors.

The money was part of the $1.9-trillion American Rescue Plan (ARP) that passed Congress all the way back in March 2021.

In 2020, the U.S. Federal Reserve created more than $6 trillion in stimulus money that presidents Trump and then Biden flooded into the economy, separate from the ARP's $1.9 trillion.

As a result, retail sales and job numbers soared.

However, those almost $8 trillion over two years has created an artificial spike in demand that has driven inflation at speeds not seen in decades and spurred the U.S. Federal Reserve to ponder raising interest rates to a level that will ignite a recession, analyst Tyler Durden argues in a ZeroHedge essay last week.

Even as it weakens, the U.S. economy is still coasting on COVID cash, Durden says.

On 2 September, the Biden administration asked Congress for another $22.4 billion to meet "ongoing needs" related to coping with the virus.

As Durden sees it, a key problem with the stimulus trillions is that it has done little to create manufacturing jobs; most employment growth has been in the services and non-manufacturing sectors.

"Without production to match the money supply and consumer demand, the stimulus money creates a massive financial bubble and fragile illusion in the jobs market," he wrote.

"This is why we have a stagflationary crisis today and why there will be a reckoning in unemployment in the near future," he added.

"COVID stimulus measures created a fever dream of false prosperity in retail sales and jobs and soon the country will have to wake up."

TREND FORECAST: *As we have long forecast, the U.S. and global economies were artificially propped up with fake money and negative and zero interest rate policy to fight the COVID War... which has spiked inflation. And despite the monetary methadone pumped into the system, billions of lives and livelihoods have been destroyed by the draconian COVID War battles launched by politicians. And, contrary to their bullshit line when the COVID War was launched that "It'll come back," no it won't. A bad situation has, and will get worse.*

THE REAL ESTATE SLUMP

In July, home prices slipped from their peaks in almost 85 percent of major U.S. real estate markets, with a third showing declines of 1 percent or more and one in ten posting a slide of at least 4 percent, according to Black Knight Data & Analytics, a real estate services firm.

July's slump followed a 0.77-percent drop in June, Black Knight noted. That was the largest one-month reduction since January 2011 and the first worth noticing in 32 months.

"Annual home price appreciation still came in at more than 14 percent," Black Knight president Ben Graboske said in a statement announcing July's result.

"But in a market characterized by as much volatility and rapid change as today's, such backward-looking metrics can mask more current, pressing realities," he added.

In June and July, price reductions erased about 5 percent of homeowners' equity.

"The third quarter of this year will show a more sizable decline," according to a CNBC report.

Equity has evaporated most quickly in markets that have seen some of the highest prices in recent years, particularly on the west coast.

San Jose homeowners lost 20 percent of their equity, 18 percent in Seattle, 14 percent in San Diego and San Francisco, and 10 percent in Los Angeles.

Sliding home values are unlikely to collapse the housing market, which was a major cause of the Great Recession in 2007.

Today's homeowners owe just 42 percent of their homes' value, the smallest percentage on record.

However, if prices fall 5 percent, about 275,000 households still will owe more than their homes would be worth, Black Knight calculated.

More than 80 percent of those households bought their houses in the first half of this year, when the market was peaking.

TREND FORECAST: *As we had forecast in "Median Home Sale Price Rises Up Despite Slowdown" (16 Aug 2022), and other articles, the housing market will continue to contract notably but not crash.*

Yet, even as housing prices decline, those who could not afford to get into the housing market when they were spiking will still not be able to do so since mortgage interest rates are at their highest since 2008. As we report in Mortgage Rates Rise Again in this issue, most home loans still will go to households earning above the median income.

For our past coverage of private equity's spreading footprint in U.S. housing, see:

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

MORTGAGE RATES RISE AGAIN

The national average interest rate on a 30-year, fixed-rate mortgage moved up to 5.89 percent last week, almost double the rate a year ago and the highest in 14 years, dealing another blow to an already weakening housing market.

Home prices in most major U.S. housing markets have fallen, with 10 percent of the areas seeing a decline of at least 4 percent. (See "Real Estate Prices Falling in Major U.S. Metro Areas" in this issue.)

Mortgage rates will continue to rise, *The Wall Street Journal* noted, because the U.S. Federal Reserve has pledged to continue raising interest rates through the rest of this year.

Mortgage rates are tied to yields on the 10-year treasury note, which rises as the Fed raises its rate.

Higher mortgage interest rates can add hundreds of dollars to a monthly house payment now that the U.S. median home price has exceeded $400,000.

Mortgage firms did booming business while the Fed held interest rates near zero during the COVID War. Now that interest rates are on the move, many mortgage lenders have laid off staff; some have closed offices.

TREND FORECAST: *The U.S. economy is rolling toward a recession, which will weaken the jobs market.*

An uncertain employment outlook coupled to higher interest rates will spur lenders to hold to their tight lending standards, or tighten them even more.

At the same time, inflation and high demand have combined to push home prices to their highest on record. Prices will fall, but not enough to crack open the market to less well-off potential buyers.

As a result, fewer households will be able to buy a home, particularly among lower- and middle-income earners.

We have noted in articles such as "Home Prices Set Yet Another Record While Sales Fall" (26 Apr 2022), as well as many others, that millions of potential home buyers will have an increasingly difficult time saving cash for a down payment on a house and an equally difficult time qualifying for an affordable mortgage.

At least one generation of Americans will spend their lives as renters, denied the satisfaction—and potential financial rewards—of owning a home of their own.

Also, as we predicted in "Apartment Investors Pressured By Rising Interest Rates" (31 May 2022), the high price of houses, and now record-high apartment rents, will continue to be a key factor thinning out the middle class, reducing the U.S. to a *society of a well-heeled minority and a majority that struggle harder and harder to survive.*

MOST COVID-ERA "BOOMERANG KIDS" STILL LIVING WITH MOM AND DAD

About 67 percent of Millennials and Generation Z young adults who moved in with parents when the COVID War began are still there, a survey by financial broker LendingTree found.

People ages 25 to 34 make up the largest cohort of adult children living "at home."

A small number have invited their parents to live with them, but the majority have moved back to their parents' houses.

Most were driven home by the loss of a job, high housing costs, and the burden of student loans, the survey showed.

Now record-high rents and surging costs of everyday expenses are keeping them there.

"With inflation as high as it is and with [interest] rates rising, it can be difficult for anyone to make ends meet in today's economy," Jacob Channel, LendingTree's senior economist, said in a statement accompanying the survey report.

The number of multi-generation households has quadrupled since 1970 and now represent 18 percent of families living together, according to a Pew Research Center survey.

About 25 percent of young adults live with parents, compared with 9 percent 50 years ago, Pew reported.

The trend is strongest among men and young adults without college degrees, who usually earn less than those with a college diploma.

Living with relatives "is a private social safety net for them," Richard Fry, a senior Pew researcher, told CNBC.

Young adults living at home cover an average of 22 percent of household expenses, counting on parents to pay the rest, Pew found.

Although supporting adult children can place older parents' financial well-being at risk, Pew found that multigenerational households tend to be less financially vulnerable than their single-generation counterparts.

TREND FORECAST: *U.S. economic conditions will get much worse before they get a bit better.*

Therefore, "boomerang kids" will have neither the means nor a strong incentive to leave the nest in the foreseeable future.

Multigenerational households will grow in numbers and become part of the "new normal."

More frequently than in the past, children will live with parents through much of their adult lives, then inherit those homes and continue living in them when parents die.

BUSINESS TRAVEL BUST

Pleasure travel bookings rival or exceed 2019's levels and Labor Day weekend bookings topped pre-COVID numbers, major U.S. airlines are reporting.

The flood of enthusiastic travelers has overwhelmed short-staffed airports and carriers.

In contrast, business travel—traditionally airlines' largest single source of profits—will not equal 2019's volumes until 2026, 18 months later than estimated last year, according to the Global Business Travel Association.

Business travelers at small and mid-size firms are back on the road in greater numbers than their counterparts at large corporations, *The Wall Street Journal* noted.

TREND FORECAST: *We disagree with the Global Business Travel Association's assessment that business travel will return to 2019 levels in 2026.*

It will never return.

In articles including "Bid Farewell to the Business Travel Economy" (29 Sep 2020) and "Europe's Banks Permanently Slash Business Travel" (4 May 2021), among others, we have long forecast that business travel will never return to pre-COVID War volumes.

Inflation and higher interest rates are squeezing companies' margins; businesses will do what they can to save money.

Having become comfortable, if not entirely happy, with Zooming and teleconferencing during the COVID War, bosses now see their positive impact on the bottom line and will make remote contact, not travel, the new normal.

TRENDS ON THE GLOBAL ECONOMIC FRONT

WHEN THE ECONOMY FALLS, JOBS GO WITH IT

Dragflation: Economic growth declining and inflation rising... plus the pressure of interest rate hikes that are drying up the cheap money pool 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.

Crypto companies laid off nearly 5,000 employees since its loss of $1.9 trillion in value since the height of last year.

- Packable said in a notice to employees Monday that it was laying off 138 people, or roughly 20 percent of its staff, with the remaining 372 employees expected to be terminated as "individual wind-down responsibilities are completed." The memo was signed by Leanna Bautista, the company's chief people officer.
- Novartis will cut 1,400 jobs in Sweden

- Better.com foregoes another round of layoffs after eliminating over 35 percent earlier this year
- Sea undergoes another wave of layoffs
- Citigroup lays off fewer than 100 mortgage workers
- Credit Suisse is debating cutting around 5,000 jobs
- Amazon is closing 2 facilities and losing 300 workers and scrapping plans for 42 buildings
- US Xpress will layoff 10 percent of its workforce
- Zymergen cuts 80 more jobs
- Real Estate start up Reali will cease all operations and lay off most employees
- Mercedes Benz to layoff 3,600 workers in Brazil
- Meta cuts advisory team for product, about two dozen employees
- Goldman Sachs is planning a round of layoffs next week
- Beaumont-Spectrum lays off 400 amid recession fears
- Skip The Dishes laid off 350 workers
- Tegra is laying off 45 employees
- Cazoo exits EU and lays off 1,500 people
- Pendo makes staffing cuts
- Lido Learning files for insolvency and dissolves its workforce
- Homepoint has laid off 1,000 workers
- Realtor.com makes more layoffs
- Article fires 216 employees
- Bed Bath and Beyond will close 150 stores and slash 20 percent of its workforce
- Corsicana Mattress lets go of 52 workers
- GXO Logistics laid off 144 employees
- La-Z-Boy laid off 180 workers
- Serta Simmons Bedding fires 284 staff
- Avaya has announced a round of layoffs
- Brose laid off 300 workers
- Amazon Care will lay off 400 in Washington state
- Brave Care will lay off 40 workers
- NBCUniversal will lay off 37 staff
- The Family Health Center of Worcester will close three locations
- Rupeek fired 230 employees
- BigBear.ai will lay off 7 percent of its staff, citing cash flow issues

- Bakersfield Heart will lay off 114 workers
- Checkout.com is eliminating 5 percent of its staff
- Dennis Uniform will lay off 71 staff

TREND: LESS FOOD, HIGHER PRICES

Europe's farmers and food producers are warning that basic commodities, including many common fruits and vegetables, will be in short supply and prices could soar this winter as they press governments for help to cope with record high energy prices

The European Union's (EU's) farmers union and two major food producers already have begun to scale back production, they announced, and asked that their industry be exempted from looming energy rationing.

"The latest increases in energy prices, especially in natural gas and electricity, threaten the continuity of agri-food production cycles and, therefore, the ability to continue delivering essential agricultural commodities, food products, and feed materials," the three groups said in a joint statement.

Already this year, the price of butter has jumped 80 percent, milk powder 50 percent, and beef 28 percent, EU data shows.

Many farmers are already reducing vegetable plantings for the next harvest, saying that the cost of operating their greenhouses in winter is more than the money they would collect from their produce.

"You will probably not see [greenhouse] tomatoes or cucumbers in the winter because it is not financially feasible," Alexander Formsma, energy specialist at Glastuinbouw Nederland, an agricultural interest group, said to the *Financial Times*.

TREND FORECAST: *The longer the Ukraine War lasts and the tighter the sanctions on Russia remain, the higher fuel costs will rise. Also, there are the wild cards, such as weather conditions, which no one can forecast.*

However, considering the wild card maniacs running and ruining nations across the globe, which includes Israel ramping up its attacks on Syria and Iran, should military conflict break out in the Middle East, oil prices will rise much higher.

Also see "FERTILIZER CRISIS MAY SLASH WORLD FOOD OUTPUT BY 40 PERCENT, SAYS UN FOOD OFFICIAL" in the Trends-Eye View section of this issue.

OPEC+ TRIMS PRODUCTION IN WARNING TO WEST

The Organization of Petroleum Exporting Countries and its allied nations (OPEC+) have agreed to pare oil production by 100,000 barrels a day, beginning next month.

While the cut is largely symbolic, it underscores the group's concern over softening oil demand amid a global economic slowdown and highlights last month's comment by Abdulaziz bin Salman, Saudi Arabia's oil minister, that the coalition can manipulate production as it pleases.

As the post-COVID economic recovery boomed, oil prices shot to more than $120 a barrel in June.

Since then, the world's slowing economic activity has dropped prices back below $90. Brent crude's price recovered to $94.26 on 12 September.

The unexpected move by OPEC+ bumped benchmark Brent crude's price up as much as 3.3 percent to $96.50 last week, with West Texas Intermediate, which sets U.S. oil prices, gaining 3.7 percent to $89.79 last week and settling back to $87.98 on 12 September.

The slight cut “may seem negligible, but the message from today’s cut is clear: OPEC+ thinks [oil prices] have fallen enough,” Jason Bordoff, founding director of Columbia University’s Center on Global Energy Policy, tweeted after the group’s announcement.

TREND FORECAST: *OPEC+’s move is a political statement, reminding the world that it will adjust oil production up or down as it pleases, depending on global demand and its own members’ needs.*

For now, oil prices will remain volatile. Europe is attempting to impose a price cap on Russian oil; in response, Russia might end all oil deliveries to the region, which likely would spike Brent prices.

In contrast, a slowing global economy will cut demand and oil’s price along with it.

Russia’s war in Ukraine and resulting Western sanctions remain a wild card.

ECB BOOSTS RATE BY THREE-QUARTERS OF A POINT

On 8 September, the 25 members of the European Central Bank (ECB’s) governing council voted unanimously to raise the bank’s key interest rate by three-quarters of a point, even though many analysts have warned that suddenly higher rates will push the region’s economy into recession.

The last time the bank jacked its rate by that much at once was in 1999.

The ECB’s interest rate is now above zero for the first time in 11 years.

The new rate followed a half-point increase the bank imposed in July.

Increases of this magnitude are not “the norm,” ECB president Christine Lagarde told a press briefing after the meeting, but added that there are “probably more than two but less than five” more increases ahead to bring inflation down from its current 9.1 percent, which is “far too high,” she said.

The bank’s target inflation rate is 2 percent.

“We want all economic actors to understand that the ECB is serious” about overcoming inflation, Lagarde added.

Inflation resulting from skyrocketing energy prices is infecting other areas of the economy, she warned.

Inflation in the Eurozone rose to 9.1 percent in August as the U.S. rate fell from that level to 8.6 percent last month. Inflation in Europe is likely to post double digits in the months ahead as energy costs continue upward, economists have predicted.

The higher interest rate raises the risk of a region-wide recession because it comes as energy prices continue to rise now that Russia has indefinitely shut off its Nord Stream 1 pipeline, which has supplied more than a third of Europe’s natural gas.

After the council met, the euro slipped 0.4 percent against the dollar to $0.996 and the yield on Germany’s 10-year bonds rose to 1.72 percent, its highest in eight years, *The Wall Street Journal* said. Italy’s rate reached 4 percent.

The spread between Germany’s and Italy’s rates stood at 2.2 percentage points on 8 September, nearing the distance that in June spurred the ECB to take emergency measures to shore up Italy’s credit market.

Also following the ECB’s action, Denmark’s central bank added three-quarters of a point to its rate under its mandate to keep the crown, its currency, stable against the euro.

Denmark now has a positive interest rate for the first time in more than nine years.

The ECB also will not yet begin to close out its multi trillion-euro holdings of government debt, Lagarde said.

The ECB has moved more cautiously than other central banks because Europe's recovery from the COVID infestation has been slower and less stable than that of the U.S. and many other nations.

The ECB raised its 2022 growth projection for the Eurozone to 3.1 percent but chopped its expectation for next year to 0.9 percent and 1.9 percent in 2024.

TRENDPOST: *The ECB has a lingering case of Central Bankster Syndrome: waiting to raise interest rates for fear of damaging economic growth while inflation rages at a record pace, damaging economic growth.*

There was plenty of evidence that inflation was out of control before Russia invaded Ukraine. Why was that the factor that made a rate boost urgent? Because they, as with other central banksters, wanted to artificially prop up economies devastated by the COVID War lockdowns and draconian sanctions that have destroyed the lives and livelihoods of millions across Europe... and billions across the planet.

TREND FORECAST: *As we had forecast in "Euro Sinks as ECB Holds Interest Rate at -0.50 Percent" (26 Apr 2022), the ECB will raise interest rates this year but it has waited too long.*

Its rate hikes will be too small and too gradual to matter to inflation. The region's economy will sink into our Top 2022 Trend of Dragflation, with prices rising and economic activity declining, in part due to the ECB's failure to act in time.

Furthermore, with inflation at 9.1 percent and interest rates only at .75 percent, real interest rates are deep in negative territory.

And with the travel season now over, economic growth will also slow down.

ECB FEARS DAMAGE FROM WEAK EURO

The European Central Bank (ECB) decided to raise its key interest rate last week to 0.75 percent because, in part, the bank's governing council feared the weak euro would drive inflation even higher, minutes from the group's last meeting showed.

The euro was worth $1.20 in early 2021. Earlier this year, it slid to parity with the dollar and last week dipped to $0.996 after the rate increase. The euro climbed back to $1.01 on 12 September.

The euro has further to fall, analysts think.

The shared currency will sink to $0.97 this quarter, Morgan Stanley analysts predict, its weakest in almost 20 years.

Nomura International PLC sees the euro at $0.975 by the end of this month, with a bottom around $0.95 level or possibly even lower as the region's energy crisis worsens, cutting economic output and necessitating greater fuel imports at higher costs.

The council's concerns over inflation outweighed the possibility that a higher interest rate would hobble economic expansion, according to the council meeting's minutes.

"Members widely noted that the depreciation of the euro constituted an important change in the external environment and implied greater inflationary pressures for the euro area, in particular through higher costs of energy imports invoiced in U.S. dollars," the minutes said.

Eurozone inflation climbed to a record 8.9 percent in July, fueled by higher food and energy costs and a sharper-than-expected hike in wages.

“It was argued that even a recession would not necessarily diminish upside risks, especially if it was related to a gas cut-off [of Russian imports] or another supply shock,” the minutes reported.

Some council members countered that low growth would tame inflation.

While some council members urged their colleagues to hold to the previous plan to raise the rate a quarter point, from zero to 0.25 percent, the majority agreed that the bank’s new bond-buying plan to equalize borrowing costs across euro-using countries justified the larger bump.

TREND FORECAST: *Like the U.S. Federal Reserve, the ECB waited far too long to lift rates to tackle inflation. Interest rates are unable to rise high enough fast enough to get a grip on rising prices.*

Inflation is most likely to end because consumers can no longer afford to buy things.

Rising food prices and energy costs will leave nothing left for discretionary purchases. The service economy will enter a recession first, followed by the consumer discretionary market.

Today, following the U.S. higher than expected inflation numbers which indicates at least a .75 interest rate hike by the U.S. Feds, the euro slumped again against the dollar. Thus, the more the euro falls, the more it costs to buy less.

BRITISH POUND SLUMPS TO 40-YEAR LOW AGAINST THE DOLLAR

The pound sterling sank to its lowest value against the dollar since 1985 as markets brace for a borrowing spree by new prime minister Liz Truss to fund a rescue plan for homes and businesses crushed by soaring energy costs.

The pound fell as low as $1.14 to the buck on 7 September, but has since struggled back to $1.17 as of 12 September.

The pound has surrendered about 15 percent of its value so far this year.

Next month, the British government is scheduled to raise the limit it places on utility costs for homes and businesses. The cap will rise by about 80 percent, regulators have announced.

The typical British household then will pay an estimated £3,549 annually for electricity and natural gas.

Truss has asked for a massive aid plan that would cap household energy bills at £2,500, which would cost the government anywhere from £90 billion to as much as £200 billion over the next two years, according to various estimates.

A similar plan for businesses would cost about £60 billion, the *Financial Times* said.

Truss has vowed not to impose a windfall tax on energy companies to pay for the aid and instead will borrow to cover the cost.

TREND FORECAST: *That new debt load will come at a time when inflation in the U.K. is running above 10 percent and the Bank of England is in the midst of a campaign to raise interest rates, as we reported in “Bank of England Raises Rate to Its Highest in 14 Years” (9 Aug 2022).*

We forecast the U.K. will fall deep into recession... with no clear exit from it for years to come.

INTERNAL RUSSIAN REPORT WARNS OF WAR'S LONG-TERM ECONOMIC DAMAGE

In an internal report prepared for the Russian government and obtained by Bloomberg, analysts warn that the impact of the Ukraine war and Western sanctions will spread through the economy, leading to a longer, deeper recession than there is already and gradually hobbling sectors that now underpin the nation's economy.

The report presents three scenarios.

In two, the economic contraction worsens in 2023, with the country's GDP returning to 2021 levels, before Russia invaded Ukraine, no sooner than the end of this decade.

One scenario sees the economic damage leveling next year at 8.3 percent below 2021's GDP. Another puts off the economy's low into 2024, falling 11.9 percent below pre-invasion levels.

All three scenarios predict that more countries are likely to join in the sanctions, putting more pressure on the country's economy.

Western sanctions have "affected practically all forms of transport," with embargoes on financial transactions and technology further undermining Russia's productive and economic capacity.

The metals industry is losing $5.7 billion a year in revenue to the sanctions, the report said.

As many as 200,000 technically trained workers may exit the country by 2025, the report says, double the number already known to have left.

Also, Europe’s effort to shun Russian oil and gas could slash Russia’s revenue enough to keep it from being able to afford to fully maintain its petroleum production infrastructure, the report pointed out.

Europe bought about 55 percent of Russia’s exported oil products last year.

A complete loss of Europe as a gas market could cost Russia as much as the equivalent of $6.6 billion annually, an amount that cannot be offset by opening replacement markets, even in the medium term, according to the study.

Through 2024, the report foresees “reduced production volumes in a range of export-oriented sectors,” including chemicals, metals, natural gas, oil, and wood products. These industries may rebound later, but “these sectors will cease to be the drivers of the economy,” the report predicts.

“With diminished access to Western technologies, a wave of foreign corporate divestment, and demographic headwinds ahead, the country’s potential growth is set to shrink to 0.5 percent to 1 percent in the next decade,” Russian economist Alexander Isakov told Bloomberg.

“Thereafter, it will shrink further still, down to just above zero by 2050. Russia will also be increasingly vulnerable to a decline in global commodity prices,” he added.

The overall damage will be done not only by the loss of export markets, but equally by the loss of imports now largely embargoed from the West, the study noted.

- Virtually all poultry production and Holstein dairy cattle depend on imports.

- Seeds for a range of crops, including potatoes, are imports, as is feed for farmed fish.

- More than 90 percent of Russia's airline passengers fly on foreign-made planes; the embargo on spare parts will gradually put more and more of the planes out of service.

- Russia imports 70 percent of its machine tools.

- Russia's pharmaceutical industry depends on imported raw materials.

- Sanctions ban exporting SIM cards to Russia, which will create a shortage by 2025.

- Russia's telecommunications industry is likely to fall five years behind global standards within three years.

"There are simply no alternative suppliers for some critical imports," according to the study.

The internal report is "the result of months of work by officials and experts trying to assess the true impact of Russia's economic isolation due to President Vladimir Putin's invasion of Ukraine" and "paints a far more dire picture than officials usually do in their upbeat public pronouncements," Bloomberg said.

Bloomberg also said that "people familiar with the deliberations" confirmed the authenticity of the copy Bloomberg obtained.

The report was prepared for a private 30 August meeting of Russia's top government officials, Bloomberg said. People familiar with the deliberations confirmed its authenticity.

When Bloomberg asked economy minister Maxim Reshetnikov about the report, he said it was an "analytical estimate that we used to calculate what would happen if we don't do anything" to change the economy's trajectory, Russian news service Tass reported.

TREND FORECAST: *Russia, having far advanced over the past three decades from its old Soviet model, is in a key position to become a Self-Sufficient Economy, aligned with our Top 2022 Trend.*
Rich in human and natural resources, Moscow will fight against the sanctions being imposed upon it. Indeed, prior to the Ukraine War Russia had bolstered itself over a long period of time in preparation for the assault by creating as much of a self-sufficient economy as possible.

And while there is doubt being expressed in the major media, politicians, and "experts" that Russia will be unable to fill its tech-void and the U.S. and NATO chip void, we forecast they will be able to sustain combat operations, high-tech advancements and solid economic growth since they have prepared for such sanctions and as we have been reporting, they are working to become self-sufficient.

Also, it will continue to use its wealth in grains, petroleum, and other strategic minerals to trade with a much-reduced number of nations, primarily China, India and African nations to secure what it can.

GERMANY RETURNS TO COAL AS NATURAL GAS PRICES SOAR

Germany now generates about a third of its electricity from coal, among the dirtiest fossil fuels, as natural gas supplies from Russia have disappeared and gas prices have skyrocketed as much as sevenfold in the past year.

Last year, coal provided 27 percent of the country's electricity.

Gas prices have tripled since late February alone after Russia invaded Ukraine.

During the first half of this year, Germany upped its use of coal to make electricity by 17 percent. Coal use increased by 23 percent in this year's second quarter.

In the same period, the country used 18 percent less natural gas in power generation. Gas now makes up only 11 percent of the fuel used to generate electricity.

The switch to coal is a blow to Germany's plan for a clean energy future, which was inaugurated by a surge in solar electricity during the previous decade.

Coal releases twice the air pollution of natural gas and 60 times as much as nuclear power.

TRENDPOST: *Europe's sweeping plan for a green energy transition is another victim of the sanctions they imposed on Russia.*

The plan sets 2030 as a deadline for intermediate benchmarks in weatherizing buildings, moving to hydrogen and hydropower as energy sources, and slashing dependence on imported fossil fuels.
The plan also calls for Europe to be a carbon-neutral economy by 2050.

Because of the Ukraine war and Western sanctions, energy prices have skyrocketed, robbing the economy of funds that could otherwise have been deployed to make progress toward these goals.

As a result, the region now will need until at least 2035 to meet its interim goals.

Carbon neutrality by 2050 is still possible, but only if breakthrough technologies appear no later than 2030.

TOP 2022 TREND, SELF-SUFFICIENT: INDIA'S ECONOMY THRIVES AS WORLD'S SLOWS

India's GDP will expand by 7.4 percent this year, the country's government predicts, approaching triple the pace of the 2.9 percent global growth the World Bank now projects.

The reason: India's economy is driven by domestic demand consumption, not exports.

However, exports are still important, especially now that the rupee's value has declined and made key exports, including medication, jewelry, and processed diamonds, cheaper elsewhere.

The country's economic boom is due, in part, to the disappearance of draconian COVID-era lockdowns that slashed jobs and economic productivity. Pent-up demand has surged.

Also, the government has stepped in with sharp increases in public investment, debt relief, and credit guarantees for small and medium-sized businesses.

In addition, India was quick to buy Russian oil, which is now discounted by about $20 a barrel from world prices.

After importing no oil from Russia last February, India brought in $3.2 billion worth of Russian crude in April and May, according to *Forbes*, after Russia invaded Ukraine and the West shunned Russia's exports.

India's economy has now become the world's fifth largest, surpassing Britain, the colonial power that once ruled it.

"We have left them behind to move ahead in the world economy," declared prime minister Narendra Modi. "More than moving from sixth to fifth, the joy was in this."

However, even though India's GDP grew by 13.5 percent in this year's second quarter, it still missed economists' expectations of 15 percent and struggles to meet the basic needs of a population expected to soon be larger than China's.

As much as 10 percent of the population lives on welfare.

Imports are growing at twice the rate of exports, *The New York Times* reported, and hospitality and transportation sectors still lag the economy's larger recovery.

"Demand for luxury items, or those consumed by the upper middle class, is growing," Sunil Shinha, chief economist at India Ratings and Research, told the *NYT*, "but items of mass consumption are not showing the growth."

While India booms, growth in the world's advanced economies is pegged at just 2.6 percent this year, with the U.S. eking out 2.3 percent in 2022 and 1 percent next year, the International Monetary Fund (IMF) has forecast.

"The world may be teetering on the edge of a global recession only two years after the last one," Pierre-Olivier Gourinchas, the IMF's chief economist, noted when the agency released its last quarterly forecast in July.

TREND FORECAST: *Much of the New World Order is now being formed with China, India and Russia vs. the West. Minus a ramping up of WWIII that will destroy the world, we forecast that these three nations, while becoming more self-sufficient, will rely on each other for resources, trade and military alliances.*

YEN'S VALUE SAPPED BY CENTRAL BANK'S INSISTENCE ON LOW INTEREST RATE

The Bank of Japan's intransigence in maintaining rock-bottom interest rates while other nations raise theirs sank the yen last week to its lowest value against the dollar in 24 years, reaching ¥144 to the dollar.

The yen has given up about 20 percent of its value so far this year, languishing at ¥142.76 on 12 September.

Investors can earn higher returns by putting money into other currencies, leaving the yen with less and less appeal.

The yen's sell-off sped up on 7 September after a report that the U.S. service economy had grown more than expected in August, the *Financial Times* reported.

The Bank of Japan has calculated that low interest rates and a weak yen will make the country's exports cheaper abroad, doing more good for its ailing economy than the damage a feeble currency will incur.

The bank has pledged to buy an unlimited number of 10-year government bonds at an interest rate no higher than 0.25 percent.

In contrast, U.S. 10-year bonds were fetching 3.35 percent on 6 September.

Leveraged investment funds began betting against the yen last spring, which has added to its slide over the past several months, the *FT* noted.

However, the funds softened their positions recently, fearing that the risk of recession might persuade the bank to loosen its rate policy, the *FT* added.

The yen's dramatic move was not desirable, finance minister Sunichi Suzuki said in a public statement.

The yen should maintain a stable value, he stressed, adding that "we will take necessary action if this continues."

The yen's frailty spread to South Korea, where the won slid to its lowest value since 2009 during the Great Recession.

The currency was hit not only by the U.S.'s aggressively higher interest rates, but also by the Asian nation's ballooning national debt and the world's economic slowdown, shrinking markets for the exports on which South Korea's economy depends.

TREND FORECAST: *Japan's central bank is walking a thin line.*

The country's population is among the world's oldest, leaving millions of citizens on fixed incomes vulnerable to rising interest rates.

However, inflation creates an equal vulnerability. Japan imports most of its raw materials, including fossil fuels.

With inflation soaring in Europe and the U.S. and with more central banks raising interest rates, we forecast that the BOJ will be forced to raise interest rates despite the bank's current policy.

AUSTRALIA, CANADA BOOST INTEREST RATES AGAIN

Last week, the Bank of Canada boosted its key interest rate by another three-quarters of a point, lifting it to 3.25 percent, the first time the rate has topped 3 percent since 2008 during the Great Recession.

The latest hike was the fifth in as many meetings of the bank's rate-setting committee and followed a full point bump in July.

A new report found inflation in Canada had slowed to 7.6 percent in July, down from a record 8.1 percent the month before.

Still, more rate increases are ahead, the bank warned.

"The governing council remains resolute in its commitment to price stability and will take action as required," the bank said in a statement announcing the rate rise.

The steadily higher interest rate has torpedoed the country's housing market, where sales of existing homes have declined by 30 percent compared to a year earlier.

Increases in home prices accounted for 20 percent of Canada's economic growth in 2022, *The Wall Street Journal* reported. In the post-COVID period, Canada had one of the world's most sharply rising housing markets.

Also last week, the Reserve Bank of Australia added a half-point to its base interest rate, lifting it to 2.35 percent, the highest since 2015.

Last May, the rate was 0.1 percent.

Philip Lowe, the bank's governor, has been urging a rate of 2.5 percent, which some see as a "neutral" rate that will pause inflation without damaging economic productivity.

The bank has counted on a strong labor market and persistent consumer spending to keep the economy moving while interest rates rise.

"We think that the [bank] is close to reaching the point at which tightening must slow, enabling time to assess the impacts of earlier hikes on the economy," Bloomberg economist James McIntyre told the news service.

The bank expects inflation to approach 8 percent by the end of this year, and fall close to the bank's target of below 3 percent in 2023.

Price increases are outstripping wage gains, an "important source of uncertainty" for Australians, whose household debt is among the highest among developed nations, Lowe acknowledged.

INFLATION IN TURKEY PASSES 80 PERCENT

Turkey's inflation rate clocked in at 80.2 percent in August, rising from 79.6 percent in July to reach its highest level since 1998, according to the government's Turkish Statistical Institute.

However, a consumer price index kept by the Istanbul Chamber of Commerce in the country's largest city showed an annual growth rate of almost 100 percent last month.

The government has a record of reporting inflation's rate as being lower than others calculate it to be.

Last year, President Recep Erdogan brought criminal charges against an independent group of economists who reported inflation to be significantly higher than Erdogan's government would admit, as we reported in "Turkey: A Crime to Tell The Economic Truth?" (5 Oct 2021).

Meanwhile, the country's central bank surprised economists by cutting its key rate last month to 13 percent.

Investments denominated in the country's lira currency now earn a return of -67 percent.

In autumn 2021, central bank chief Naci Agbal tugged the bank's key interest rate above that of inflation to give investors an incentive to take the lira seriously.

He, as well as a successor, were fired for their efforts, as we reported in:

- "Turkey's Central Bank Governor Fired After Rate Hike" (23 Mar 2021)
- "Turkey's Financial Markets Crash After Agbal Firing" (30 Mar 2021)
- "Turkey: Another Day, Another Central Bankster Fired" (1 Jun 2021).

Price growth will reach 85 percent before reversing sharply next year, emerging markets economist Liam Peach at Capital Economics predicted in a research note.

However, most analysts agree that price growth will not dwindle to the 9.9 percent annual rate the country's financial officials predict will prevail in 2025.

Nureddin Nabati, Turkey's finance minister, touted the fact that the inflation rate rose less than a percentage point last month.

"In the months ahead, we will witness inflation losing speed even more," he tweeted last week. "We will drive high inflation out of these lands, never to return again."

Economists expect global inflation to ease in 2023, but that will not be due to Turkish president Recep Erdogan's odd notion that low interest rates keep prices from growing.

Turkey's overall inflation rate last year was 19.6 percent but passed 50 percent in February.

As inflation soared, the lira tanked, losing more than a quarter of its value against the dollar so far this year after shedding 44 percent in 2021.

TRENDPOST: *When Erdogan's insistence on low interest rates at the central bank failed to curb inflation, instead of changing his policy he proclaimed his stance a "new economic model," in which an increasingly worthless lira will make Turkey's exports a bargain abroad, setting off an export boom that will bathe the country in prosperity.*

So far, it's not working. We have detailed the policy flop in:

- "Turkey: Interest Rates Down, Lira Crashing. War Next?" (19 Oct 2021)
- "Turkey's Economy Continues to Implode" (14 Dec 2021)
- Turkey's Central Bank Interest Rate Gamble (22 Feb 2022).

Even so, Erdogan is unlikely to change his policy: he has glued his public and political identity to the idea that interest rates must be kept low under all circumstances.

He has declared himself "an enemy of high interest rates," which he calls "un-Islamic."

Erdogan is up for re-election next summer and is watching his popularity vanish along with the lira's buying power.

Therefore, he is likely to take increasingly desperate measures and to shift blame for his colossal failure. Already, he has pointed to "foreign" meddling in Turkey's economy as a source of trouble.

Also, he has sought to distract Turks from his blunders by inserting himself on the international stage, most recently as a would-be peacemaker between Ukraine and Russia.

Worse may be ahead. As Gerald Celente often has said, "When all else fails, they take you to war."

OCEAN SHIPPING RATES HAVE SUNK 60 PERCENT THIS YEAR

During the current peak season for shipping holiday gift items from Asian factories to the West, the cost of sailing a shipping container continues to fall, *The Wall Street Journal* reported.

There are two reasons. Retailers ordered early to ensure deliveries and inflation has shrunk consumer demand.

As a result, the cost to send a 40-foot shipping container from China to the U.S. west coast sits at about $5,400, 60 percent below January's rate of almost $14,000.

The rate to ship from China to Europe is around $9,000 now, down about 42 percent from the beginning of the year.

The rate for both routes still exceeds pre-COVID prices but has fallen to less than half of the record $20,000 for both last September.

TREND FORECAST: *While shipping rates have fallen $5,400 from East to West, they are still up sharply from before the COVID War was launched from China on their Lunar New Year, the Year of the Rat in January 2020. In 2019, the average cost to send a container between China and the U.S. was just $1,500.*

Thus while shipping rates are expected to continue falling through this year and next – as with other soaring commodity and services prices that have shot up – inflation will still persist since most will not scale back to pre COVID War/Ukraine War levels. And as most currencies weaken, it will cost more to get less.

SPOTLIGHT: CHINA

CHINA SOLIDIFYING ITS POSITION AS MANUFACTURER TO THE WORLD

Despite corporations' new determination to bring supply chains geographically closer to their factories, China is likely to continue to dominate global manufacturing, *The Wall Street Journal* reported.

China's share of global factory output edged up from 13 percent in 2019 to 15 percent post-COVID and probably will keep growing, the *WSJ* said.

During the same period, Germany's share slipped from 7.8 percent to 7.3, Japan's from 3.7 percent to 3.4, and the U.S.'s from 8.6 percent to 7.9.

During the COVID War, subsidies from Western governments to businesses and households set off a buying spree that flooded China's factories with orders. The country's manufacturing sector grew and strengthened as a result.

Inflation has sent even more dollars to China as U.S. consumers continued to spend while prices rose.

The U.S. trade deficit with China grew by 21 percent during the first six months of this year, compared to the same period in 2021, U.S. census bureau data shows.

As a result, China dominates, plays a significant role in, or has targeted key growth areas such as chips, smartphones, solar energy, and electric cars.

China's exports of solar panels rose 113 percent to $25.9 billion during the first half of 2022 over the same time last year. In July, electric cars led China's vehicle makers' exports of 290,000 autos, a record.

At the same time, over the past several years China has been steadily expanding its market share in the global industrial sector, supplying more of the world's engines, heavy machinery, and other capital goods, long an area of Germany's strength.

TREND FORECAST: *Europe is mired in an energy crisis and parts of the continent already are rationing energy, including to factories. In the U.S., a shortage of workers is hobbling expansion of the manufacturing sector.*

Despite having a growing assortment of troubles, China will remain the world's manufacturing hub for the foreseeable future.

VIRUS, GLOBAL SLOWDOWN DENT CHINA'S EXPORT ECONOMY

China's export economy expanded by 7.1 percent in August, year over year, barely half of the almost 13 percent analysts had expected.

Global demand is slumping under the combined weight of inflation and high energy prices.

Beijing's own zero-tolerance anti-COVID policy also shared blame for the lackluster outcome, analysts told the *Financial Times*, as several manufacturing centers such as the city of Yiwu were paralyzed.

On 6 September, 49 metro areas across the country were either shut down or under some degree of limitation, affecting 20 percent of the population and 25 percent of its economic activity, Nomura analysts estimated.

In addition, China has been dogged by persistent droughts and heat waves that have forced utility providers to periodically cut electricity supplies to factories.

Shipments to Europe grew 11.1 percent last month, compared to 23 percent in July; exports to the U.S. in August shrank 3.8 percent year on year after adding 11 percent the month before.

August's imports, predicted to see a 1.1-percent yearly growth eked out only a 0.3-percent rise to $235.5 billion, hurting companies abroad that depend on China to be a robust buyer of their goods.

The import tally has not been that feeble since April, when Beijing slammed shut at least 45 cities, locking down more than 320 million people.

The country's trade surplus had set a monthly record in July, growing at a yearly pace of 18 percent to $101.3 billion.

Forecasters had predicted a $92.7-billion overage in August.

However, the surplus came in at only $79.4 billion, the slimmest since February.

Nomura has become the latest bank to downgrade its view of China's GDP growth this year, trimming its prediction from a 2.8-percent expansion to 2.7 percent.

TREND FORECAST: *As we had long noted, for China to extend its economic growth, it must become more of a self-sufficient economy, relying more on Made-in-China products bought by their population than relying on increasing revenue through exports. They were on-trend to making this happen before they launched their zero-COVID policy.*

*Indeed, The **Trends Journal** has reported extensively on China's strict COVID guidelines that snuffed out its economic growth and self-reliance. (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.")*

However, the COVID War will come to an end and China will resume its self-sufficiency goals.

CHINA'S BANKS SEE NUMBER OF TROUBLED REAL ESTATE LOANS SOAR

China's four largest banks have seen overdue real estate loans skyrocket by 50 percent over the past 12 months as the country's property crisis begins taking a toll on the financial sector.

Bad property loans at the Agricultural Bank of China are up 152 percent; and 97 percent at Construction Bank of China.

The value of the late loans reached $20 billion by 1 July, compared to $13 billion a year earlier.

In China, home buyers commonly take out mortgages on homes before their construction is complete.

As overleveraged developers became unable to continue construction, a movement emerged in which mortgage holders refused to make payments for homes they were unable to occupy.

That left banks stranded in the middle.

Also, banks are coping with a weaker lending market overall as the tech and financial sectors are crimped by tighter regulations and a global slowdown has softened the country's export economy. (See "Virus, Global Slowdown Dent China's Export Economy" in this issue.)

“We see multi-year structural decline” in return on equity “as banks retreat from the property sector amid stalled projects, mortgage boycotts, and heightened regulations,” Dexter Hsu, analyst at Macquarie, wrote in a note to clients.

Although loans to developers account for no more than 9 percent of loans by China’s biggest banks, they will become “the major source” of the banks’ failing loans over the next two years, Hsu wrote.

That will force the banks to raise interest rates to cover the losses, he added.

“The real exposure to developers could be much bigger than reported because [banks] extended credit to developers via proprietary investments and off-balance-sheet credits like wealth management products, trust products, private funds, and private bonds,” Hsu pointed out.

China’s government has pressured state-owned banks to offer below-market interest rates to support businesses and homebuyers, which would force the banks to accept lower earnings.

The banks have “no incentive” to make more property loans, an executive with one of the “Big Four” banks said to the *Financial Times*.

“Our cost of capital is still too high,” he added. “The more loans we issue, the more non-performing loans we will have.”

TREND FORECAST: *China’s government waited far too long to rein in reckless borrowing by property developers, allowing the freewheeling property industry to grow to as much as a third of the country’s GDP while danger signals mounted.*

The first sign of trouble was a big one: Evergrande, China’s premiere developer with 200,000 employees and 1,300 residential developments across the nation, signaled a year ago that it might default on $300 billion in bonded debt, as we reported in “China’s Real Estate Market Teeters on Evergrande’s Debt” (21 Sep 2021).

In December, Evergrande did default on a portion of its debt, as did Kaisa Group Holdings, another major developer. (See [“Evergrande in Default, Fitch Says,”]() 14 Dec 2021).

Beijing has taken steps to insulate the larger economy from China’s real estate mess but the damage is already leaking beyond the property sector.

The debacle—coming at a time of a global economic slowdown, droughts and heatwaves, and rolling anti-COVID lockdowns across the country—will continue to drag on China’s economy at least through 2024.

SPOTLIGHT: INFLATION

CENTRAL BANKS FEAR INFLATION DEFINES A NEW LONG-TERM REALITY

Central bankers fear that the recent, prolonged global rise in prices has sunk roots into the global economy, *The Wall Street Journal* reported.

To counter price pressures brought by chronic shortages of labor, materials, and cheap energy, the banks may need to raise interest rates significantly higher for longer than expected, leading to lost jobs, weaker GDPs, and more frequent recessions, the *WSJ* said.

The U.S. Federal Reserve’s aggressive campaign of interest rate increases may be a taste of the future, analysts told the *WSJ*.

“The global economy is undergoing a series of major transitions,” Mark Carney, a former governor of both the Bank of Canada and the Bank of England, said in a March speech at an economic conference.

“The long era of low inflation, suppressed volatility, and easy financial conditions is ending,” he warned.

Three forces that defined that “long era” seem to be waning, according to the *WSJ*.

First, globalization kept factories on the move, relocating to countries offering the cheapest labor. That kept inflation low, with the cost of goods in the U.S. rising an average of 0.4 percent annually during the first 20 years of this decade.

The post-COVID shortage of everything from shipping containers to computer chips has thrown globalization’s drawbacks into relief and spurred manufacturers to bring supply chains closer to home, as highlighted in our Top 2022 Trend of Self-Sufficient Economies.

“If you had all of your supply chain in just one country, you have to question why take that risk in a world where [viruses] could hit or country relations could deteriorate or wars could happen,” Thomas Barkin, president of the Federal Reserve Bank of Richmond, said in comments quoted by the *WSJ*.

Second, labor costs kept inflation low because hundreds of millions of low-wage workers were added to the labor market, especially in Asia. Now that trend has run its course and a glut of cheap labor has given way to a shortage of able and available workers in many parts of the world.

Meanwhile, the U.S. labor force has shrunk by 2.5 million workers in the last two years, an analysis by the Federal Reserve Bank of Kansas City found.

At the same time, the U.S. has slowed the pace of immigration that used to buoy the number of available workers.

That loss of workers on two fronts has pushed up wages, fueling inflation.

Third, commodities producers and energy companies have slackened their pace of investment over the past decade, leaving them short of capacity as demand soared after 2020.

In the past, the main economic dangers were “demand shocks,” consumer spending weakened and the job market softened.

In the U.S., the Fed dealt with those by dropping interest rates, which brought supply and demand back into balance, as after the September 11 attacks and the Great Recession in 2008.

However, now central banks are confronting “supply shocks,” in which there are not enough raw materials, goods, or workers, thus hobbling the economy’s ability to produce.

To rein back inflation, banks now must raise interest rates, which will discourage consumer spending, hamper economic growth, and cost jobs.

Partly because of 30 years of low inflation, central bankers were slow to recognize that today’s inflation was not a blip but a gathering wave across the global economy.

The risk is that people will come to see inflation as normal, which discourages savings—a significant source of capital to build houses, start businesses, and make other investments—and encourages spending before prices rise again.

The mentality of “spend now or pay more later” itself tends to drive prices higher, especially in an economy characterized by shortages.

Meanwhile, an aggressive schedule of interest rate hikes derails traditional investment strategies based on stocks and long-term government bonds.

In the U.S., Fed chair Jerome Powell is likely to err on the side of raising rates higher than needed to tackle inflation, several former Fed officials who know him told the *WSJ*.

Powell has said his primary goal is pound inflation back down to the Fed's target annual rate of 2 percent.

"We cannot fail at this," Powell said in 23 June Congressional testimony, "and we will not fail."

What costs that will entail are yet to be learned.

TRENDPOST: *As we pointed out in articles such as ["Argentina's Interest Rate Hits 44.5 Percent. U.S. Should Be 9 Percent"] (29 Mar 2022) and ["Eurozone Inflation Rises to 8.9 Percent in July"] (23 Aug 2022), to halt inflation the Fed would have to raise interest rates to about 8 percent or more from their current level of about 2.5 percent.*

To do that in a short amount of time would crash the economy into a major recession. The Fed is unlikely to be willing to risk that.

And now, with the new inflation numbers, they will most likely jack up rates another 75 basis points next week. But even that small a rate hike when compared to inflation has rattled equity markets. Thus, the worst is yet to come: Dragflation, negative GDP growth and rising inflation.

TREND FORECAST: *Central banks in Europe and the U.S. will not raise interest rates high enough fast enough to grab inflation the way that banks in Mexico or Argentina have.*

Price increases will continue to ease largely because consumers pare back spending simply because prices are high, not because central banks make token rate increases.

Those increases will have only an indirect effect, particularly on the housing and vehicle markets, which make up a major share of the economy. Cutbacks in those purchases gradually will ripple through the economy, but they are unlikely to have the dramatic effect needed to curb inflation in the near term.

SPECIAL UKRAINE WAR REPORT

FU GERMANS: FOREIGN MINISTER VOWS TO STAND WITH UKRAINE ‘NO MATTER WHAT MY GERMAN VOTERS THINK’

Annalena Baerbock, the German foreign minister, declared that despite the soaring energy costs and skyrocketing inflation as a result of the sanction the U.S. and NATO has imposed on Moscow, Berlin will stand with Ukraine as long as Kyiv needs the support during its war with Russia “no matter what my German voters think.”

She mentioned the EU embargo against Russia and said, “I have to be clear that this holds on as long as Ukraine needs me.”

When questions began to be raised about the looming energy crisis before the winter, Baerbock admitted that German politicians will be challenged, especially if people cannot pay their energy bills. But she said Berlin will instate social programs and help citizens who may be struggling.

Gazprom, Russia's energy giant, announced last week that its Nord Stream 1 gas pipeline to Europe will remain closed due to an "oil leak." Moscow said it is unable to fix the problem because the sanctions imposed by Europe have held up equipment repairs.

Russia claimed that the pipeline required 10 days of maintenance work, and, as many countries predicted, announced that the gas flow would not restart. An unofficial source in Gazprom told GIS Reports that there was never any issue with the pipeline.

Russia has said it does not believe that the EU will be capable of replacing its gas supply for up to the next 10 years.

As we have noted, Russia normally provides Europe with about 40 percent of its natural gas. Germany's economy—the largest in Europe—relied on cheap Russian gas.

Christian Sewing, the CEO of Deutsche Bank, told an audience in Frankfurt last week that Germany will be unable to avoid a recession.

"We believe that our economy is resilient enough to cope well with this recession—provided the central banks act quickly and decisively now," he said.

Olaf Scholz, the German chancellor, has indicated that Berlin is prepared for life without Russian gas.

"Something that held true throughout the Cold War no longer applies," Scholz said, according to *The New York Times.* "Russia is no longer a reliable energy supplier. That is part of the new reality."

Baerbock made a surprise visit to Kyiv to say Berlin will "continue to stand by Ukraine as long as it takes—with the delivery of weapons, as well as humanitarian and financial support," DW.com reported.

She said it is abundantly clear that Russian President Vladimir Putin is "banking" on Germany growing tired.

“He believes he can divide our societies with lies and blackmail them with energy supplies. And, that he can drain us of the energy to defend ourselves against this brutal attack on all of our values,” she said.

She called his assumptions misguided and said “all Europe” knows Ukraine is “defending our peaceful order.”

Germans Want Peaceful Resolution

A recent poll conducted by RTL/ntv-Trendbarometer found that 77 percent of Germans believe the West should make concrete efforts to try and launch negotiations with Russia. The survey found just 17 percent of Germans would be opposed to such talks.

Of the approximately 1,000 Germans that were polled, about 43 percent said they are content with the amount of support Berlin has been offering Ukraine, while about 25 percent say Scholz is doing too much.

Sergey Ryabkov, Russia’s deputy foreign minister, told reporters last week that a “total war” has been declared against Moscow and the “current period shouldn’t be underestimated.”

“It’s being waged in hybrid forms, in all areas,” he said. “The degree of animosity of our opponents—our enemies—is enormous, extraordinary.”

But German politicians don’t care what the public thinks.

Michael Roth, a German politician from Scholz’s Social Democrats party, said the West should help Ukraine stage its counteroffensive against Russia.

“In this new phase of the war, Ukraine needs weapons that will enable it to liberate territories occupied by Russia and keep them permanently under its control,” Roth told local media, according to DW.com. “The West, in particular, the US, Germany, France and Poland, should quickly coordinate closely here and adapt its deliveries to the new situation."

TRENDPOST: *Baerbock has warned that the war in Ukraine could carry on for years and Germans need to be prepared for a long fight and energy disruption. She has said the Ukrainians are fighting to defend democracy and freedoms, so it is particularly jarring when she mentioned that the opinions of German voters don't matter when it comes to Ukraine.*

This war has never been about democracy. Western countries see a once-in-a-generation opportunity to weaken Russia off the world's stage or watch Russian President Vladimir Putin be removed from office, which would be the coup de grace.

Antony Blinken, the U.S. secretary of state, said last week that Putin is trying to "bully" European countries and has "weaponized" natural gas.

"He's betting that the Kremlin can bully other countries into submission," Blinken said while visiting Kyiv, according to The New York Times.

We've noted that Germany took a pragmatic approach to the Ukraine War at its onset, and worked to take an almost neutral approach to the matter. But Scholz has become more anti-Russian and militaristic. Germany announced a 100 billion euro military revamp, which would include about $8 billion in F-35 aircraft.

Scholz blamed Putin for starting the war for "completely absurd" reasons, DW.com reported.

"NATO was never a threat to Russia," he said.

TURKEY'S ERDOGAN AGREES WITH PUTIN THAT GRAIN SHIPMENTS WENT TO RICH COUNTRIES, F.U. AFRICA

Recep Tayyip Erdoğan, the Turkish prime minister, repeated Russian President Vladimir Putin's claim that the much-need grain shipments out of Ukraine were largely sent to wealthy countries.

Putin said earlier this month that just seven out of 87 ships hauling 60,000 metric tons of grain were sent to poor countries.

"What we are seeing is another blatant deception," Putin said at the Eastern Economic Forum in the eastern city of Vladivostok. He called the deal a "swindle."

"Almost all the grain exported from Ukraine is sent not to the poorest developing countries, but to EU countries," Putin said.

The deal to open the grain exports was negotiated by Turkey and the UN and was seen as the only significant diplomatic breakthrough since the war started in late February. Putin has been accused of using grain as a bargaining chip to force Western countries to ease some sanctions.

(See "FERTILIZER SHORTAGE WORSENS FOOD CRISIS, DRIVES UP PRICES," "FOOD CRISIS WORSENS: PREPARE FOR NEW WORLD DISORDER" and "EGYPT ASKS IMF FOR AID AS WHEAT, OIL PRICES SKYROCKET.")

The British Defense Ministry, citing UN figures, said that around 30 percent of grain was sent to low and middle-income countries in Africa, the Middle East and Asia. The ministry took to Twitter to accuse Russia of pursuing a deliberate misinformation strategy to deflect blame for food insecurity issues around the globe.

Some analysts believe Erdoğan is attempting to win favor with Russia due to his upcoming election. Ozgur Unluhisarcikli, the Ankara office director of the German Marshall Fund, told *The Jerusalem Post* that Erdoğan needs investments from Russia.

"Erdogan is going to the election with… a very tight economic situation and he is looking for outside help," he said. "He wants to insure the Russian assistance in the elections through the economy."

The report noted that the Russian central bank said last month that it could buy currencies of "friendly countries." The Turkish lira lost about 44 percent of its value last year and inflation is believed to be at 8.1 percent, but many believe it is much higher.

TREND FORECAST: *It is worth noting that Turkey is still holding up the applications for Sweden and Finland to join NATO and tensions between fellow NATO member Greece have been intensifying.*

Turkey claims that Greece illegally militarized its eastern Aegean Sea islands, according to The Associated Press. Athens is upgrading its fighter fleet and just recently purchased 83 F-16 fighters.

"Any potential aggressor will have to think twice or thrice before trying their luck," Gen. Constantinos Floros, the head of Greece's joint chiefs of staff.

The longer the Ukraine War goes on, the weaker the Western coalition will be. We have noted that this winter will be a trying time for most European countries due to an energy crunch. Turkey, for better or worse, is the only country in NATO that has been corresponding with Russians and has the only diplomatic achievement, which we mentioned above.

Erdoğan is a shrewd politician and expect him to use his new-found political importance for a power grab. Greece should be prepared.

UKRAINE CLAIMS BATTLEFIELD GAINS. BIDEN SENDING $2.8 BILLION TO KEEP BLOODYING THE KILLING FIELDS

The U.S. announced last week a new financial package for Ukraine's war effort while Kyiv announced significant gains on the battlefield during its counteroffensive in the east. The total sent to Ukraine since Russia invaded on 24 February is at $67 billion according to Anti-War.com

Counteroffensive

As of Tuesday afternoon, Kyiv claimed its troops liberated hundreds of settlements and thousands of square miles in the northeast, according to *The New York Times*. The paper said Russia is dealing with low troop morale and volunteers are now refusing to serve in combat.

The paper noted that Russian President Vladimir Putin is starting to feel pressure at home, and is being urged by some to speed up a decisive victory in Ukraine. The Kremlin has not referred to Ukraine as an all-out war, rather a "special military operation."

Oleg Tsaryov, a former deputy of the Ukrainian Parliament who fled in 2014, wrote that Moscow has the right to "plunge Ukraine into the stone age."

Two senior Pentagon officials told *USA Today* that Ukraine's desire to fight, Russian disarray, and the arrival of U.S. weapons contributed to the gains on the ground, which have been acknowledged by Russia.

Some of the fighting has been in Kharkiv, which is in the northeast part of the country. The Study of War, a Washington-based think tank, told the paper that Russian forces were unprepared for counteroffensive and have been seen fleeing.

"Ukrainian forces have penetrated Russian lines to a depth of up to (45 miles) in some places and captured over 1,150 square miles of territory in the past five days since Sept. 6 – more territory than Russian forces have captured in all their operations since April," the assessment said, according to the paper.

Two of the key victories were in Izyum and Kupiansk, which are considered two key logistical hubs.

The Ukrainian Ministry of Defense issued a report on Tuesday that pro-Russian leaders in Crimea are trying to move their families from the area as Ukrainian forces gain ground. (See "ZELENSKY SAYS UKRAINE WAR WILL END WHEN RUSSIA LEAVES CRIMEA" (16 Aug 2022).

Ukrainian officials said they informed their American counterparts about their plans for the counteroffensive, but the U.S. insisted that it was Kyiv and military leaders from the country who "made the decisions on how to conduct this counter offensive," Politico reported.

Military Aid

We have been reporting on the amount of military weaponry being sent to Kyiv and the implications since the Ukraine War began (See "WAR IN UKRAINE ECONOMIC OVERVIEW" (1 Mar 2022), "BIDEN KEEPS WAR DRUMS BEATING, ANNOUNCES ANOTHER $1B IN WEAPONS FOR UKRAINE" (21 Jun 2022), "WEAPONS POURING INTO UKRAINE, NO TALK OF PEACE, JUST MORE AMMUNITION" (12 Apr 2022).

Ari Tolany, the program manager at the Center for Civilians in Conflict, told Politico it is challenging to track where the material is coming from because there is a range of funding sources. Kyiv has already been the "largest recipient of U.S. security assistance" since 2014. (The report noted that Israel benefited from the most military support from the U.S. since the end of WWII, pulling in $146 billion in assistance.)

"We know this is a pivotal moment, more than six months into Russia's war of aggression against Ukraine, as your counteroffensive is now underway and proving effective," Blinken told Ukrainian President Volodymyr Zelensky during a meeting on Thursday, according to *The New York Times.*

Blinken said Ukraine's defenders continue to "courageously fight for their country's freedom," and President Joe Biden will support Ukraine for "as long as it takes."

TRENDPOST: *While Blinken was visiting a hospital in Ukraine, Russia's permanent representative to the UN, told the Security Council that NATO "basically manually directs Kyiv in the theater of war."*

Kyiv is not interested in negotiating for a peaceful settlement with Russia, a senior U.S. official told VOA. The official noted that Russia is in control of about 20 percent of the country and about 30 percent of Ukraine's industrial and agricultural potential is gone.

"That's why they're launching this counteroffensive," the official said.

Both Russian and Ukrainian officials said Saturday that Russian troops have retreated from some eastern towns while Ukraine's counteroffensive in Donetsk develops. Russia's defense ministry said troops are regrouping. The BBC said the advances—if held—would be the most significant since they withdrew from Kyiv.

The Donetsk People's Republic, which is a breakaway quasi-state militarily occupied by Russian-backed separatists, has claimed all of the Donetsk region as their territory. The Pentagon said a few weeks ago that the Kremlin has plans to annex Kherson, Zaporizhzhia, Donetsk, and Luhansk.

It is difficult to obtain reports from the frontline because reporters have been banned.

(It should be noted that the BBC report noted that their reporters are not on the frontlines because "journalists have been denied access. Ukraine is determined to control the information war. But plenty of footage has emerged on social media showing Ukrainian troops "raising their flag in newly liberated areas.")

TREND FORECAST: *The* ***Trends Journal*** *has noted that Russia could overtake Kyiv in a weekend if it wanted to launch a fully destructive attack that would kill millions and* *destroy much of the nation. This was a tactic used by the United States and its NATO allies that slaughtered over a million people in Iraq and destroyed the nation but was still defeated.*

However, we maintain our forecast that minus a nuclear strike or a false flag that will escalate the world into WWIII, Russia will defeat Ukraine and Kyiv will not regain key areas of lost territory, such as Crimea and Mariupol.

The U.S., of course, is the largest donor of military aid to Ukraine, followed by Poland that has given $1.83 billion in military aid, and the UK, which has given $1.3 billion. Zelensky has said Kyiv is blowing through about $5 billion a month to fight the war.

IAEA: 'SERIOUS SITUATION.' NUKE CATASTROPHE ON THE NEAR HORIZON

The International Atomic Energy Agency issued a statement on Friday that identified the seriousness of the situation at Ukraine's Zaporizhzhya Nuclear Power Plant that has been under attack in recent weeks during the Ukraine War.

The IAEA said the "continued shelling" of the facility has damaged the power infrastructure. Energoatom, Ukraine's state-run nuclear power company, said it will power down the plant's final working reactor to prevent a meltdown, The Associated Press reported.

Ukraine has blamed Russian forces for targeting its largest nuclear facility in Zaporizhzhya, a city on the Dnieper River in southeastern Ukraine, and raising the prospects of a nuclear disaster. Moscow blamed pro-Ukrainian forces for attacking the facility occupied by Russian forces.

The plant is the largest in Europe and the facility has been controlled by the Russians since the early days of the war, but it is being operated by Ukrainian staff.

Petro Kotin, Energoatom chief, told the AP that the company is trying to keep the facility "running as much as possible, but eventually it will have to be shut down and then the station will switch to diesel generators."

He said it is the "station's last defense before a radiation accident."

Rafael Grossi, the IAEA's head, warned that "something very, very catastrophic could take place" and both countries should work to create a "security protection zone."

The State Department agreed with the IAEA and urged Russia and Ukraine to establish a "nuclear safety and security protection zone" around the Zaporizhzhia power plant.

The **Trends Journal** has reported on the worsening situation around the plant. Dmitry Medvedev, former Russian President and now deputy chairman of Russia's Security Council, said last month that Western and Ukrainian officials are actively seeking another Chernobyl-like disaster in Ukraine. (See "CHERNOBYL 2.0. RUSSIA ACCUSES UKRAINE OF ATTACKING NUKE PLANT" and "RUSSIA WINNING UKRAINE WAR, STILL NO TALK OF PEACE FROM ZELENSKY.")

"The scumbags in Kiev and their Western backers seem to be ready to stage another Chernobyl," Medvedev posted on Telegram. "Rockets and shells are falling ever closer to the Zaporozhye nuclear power plant's reactors and radioactive isotope storage facilities."

The IAEA said in a statement that the situation is "unsustainable" and "becoming increasingly precarious."

"Enerhodar (a nearby town) has gone dark. The power plant has no offsite power. And we have seen that once infrastructure is repaired, it is damaged once again. This is completely unacceptable. It cannot stand," the statement read.

TRENDPOST: *The **Trends Journal** has warned that the longer the Ukraine War is allowed to go on, the closer the world inches towards a major catastrophe.*

We have been opposed to Putin's decision to invade the country, but, unlike the willfully ignorant Western media, we identified reasons why Russia invaded. The attacks on the nuclear power plant are just another example of the risks to the world as the war drags on.

We have noted that 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.

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

The plant is now considered to be in a "cold state," which means it was removed from the power grid and is running on "island mode." The plant will operate using "diesel generators," Al Jazeera reported.

FEATURED ARTICLES BY GUEST WRITERS

TO SAVE THE PLANET AND SUSTAIN YOUR HEALTH, BECOME A VEGAN

by Gary Null PhD

Science is clear. There are hundreds of reliable peer-reviewed studies supporting the benefits of a Mediterranean or a healthy plant-based diet for relieving and treating disease, including a variety of cancers. On the other side of the equation, there are equally many studies that have determined unhealthy foods such as meat contributing to cancer, heart disease, diabetes, obesity and inflammatory illnesses such as arthritis. If we focus solely upon health issues, then disease and premature death are on the side of a meat-based lifestyle.

Some people care more about the environment than they do about themselves. Consequently their concerns about the largess of the meat industry is that it is energy intensive. The water necessary to grow a plot of potatoes compared to a hamburger is astronomical. Weaning ourselves off of meat reduces global warming because the billions of animals raised annually for human consumption increases greenhouse gas emissions, notably methane.

Therefore, every bite counts.

There is also a growing movement to purchase organic plant-based food that is raised locally. This is in part because there is a highly educated class of Millennials and X-Generation who realize the importance of a healthy diet for sustaining a healthy body.

But what is equally important is to investigate and understand where our information for making wise choices comes from. Who inspires us to seek the truth?

Throughout our lives we have two principal kinds of mentors who guide us. First, there are the policymakers. These are our parents when we are young, school teachers when we are learning, and then when we enter society there are the captains of industry whether it is the CEO of a telecommunication company such as Verizon or any of the other large corporate entities. These are the people who establish and often write policies. From the policymakers, information trickles down through think tanks, foundations, public relations firms, lobbyists, and politicians. And the media is their primary echo chamber.

The second mentors are opinion leaders. These are the people who are in the public eye and who often generate a large following. Average people look up to them as role models and examples of what they assume is appropriate behavior. These are the people who are thought to "be in the know," ahead of the curves and who drive future trends. Sometimes they work endlessly, such as the basketball star LeBron James who inspires thousands of kids but then also represents Nike products. Or a popular actress who speaks on behalf of a cosmetic product to sell a solution for perfect skin. There are thousands of such motivational speakers in politics, athletics, entertainment, corporate culture, and the media who have been acknowledged for their success.

So when we think of a famous person as an opinion leader who becomes a vegan, there will be a sizable number of people who will follow their advice and example. The largest increase in the vegan movement occurs when a person who people admire acts by example and explains why it is so important to stop the suffering of animals. It only takes about 3.5 percent of the population to support any given cause to change the course of policymakers.

Important Vegan Facts to Consider

What if I told you that going on an incredibly delicious, cost-effective plant-based diet would:

- Reduce your risk of all cancers by 50 percent,
- Decrease your chance of developing diabetes by 50 percent and eliminate Type 2 diabetes,
- Drop your chance of developing heart disease by 24 percent, reduce your chance of dying from heart disease by 29 percent or if you have heart disease, reduce future cardiac events by 73 percent,
- Lower your risk of colon cancer by 40 percent,
- Have an 80 percent chance of reducing arthritis symptoms in less than four weeks,
- Assist you in losing a minimum of one pound of body weight per week until you reach your goal, and without exercising (although I recommend exercising too),
- Significantly lower high blood pressure and unhealthy cholesterol levels,
- Double the number of natural “killer cells” in the body, thereby increasing the strength of your immune system,
- Significantly lessen your likelihood of being obese,
- Help you have leaner, healthier children,
- Improve your sleep, your sex life, and your complexion,
- Give you more energy than you have ever had, and, most importantly, add quality years onto your life

In addition, despite the lack of action in the U.S., there are nations and major cities around the world taking climate change seriously. Visionaries and scientists are creating unique and wonderful innovations in renewable energy to challenge

America's hubris, denial, and complacency. Rather than descending into apathy, withdrawing into isolation, and being unwilling to face these problems, we might consider optimistic strategies for how we can individually and collectively make a difference. And the foremost effort each of us can begin at this very moment is to adopt a healthy, plant-based diet. Not only is it affordable, but a vegan lifestyle will also strengthen our physical and mental health to face the challenges ahead. It is the single most important thing each of us can do to save the planet.

What if I also told you that in one year of eating this way, you would save the lives of approximately 400 animals (fish and shellfish included), plus, you would save 300,000 gallons of water, nearly 90,000 pounds of grain (which could go to feed humans), and more than 5,700 gallons of gasoline, all while generating 50 percent fewer carbon emissions? You would also end your contribution through dietary choices to depleting rainforests, eroding topsoil, world hunger, and global warming, while standing for cleaner air, cleaner water in aquifers, rivers, lakes, and oceans, cleaner drinking water, the humane treatment of animals and humans, and the health of any number of species and the planet too.

Would you want to hear about it? Moreover, would you be interested in knowing that millions—and a growing number—of people in our country and around the world are choosing this diet and lifestyle right now, and for the very reasons just pointed out?

The views and opinions expressed in this article are those of the author[s] and do not necessarily reflect the views of The ***Trends Journal****.*

HERE IT COMES AGAIN! ANOTHER BIG BANK BAILOUT.

By Gregory Mannarino [TradersChoice.net]

As most of us already expected, just last week the European Central Bank announced that "it stands ready to re-liquify the banks."

Just to be clear, "re-liquifying the banks" is just a fancy term which central banks use which means that they will give banks all the cash they need.

Several months ago, the European Central Bank announced that it would be buying unlimited amounts of debt across the entire Eurozone, and now they stand ready to bail out banks if need be.

What is not being announced is the fact that the Federal Reserve is firstly continuing to buy debt, which is something they must do in order for them to keep rates suppressed. Secondly, the Federal Reserve as well stands ready to “re-liquify” the banks.

What is getting even less attention is both the ECB and the Fed stand ready to not only re-liquify the banks, but ANY industry. Which include airlines, tech, energy, etc. These are called BAILOUTS.

What is getting even less attention as of late is the fact that any action taken by a central bank to add capital to the system via bailouts, government acts or policies which require funding, or the purchasing of debt is massively inflationary! And central banks are determined to continue to inflate/buy assets with their product, which is currency that they create out of thin air.

Possibly the biggest lie being sold to the people of the world today, whom all of us exist under the rulership of a central bank, is despite any rhetoric to the contrary, central banks in direct collusion with so called “policymakers” continue to drive global inflation higher by design.

Over the last several weeks global debt has been selling off which has been driving bond yields higher rapidly, causing wild swings in bond yields which are supposed to remain relatively stable. This is a clear sign of instability in the global credit/debt markets.

This instability in the debt market is responsible for the recent pressure/gyrations in global stock markets, and a knee jerk reaction into the “safety” of the U.S. Dollar. As bizarre as it seems, the U.S. Dollar is still seen as a safe-haven asset.

Rising/widely fluctuating bond yields along with increasing strength in the relative strength of the dollar is not good for equities/stocks or commodities. Commodities are priced in dollars, so higher relative dollar strength, (the strength of the dollar relative to other currencies), is negative for commodities. It is also negative for stocks.

What is happening here with central banks buying more debt and standing ready to “re-liquify” banks, and any other failing industry, is this; they are hoping to create stability-or even the illusion of stability in the credit/debt market which is the number one driver of global stock markets. Higher stock markets prices create an illusion, it tricks people into thinking the economy is strong. **Today there is no connection whatsoever between what is happening in the stock market and the economy.** If central banks can "stabilize" the debt market and lower the relative dollar strength, stock markets will move higher.

World central banks remain on a mission to be the buyers and lenders of last resort—which solidifies, and greatly increases their power, at the expense of everyone else.

TRENDS IN TECHNOCRACY

by Joe Doran

IT'S DEAD, JIM: BIG TECH ANTITRUST BILLS GOING NOWHERE IN CONGRESS

There is an insurrection hijacking our democratic institutions, gaming our "free and fair" market based economy, meddling in our elections and controlling the news narrative.

But it has nothing to do with average Trump supporters.

While Congress has busied itself holding J6 show trials to divide and distract Americans, Big Tech is kneecapping the popular will of the People with hoards of cash to stave off antitrust legislation.

2022 was supposed to blossom with an "Antitrust Summer," as the advocacy group Fight For The Future tagged it.

Hundreds of organizations came together to encourage and push politicians to address the widespread abuses of Big Tech de facto monopolies.

But the latest news has ended the promise of summer, and several legislative initiatives, with a fizzle of literally nothing to show.

Progress on one of the most important pieces of legislation, The American Innovation and Choice Online Act (AICO), has grinded to a halt in the Senate, according to a 6 September vox.com article.

AICO would bar big tech companies from favoring their own products over those produced by third parties on the platforms they control.

For example, Amazon would not be able to rank its own products higher in search results on its platform than those by other companies, unless those products had earned a higher ranking via a neutral algorithm.

Similarly, Google would not be permitted to rank its own maps or user reviews higher in Google search results than those of competitor maps and review services, etc.

Some argue that as a selling platform marketed to vendors, Amazon should be barred from selling any products that compete with vendors using the Amazon platform.

Companies like Amazon and Google gain a huge advantage from their ability to access and mine granular detailed third-party vendor data, including pricing activity, product sourcing, details and more.

Even if they don't engage in something as obvious as placing their own competing products and services at the top of search results on their platforms, their position as an overarching service and gatekeeper constitutes a major competitive advantage when they choose to compete with their vendor customers.

But, despite its limitations, AICO would be a start toward curbing the rampant abuses tech companies like Amazon, Google, Apple, Meta and Microsoft have been engaging in for years.

Squandered Leadership

Given the kind of "leadership" for the AICO shown by Senator Amy Klobuchar (D-) and others, it's not hard to see why the "Antitrust Summer" effort has so far failed.

Klobuchar herself has seemed more interested in promoting the bogus J6 narrative than in galvanizing Congress to target mega billionaires instead of Capitol trespassers.

She drew a frankly nonsensical connection between J6 and antitrust legislation in an early September tweet, referenced by recode:

> *"'It's always a good time to defend democracy,' states @SenAmyKlobuchar, referencing Liz Cheney's bravery and the courage of those who have stepped forward to identify those who participated in the Capitol riot. #CodeCon"*

Post election 2020, Klobuchar had literally nothing to say about the 500 million dollars that Facebook (now Meta) CEO Mark Zuckerberg poured into election influencing efforts.

Instead, she grilled him on whether the platform was policing political ads for "misinformation," a term hopelessly twisted to mean information deemed verboten by the political establishment.

Klobuchar has offered soundbites about big tech money snuffing out legislation she and others have backed, as Vox pointed out:

> *"It is really hard to take on these subjects when you have the biggest companies the world has ever known, that control an inordinate part of the economy, opposed to it. It is an incredible amount of money I'm up against. I have two*

lawyers. They have 2,800 lawyers and lobbyists. So I'm not naive about the David versus Goliath."

Positing Congress or the Federal Government as a "David" versus the Goliath of Big Tech could be construed as a breathtaking rhetorical deception.

The Federal government has more than enough resources and power to regulate and legislate whatever it wants.

If Klobuchar were more honest, she would just say that her colleagues and Federal bureaucrats are quite happy to be in bed with tech companies, for a variety of reasons.

They are regularly plied with campaign contributions of course. But it goes far deeper.

Insider knowledge on government contracting allows profits to be reaped from judicious stock holdings, and represents a huge abuse that benefitting politiciations like House Speaker Nancy Pelosi have infamously resisted addressing.

Then there's the circumventing of Constitutional rights of Americans that has developed via Congress pressuring private corporations to censor speech—something which they are prohibited from directly doing by the First Amendment.

No, the Federal government isn't too small and powerless to confront Big Tech. Quite simply, there's just no money in it.

For related articles, see:

- "HOW BIG TECH MAINTAINS ITS MONOPOLY" (17 Aug 2021)
- "HOW BIG TECH MAINTAINS ITS MONOPOLY: A FOLLOW-UP" (24 Aug 2021)
- "AMAZON CAUGHT ILLEGALLY UNDERCUTTING COMPETITION" (19 Oct 2021)
- "GOVERNMENT MANDATING TECH INTO A WEB OF SOCIAL CONTROL" (31 May 2022)

AI EMBEDDING MORE IN GOVERNMENT SERVICES

AI is quickly evolving and being deployed in more use cases within government, according to NextGov, the tech and government conduit platform.

The outlet recently moderated a discussion with leading government and AI industry experts, to gauge the newest developments occurring in government use of the technology.

Higher level jobs that are typically carried out by humans are increasingly being delegated to AI. Eight of the top government and business AI professionals recently participated in a debate that AI facilitated. They all believed that AI will develop further and eventually be able to perform more human functions in politics and the wider world.

An excellent illustration of this trend can be seen at the IRS, which recently tasked AI chatbots with taking calls from people who owe back taxes. The bots could only give customers phoning for assistance the most basic instructions and information when the program at the IRS first started in March.

The AI-powered bots, on the other hand, have been given more authority over time and can now have more in-depth conversations with callers and assist them in coming up with a payment plan. The bots can then assist the late taxpayer in getting back on track by sending transcripts and a record of the revised plan to them.

AI Learning To Favor Bureaucracy and Government Interests Versus The Governed?

The NextGov discussion noted that AI "learning" has included gaining an "institutional bias" in some cases.

An AI “Bill of Rights” has been proposed via the Office of Science and Technology, with a stated aim to “democratize” AI via design and implementation, and to foster transparency so Americans can see and assess the state of AI development.

But in some ways, the AI “Bill Of Rights” seems more like a framework designed to acclimate the public to accepting a larger role for AI in the processes and activities of government and business, rather than offering any meaningful way for the human electorate to retain rights in the process.

More can be read here.

WEF TEAMS UP WITH TED TALKS TO PUSH DEGROWTH AGENDA

The World Economic Forum (WEF) is signaling again that modern elites don’t require the bulk of humanity. They want to save Earth for the few, and as Gerald Celente likes to say, quoting George Carlin:

It’s one big club, and you ain’t in it.

A 1 September post on the WEF website is pushing the DeGrowth narrative further, this time with the imprimatur of a heady TED talk educational video laying out the case.

As a blurb for the TED-Ed video puts it:

> *“Created by world-class storytellers TED-Ed in collaboration with the World Economic Forum, this entertaining and informative film questions the idea of growth for growth's sake and imagines a world beyond it.”*

The mask is off on Degrowth, the depopulation endgame that is the impetus for the outright attacks on energy and food production, war mongering in Europe and the Middle East, inexcusable funding of gain-of-function virus experiments, forced "vaccinations" with gene-level treatments, the ravaging of children with "gender transitions," the transhuman drive toward an "AI singularity," and more.

Inflation and lower standards of living for the vast majority of citizens the world over isn't a bump in the road toward a sustainable future nirvana of wind and solar powered humanity, Treasury Secretary Janet Yellen's disingenuous defense of the Inflation Reduction Act this past week notwithstanding.

No one should suppose that the masters of the universe are for "smarter" or "sustainable" growth.

The DeGrowth agenda is about (non-elite) humans making do with less. And ultimately, it's about less humans, period.

False Choices, Propaganda Disguised as Education

The TED video sets up a straw man premise, asking "Can the economy grow forever?"

Of course, humble everyday citizens of earth aren't pondering ridiculous speculatives. They're worried about where their winter heat is coming from, and how they'll pay for it. They are concerned about exploding food and energy prices. They're worried about the weapons and money being poured by the Biden Administration, with help from turtle Mitch McConnell, into a needlessly destructive, drawn-out Russia-Ukraine conflict.

The essential takeaway for non-elites should be clear. Don't expect to consume according to your productivity, or to live in peace and freedom, or to procreate. Indeed, don't desire any of these things.

Economic growth, and the continuance of a vibrant and energetic human civilization is a pestilence to be avoided, not a goal.

As elites see it, the short term pain of purging excess humanity via commodity squeezes, wars, inculcation of misanthropy into youth, is all for a far greater good.

The WEF's greatest trick is that while relentlessly furthering the agenda of a very select group of the world's richest, the organization pretends to have as its highest goal, democratic interventions to reduce "inequality."

Of course there is nothing democratic about NGOs like the WEF, the Bill and Melinda Gates Foundation, and dozens of other mega billionaire funded orgs.

They uniformly advocate for destroying democracy by vesting power in more and more globalist, remote, and centralized authorities (controlled by them), which hopelessly diminishes the voting power of every citizen.

And the ever more stratified results of their policies, divided more and more starkly into ultra-wealthy haves, and increasingly impoverished and relatively powerless have nots, is virtually the story of the world since c. 1971, when the WEF was founded.

DeGrowth isn't a bug (though it proposes eating plenty of bugs along the way). It's a feature.

Joe Biden and Janet Yellen are very likely privy to that not-so-secret agenda. Either that, or they and others like them are very stupid, useful stooges.

For more on the DeGrowth agenda, see:

- "DON'T CALL IT DRAGFLATION, IT'S 'DEGROWTH' SAYS WEF" (21 Jun 2022)
- "THE FARMERS SHRUG: EURO PROTESTS SPREAD" (12 Jul 2022)

BEAT THE ELITE: TRENDS IN PREPAREDNESS

THERE IS A WAY TO "VOTE TWICE" LEGALLY—JUST UTILIZE 2ND VOTE

One citizen, one vote?

Political expression and influence is far more complicated than that, as everyone knows.

The money-fueled political influence exerted not only by explicit advocacy organizations, but by everyday businesses that now regularly stake positions on practically every policy, has become endemic.

2nd Vote, now ten years in the making, saw the trend and did something about it.

The organization gives people information and tools to gauge where companies rate in terms of their political leanings and activities.

Armed with that knowledge, citizens can effectively exert their own political influence by choosing to patronize companies that align with their values, and avoiding (as much as possible) companies that don't.

2nd Vote has its own political objectives, of course. They are aligned with an originalist interpretation of the Constitution, including strongly supporting the Bill Of Rights.

The organization has a strong ethos for supporting local and American made businesses and products whenever possible:

> *"2ndVote we always advocate for the three pillars of shopping your values; shop local whenever possible, shop the highest 2ndVote score whenever possible, and shop American whenever possible. American production has been*

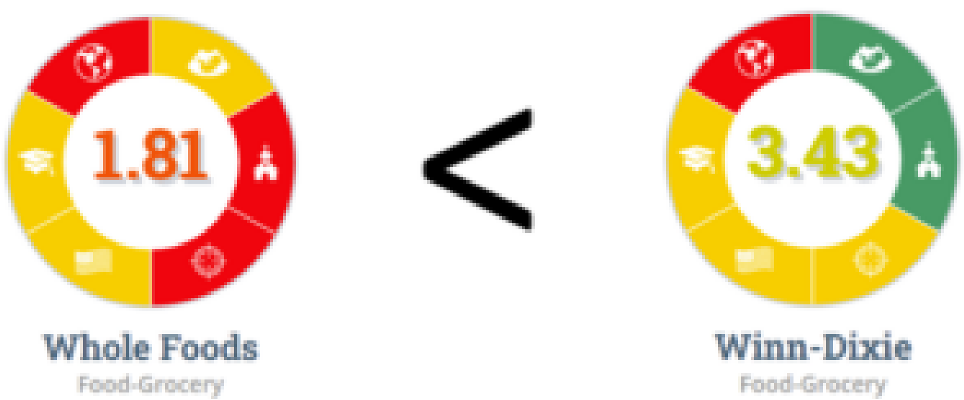
outsourced overseas for the sake of labor costs, sometimes even using slave labor, for far too long. It is high time that we as Americans demand that the goods and services we purchase are made by Americans, for Americans, in AMERICA!"

How To Cast A "2nd Vote"

2nd Vote rates companies based on a scoring scale of 1 to 5, with 5 representing a score that most closely aligns with pro freedom, pro Bill Of Rights, and pro-American made criteria.

According to their website:

"2ndVote provides a simple score ranging from 1 to 5 on each company, making it easy for consumers to quickly decide if their own values match a company's socio-political advocacy, policies and philanthropic engagements. If your values were to align entirely with the 2ndVote values, you would ideally choose a company with a score closest to 5."



2nd Vote rates hundreds of companies, including almost every household name, and their website has search features that make it quick and easy to see how companies rate.

After comparing companies, anyone can cast a "second vote" with their pocket book, by supporting ones that better align with their values.

Buffalo Wild Wings or Outback Steakhouse?

Tide or Clorox?

LG or Samsung?

Kohls or Amazon?

There are significant differences in many retailers that might not be apparent to average consumers, that are quickly revealed using 2nd Vote as a resource.

The organization offers a detailed drill down into every company, based on where it stands and its activities regarding major issue areas including Basic Freedoms, Education, a Civil-Safe Society, 2nd Amendment rights, Environmental Issues, etc. Accessing that granular information requires becoming a supporting subscriber to the site.

The website functionality deserves an A rating. If it included links to all company websites, and featured a phone-friendly app, it would've earned an A+.

But overall, 2nd Vote has done the research homework, making it easy for people to do more than just visit a polling place every so often (as important as that is).

The modern democratic process is an everyday and every dollar engagement, and recognizing that is important to taking back some of the power that politicized businesses and corporations continue to grow bolder in usurping.

Visit 2nd Vote here.

And for related articles, see:

- "BEAT THE ELITE: TRENDS IN PREPAREDNESS: WAKING UP TO FREEDOM-MINDED BUSINESSES" (5 Jul 2022)

- “FREE STATES: NEW CATO INSTITUTE REPORT RANKS THEM FROM FIRST TO LAST” (8 Feb 2022)
- “GAINING FREEDOM FROM THE TECHNOCRACY” (20 Jul 2021)

TRENDS IN CRYPTOS

FEDNOW WITH CYPHERIUM BLOCKCHAIN NOW IN BETA

The Federal Reserve is using the Cypherium blockchain to power its FedNow Service for digital payments. And as of mid-September, the system is now being made available to financial institutions for beta testing.

According to The Federal Reserve, the new instant payment service will allow financial institutions of all sizes to offer secure and effective immediate payment services in real time, 24 hours a day, 365 days a year, in every community in the United States.

The service was scheduled to go active in 2022, but that was pushed back to 2023. Still, FedNow is already being marketed via fintech platforms like Finzly, where institutions are being encouraged to become “early adopters” of the service.

What (and Who) is Cypherium?

Cypherium is a permissionless blockchain architecture with its own crypto token, CPH. It utilizes a hybrid consensus mechanism that features both proof-of-work and HotStuff Byzantine fault tolerance.

According to its website:

> *"Through connecting banks, payment services providers, payment networks and enterprises, Cypherium provides a seamless global payment experience. When information from banks enters the Cypherium blockchain, the Cypherium consensus algorithm performs the final validation of transactions, allowing any two organizations to clear the pending settlement between them. This saves financial organizations' business flow, overall competitiveness, and the diversification of development activities. Cypherium supports Decentralized ID and ISO® 20022 messaging standards."*

The company is based in Manhattan, according to Crunchbase.

The co-founders are Sky Guo, CEO, and Dr. Solomon Zhang, CTO. Guo is a recognized blockchain expert who has advised Nasdaq and the UN. Zhang earned his PhD from the University of Science and Technology of China.

If the UN and China connections raise any alarm bells, wait. There's more. Cypherium actually partnered with a number of Chinese cities to work on "projected central bank digital currencies" according to a 2020 Cointelegraph article.

The Cypherium connections to China and the UN apparently were not concerning to the Federal Reserve.

It may even be that Guo's experience with CBDCs and China helped recommend Cypherium to the U.S. government.

Guo is featured in an interesting May 2021 discussion on the topic of CBDC privacy and interoperability, available on YouTube here.

Guo also argued in 2020 that the then in-development Chinese Digital Yuan was too big to effectively surveil.

“China says we will have controllable anonymity. So the government will not monitor all the transactions, and technically speaking, they cannot do that,” Guo said in the Cointelegraph write-up. “Right now, every second in China there are hundreds of thousands of transactions happening. If the government wants to monitor that, it’s a huge cost.”

Despite Guo’s contention, China obviously manages to find the resources and wherewithal to closely monitor its citizens in a “social credit” system, where behaviors and activities are tracked and rewarded or punished, according to government objectives.

What’s more, since 2020, China’s zero COVID measures and lockdowns have only shown again the extraordinary granular control the regime can muster over its citizenry.

CPH Tokenomics

As far as tokenomomics, according to CoinMarketCap.com, the CPH token has a max supply of about 8.4 billion. But of that amount, only about 550 million tokens are currently circulating.

Price of the token briefly spiked above 9 cents in the fall of 2021. But it dropped from there, along with the rest of the crypto sector. It’s currently trading in the 3 cent range.

While the Cypherium link with FedNow has been known since spring, the buzz surrounding the blockchain has picked up recently. In July, fxstreet.com listed CPH as a promising project. It noted:

> *“Cypherium is another Web3-ready blockchain that bridges CBDC, DeFI and Web3 through protocol interoperability. It’s a hybrid consensus system that*

maximizes both decentralization and scalability without sacrificing one over the other through its Proof-of-Work and HotStuff consensus mechanisms."

FedNow, which is expected to go live between May and July of 2023, is currently rolling out an early adopter program for banking institutions, which was highlighted during a 29 August talk by Fed Vice Chair Lael Brainard.

Brainard commented about the system:

"We have been working hard to deliver on time, but ultimately the number of American businesses and households that are able to access instant payments will depend on financial services providers making the necessary investments to upgrade our payments infrastructure. Together, we can ensure that all Americans have access to a modern and reliable instant payment system."

Some Aren't So Impressed

The FedNow initiative could effectively compete with companies like Visa, that provide debit and credit card services.

As reported by bankingdive.com, VISA CFO Vasant Prabhu said at a recent Deutsche Bank Technology Conference that he wasn't worried about FedNow.

He observed that some places, like the UK, have had instant payments for nearly a decade, but that the systems have not made significant inroads in capturing market share.

Prabhu argued that credit cards have a track record of reliability and security, with avenues for disputing charges. He also noted that consumers like the loyalty reward programs that often come with their use.

"So there's a real issue with, like, if I'm happy, why do I change?" Prabhu said, rhetorically placing himself in a consumer's shoes. "Consumers are creatures of habit, and they are also very conservative when it comes to their money."

TRENDSPOST: *Prabhu may have a point concerning FedNow, but more generally, blockchain technology is offering a revolution in instant payments efficiency which no company or institution can easily ignore.*

A real issue is whether the Federal Reserve will use its privileged position as the provider of financial liquidity and U.S. currency to suppress or even outlaw blockchain competition in the area of instant and cross border payments.

Ripple, Stellar and other projects providing solutions to banks and financial institutions might be in for more "competition by regulation" from Fed Reserve allied politicos who want to ensure that the current powers continue to control lucrative monetary services.

NEW WHITEHOUSE REPORT ASSESSES ENVIRONMENTAL COSTS AND POTENTIALS OF CRYPTOS

As part of a Biden Administration Executive Order aimed at assessing cryptos, the Whitehouse has just issued a new report, titled "CLIMATE AND ENERGY IMPLICATIONS OF CRYPTO-ASSETS IN THE UNITED STATES."

Crypto watchers were quick to read tea leaves concerning some of the cryptos mentioned in the document.

But the deeper takeaway is that the still very early innovation and use case cycle of cryptos leave a lot of room for debate with regard to the issues the report raises.

Among other things, the report signals that closer scrutiny and regulation of businesses, in terms of energy use reporting and more, will be part of crypto's future.

Crypto Network Energy Use Estimated By Report

The Whitehouse report contained a table that garnered attention for mentioning specific cryptos in terms of energy use, though it offered no real surprises, focusing on the largest market cap cryptos.

Still, observers noted that Cardano, as the current largest proof-of-stake network—at least until Ethereum moves fully to proof-of-stake—seemed to find favor for its relative energy efficiency.

Other comparatively smaller crypto networks including Polkadot, Algorand and Tezos also were cited in the report:

Table A.3

Computing device numbers and power requirements for select crypto-assets in 2021

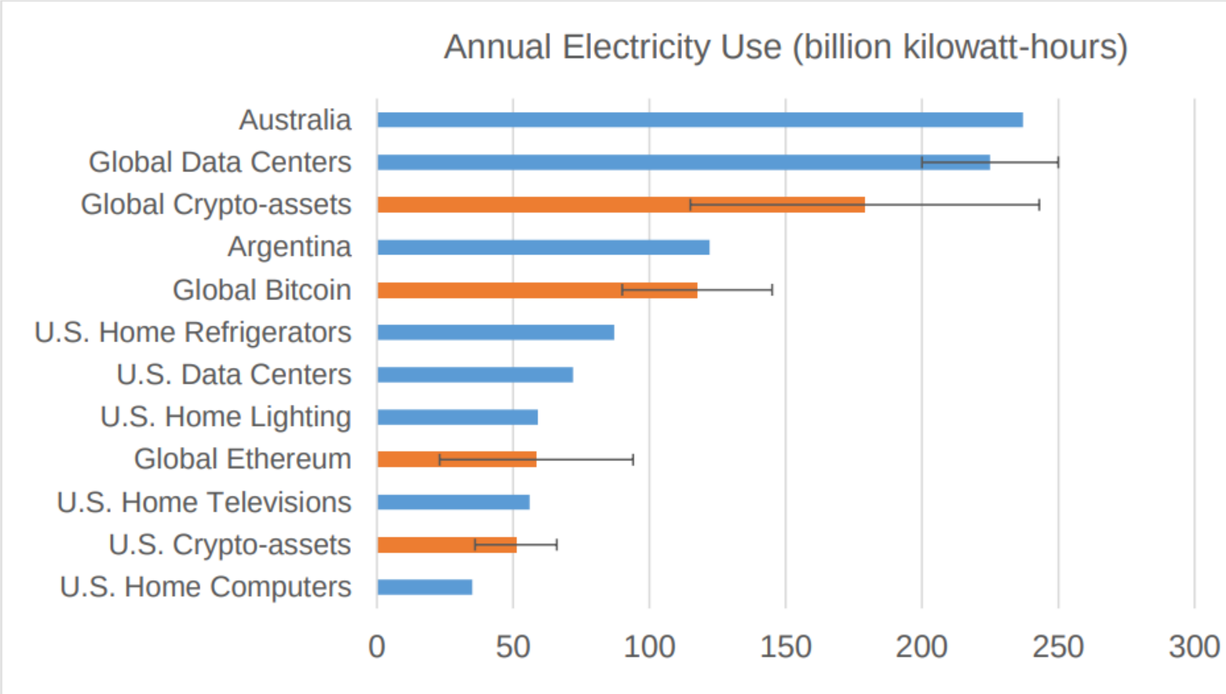
Network	Consensus Mechanism	Date	Computing Devices in 2021		Power Use (Watt/device)[208]
			Number	Type	
Ethereum 2.0	PoS	5/7/21	183,753	Validator Nodes	6 – 168
Algorand	PoS	8/12/21	1,126		
Cardano	PoS	9/6/21	2,958		
Polkadot	PoS	7/5/21	297		
Tezos	PoS	8/12/21	399		
Bitcoin	PoW	5/14/21	2,900,000	Mining Rigs	1,975 – 3,472

Table A.1

Summary of the most recent published electricity usage estimates of selected PoW and PoS blockchains (2021-2022)[206]

Crypto-Asset	Market Valuation in August 2022 ($billion)	Consensus Mechanism	Date of Estimate(s)	Global Electricity Usage (TWh/y)			Source
				Best Estimate	Lower Value	Upper Value	
Bitcoin	$389	PoW	8/15/2022	88.6	38.2	179.3	https://ccaf.io/cbeci/index
			8/15/2022	144.9	62.6		https://digiconomist.net/bitcoin-energy-consumption
Ethereum	$185	PoW	8/15/2022	93.9	15.6		https://digiconomist.net/ethereum-energy-consumption
			8/15/2022	22.9	16.5	32.2	https://kylemcdonald.github.io/ethereum-emissions/
Cardano	$15	PoS	9/6/2021		1.4E-04	4.4E-03	https://arxiv.org/abs/2109.03667
			8/8/2021	6.0E-04			https://www.carbon-ratings.com/dl/pos-report-2022
Solana	$11	PoS	10/9/2021	2.0E-03			https://www.carbon-ratings.com/dl/pos-report-2022
Dogecoin	$8	PoW	8/15/2022	3.8			https://digiconomist.net/dogecoin-energy-consumption
Polkadot	$8	PoS	7/5/2021		1.4E-05	4.4E-04	https://arxiv.org/abs/2109.03667
			8/29/2021	7.0E-05			https://www.carbon-ratings.com/dl/pos-report-2022
Avalanche	$6	PoS	10/23/2021	4.9E-04			https://www.carbon-ratings.com/dl/pos-report-2022
Algorand	$2	PoS	8/12/2021		5.4E-05	1.7E-03	https://arxiv.org/abs/2109.03667
			8/17/2021	5.1E-04			https://www.carbon-ratings.com/dl/pos-report-2022
Tezos	$1	PoS	8/12/2021		1.9E-05	5.9E-04	https://arxiv.org/abs/2109.03667
			8/25/2021	1.1E-04			https://www.carbon-ratings.com/dl/pos-report-2022

Another table showed crypto energy consumption compared to other energy uses:



But the report admitted the true level of crypto energy use is currently only a very rough estimate.

And it doesn't explain exactly what designations like "U.S. Home Computers" encompass. Does that include gaming computers and consoles, which have notably higher graphics and computing energy use than, say a tablet or Chromebook?

One of the more interesting sections cited the emerging use of crypto technology in California's "Flex Alert" system.

That system enables electricity companies to push out requests for energy conservation to consumers, during times of high usage and grid emergency.

According to the report:

> *"This system enables the electricity grid operator to push out requests for energy conservation during a grid emergency, securely interact with customers, and understand participation rates while maintaining customer anonymity.*

“197,198 Beyond information exchanges, smart grid technology199 has the potential to harness the services of millions of distributed energy resources (DERs), such as electric vehicles, fuel cells, residential and commercial battery systems, and solar power systems, to enhance grid reliability. DLT could potentially serve as the digital ledger for the registration, authentication, and participation of these DERs in a smart grid, enabling flexible grid operations as more variable renewables are adopted. As with any new and still-maturing innovative technology, the ultimate utility of DLT in the electricity sector is unknown.”

Colorado’s Xcel Energy electricity provider drew recent heavy criticism for a first-ever takeover of customer thermostats during a high usage point. In that case, the company previously gained the consent to control thermostat settings in times of emergency, by offering customers a relatively miniscule “AC Rewards” monetary credit.

Many were shocked to find out what they signed away with that program.

The full Whitehouse crypto report can be viewed here.

U.S. REGULATOR TO CRYPTO FIRMS: GET USED TO IT

Despite crypto firms’ persistent complaints that the U.S. Securities and Exchange Commission (SEC) is unfairly targeting them for scrutiny, the agency will not reduce its oversight, SEC enforcement director Gurbir Grewal said on 9 September at a Washington conference.

The SEC has a duty to protect naïve, poor, and minority investors, Grewal added.

Crypto's recent crash has disproportionately damaged those investors, who often were drawn to digital assets because the conventional financial and investment markets have ignored them, he said.

"Critics are upset because we're not giving crypto a pass from the application of well-established regulations and precedents," he noted.

"If we're going to uphold our mandate, we can't simply abandon the field when we confront potentially novel issues," Grewal asserted. "Non-enforcement would be a betrayal of trust" and "that's not an option for us."

At the same conference, Olivia Choe, the SEC's chief litigator, touted her office's record of suing crypto firms that skirt the rules and promised to continue to "litigate aggressively."

The day before, SEC chair Gary Gensler repeated his assertion that most crypto should be considered as securities, which brings them under the SEC's regulatory control.

However, the SEC's "regulation by enforcement" is an "undeniable feature of the SEC's effort to expand its own jurisdiction beyond the bounds of the law," Jake Chervinksy, policy chief at Blockchain Associates, a crypto lobbying firm, told *The Wall Street Journal*.

He accused the agency of "refusing to provide any guidance or propose any rules clarifying how upstanding crypto companies can meet its expectations."

Tom Emmer, a Republican member of the House of Representatives from Minnesota, has echoed the charge, saying Gensler has overstepped his authority in his attempts to impose rules on crypto firms.

Gensler has urged Congress to pass legislation authorizing his agency to regulate crypto but Congress has yet to act.

Rostin Behnam, chair of the U.S. Commodities Futures Trading Commission, also has asked Congress to give his agency a hand in overseeing crypto, as we reported in "CFTC Seeks Authority to Regulate Crypto" (15 Feb 2022).

TREND FORECAST: *By permitting Bitcoin ETFs to trade in the U.S., the SEC already has staked its claim to overseeing cryptocurrencies.*

A broader regulatory structure will be imposed, though Congress will have its say at some point.

The crypto industry itself is calling for regulatory clarity. The extent of government oversight will be closer to what Gensler and Behnam are suggesting, but probably less than either would like.

With regulation, the Street will be more ready to accept stablecoins and other classes of digital coins.

Regulations will take shape in parallel with central banks' creation of CBDCs. Whether the U.S. will limit itself to regulating cryptos and stablecoins, or launch a "retail CBDC" (ie. a CBDC meant to be directly used and held by consumers) is still a very open question.

SINGAPORE'S BIGGEST BANK BETS BIG ON CRYPTO

Cryptocurrencies' crash in recent months proved that established and regulated financial houses, not just start-ups, should offer cryptocurrency platforms and services, Piyush Gupta, CEO of DBS, Singapore's biggest bank, told the *Financial Times*.

Trusting larger institutions that can implement "guard rails" for crypto speculators will better protect players and help stabilize crypto values, he said.

DBS's brokerage division was licensed last year by the Monetary Authority of Singapore (MAS) and now invites select clients to use the services of the DBS Digital Exchange.

The exchange has only about 1,000 users now but soon the bank will offer crypto services to 300,000 of its wealthiest Asian clients, Gupta said.

The government of Singapore, which owns almost 10 percent of DBS, has long sought to emerge as a global crypto hub.

Last year's collapse of Three Arrows and Terraform Labs, both Singapore-based crypto ventures, cast a shadow over MAS's regulatory savvy.

The agency has since pledged to protect investors.

"We want to be a global crypto hub [but] we're also very worried about our domestic population getting burned by this speculative asset class," Gupta said.

GENSLER URGES CONGRESS TO GIVE CFTC A ROLE IN CRYPTO REGULATION

The federal Commodity Futures Trading Commission (CFTC) should have a Congressionally authorized role in regulating "non security tokens and related intermediaries" as long as that role does not infringe on the Security and Exchange Commission's (SEC's) broader authority over the industry, SEC chair Gary Gensler told a crypto industry conference on 8 September.

Gensler has argued before Congress that cryptocurrencies are a form of security and, therefore, should be overseen by his agency, as we reported in [“SEC Push Top Regulate Crypto”] (7 Dec 2021).

CFTC chair Rostin Behnam also has asked Congress to grant his agency a hand in overseeing crypto.

The Senate Agriculture Committee oversees the CFTC and the committee’s leaders have proposed a law that would give the commission regulatory authority over Bitcoin and Ether, the two most notable digital currencies.

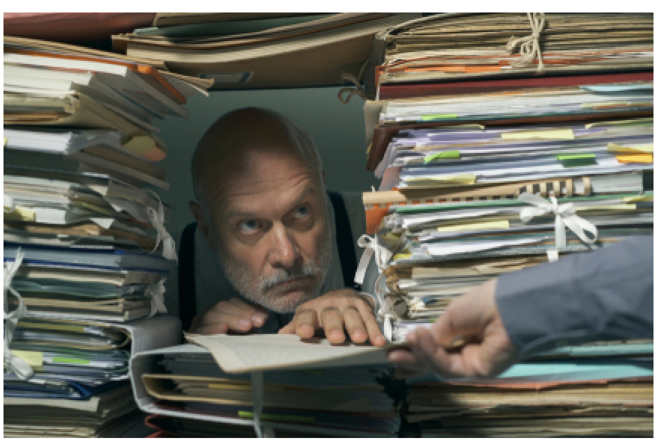
Gensler has said the two cryptocurrencies are unlike securities, indicating he would be willing to cede their oversight to the CFTC.

However, he maintains that most digital assets resemble securities enough to bring them under his agency’s regulations protecting investors.

Crypto firms opposed any government regulation for years, but recently have shifted to calling for oversight to be given to the CFTC.

Digital currencies are unlike securities because they are not corporations and have no stockholders, Blockchain Associates, a crypto lobbying group, has said.

BLOCKCHAIN BATTLES



WEAK CONGRESS, STRONG BUREAUCRACY: THE DIGITAL DOLLAR QUESTION

When Congress has to write a letter pleading to know whether the Federal Reserve has the extraordinary power to introduce a CBDC without an explicit authorization from the nation's highest legislative branch, that's a problem.

That's exactly what happened this past week, when several Republican lawmakers pressed Federal Reserve Vice Chairman Lael Brainard for an answer to the question, via a formal inquiry.

The group, headed by Rep. Patrick McHenry (R-N.C.), ranking member of the House Financial Services Committee, wants to know whether Fed leadership believes it needs Congressional approval to move forward with a digital dollar, and whether the Fed would create CBDC related accounts for individual Americans.

The banking industry would be significantly disrupted by such a move.

"In your opinion, does support mean an explicit law from Congress authorizing the Fed to issue a digital currency?," the letter asks.

According to May 2022 testimony, Brainard indicated that for the Fed to launch a digital currency, "support" from Congress and the executive branch would be required.

But whether support would mean new legislation was left unsaid by the Federal Reserve Vice-Chair.

TRENDPOST: *Unfortunately, the Republican move may be construed as advocacy on behalf of the banking industry, rather than the American people.*

Crypto technology has undeniably already introduced features which are disrupting traditional banking. Crypto wallets are effectively accounts where users can hold and store assets, and those wallets can be used to interact with DeFi and other platforms to earn yields on assets, borrow and lend, etc.

Of course, crypto can also be sent from wallets for payments, directly, or via payment apps that connect to wallets.

Whether the U.S. government will be satisfied to let the crypto industry continue to innovate, and seek specific regulation for aspects like stablecoins, which could offer new life for the dollar's future status as a reserve currency, is a real question (see [*"COULD STABLECOINS SAVE THE DOLLAR?"*]() *9 Aug 2022).*

Many believe a direct government issued CBDC, and not merely regulations requiring stablecoins to be backed by dollars, is a near certainty.

That would open a Pandora's Box of issues surrounding crypto innovation, forced adoption of CBDCs, biased protection of outmoded processes and players in the financial sector and beyond, government surveillance and unprecedented control of citizen assets, etc.

The issues extend even further, into geopolitics, the international banking and financial system, and the dollar's role as a reserve currency.

There clearly needs to be a very broad consideration and approach led by people's representatives, and taking into account public input on a wide scale.

Whether anything like that level of thoughtful public servant consideration and citizen engagement is even possible in such a politically dysfunctional climate, is another matter.

GAMESTOP MAKES LARGER CRYPTO PLAY

GameStop has joined forces with the FTX US crypto exchange.

The new partnership will include cross-promotions, and connections including FTX gift cards being made available for sale at over 2,900 Gamestop locations across the country.

Gamestop managed to beat concerted efforts by several hedge funds to drive down the price of the stock in early 2021, thanks to a groundswell of support from young traders coalescing on Reddit forums, and utilizing "free trading" on the Robinhood app.

After several hedge funds were dealt serious blows by shorts gone wrong, more controversy ensued when Robinhood halted trades of Gamestop and several other "meme stocks" (ie., stocks deemed to have enhanced value with buyers simply because of some iconic or symbolic aspect).

It turned out Robinhood's "free trading" business model was facilitated by funneling trade volume through some of the very hedge fund market makers that were hurt by Gamestop's resilience.

Gamestop has since used its reserves of cash to build inroads into blockchain based gaming and NFT projects. The retailer has a dedicated site currently in beta, https://nft.gamestop.com, where gamers can explore what has become an emerging new paradigm for the gaming industry.

Gamestop's new association with FTX is another sign that a company which was written off for an outdated business model has more lives to live than Wall Street predicted.

ETHEREUM MERGE UNCERTAINTIES

The Ethereum "merge" upgrade to a proof of stake network consensus protocol is predicted to happen at any moment from 13 to 15 September. That's when enough validator terminals will have adopted the upgraded software in order for a switch of the entire network to occur.

But there are questions surrounding the upgrade, including whether it will result in a significant number of nodes that choose not to upgrade.

That kind of a "hard fork," which is seen as likely, will leave two networks: one using Proof of Work (PoW), and the latest upgraded iteration, comprising the majority of network nodes, running the new PoS consensus mechanism.

What happens to ETH tokens held by users in that case? The simplest explanation is that in a hard fork situation, ETH holders could receive tokens for the resulting forked PoW network, in the same amount as the ETH tokens already held in a wallet.

The additional tokens would have a different name, and only function on the forked PoW network.

There are multiple aspects ETH holders should consider. This article at cryptobriefing.com is well worth reading.

TRENDS IN THE COVID WAR

MODERNA SUES PFIZER OVER mRNA PATENT

A Moderna statement obtained by The **Trends Journal** claims Pfizer and BioNTech's COVID-19 vaccine "infringes patents Moderna filed between 2010 and 2016 covering Moderna's foundational mRNA technology."

Moderna filed lawsuits over the claimed infringements last month in the United States District Court for the District of Massachusetts and the Regional Court of Düsseldorf in Germany.

Stéphane Bancel, Moderna's chief executive officer, said the company filed the lawsuits to "protect the innovative mRNA technology platform that we pioneered, invested billions of dollars in creating, and patented during the decade preceding the COVID-19 pandemic."

"This foundational platform, which we began building in 2010, along with our patented work on coronaviruses in 2015 and 2016, enabled us to produce a safe and highly effective COVID-19 vaccine in record time after the pandemic struck," he said. "As we work to combat health challenges moving forward, Moderna is using our mRNA technology platform to develop medicines that could treat and prevent infectious diseases like influenza and HIV, as well as autoimmune and cardiovascular diseases and rare forms of cancer."

Pfizer said in a written statement to CNN that it was surprised by the litigation given the Pfizer/BioNTech COVID-19 Vaccine was based on BioNTech's proprietary mRNA technology and developed by both BioNTech and Pfizer.

"We remain confident in our intellectual property supporting the Pfizer/BioNTech vaccine and will vigorously defend against the allegations of the lawsuit," the statement read.

We have noted that these vaccines, since they were mandated by governments, made these companies an enormous financial windfall and minted new billionaires. (See "PFIZER: DRUG DEALERS ON PARADE" 5 Apr 2022, "JAB KIDS WHO WON'T DIE FROM THE VIRUS: THERE'S NO BUSINESS LIVE VAX BUSINESS" 9 Nov 2021, "PFIZER DRUG LORD PUSHING YEARLY COVID JABS. CALLS THOSE WHO WON'T SWALLOW BULLSHIT, 'CRIMINALS'" 1 Feb 2022 and "MODERNA EXPECTS TO REAP $18.4 BILLION FROM VACCINE SALES" 2 Mar 2021.)

Noubar Afeyan, Moderna's chairman and co-founder, Robert Langer, a Massachusetts Institute of Technology professor and Moderna co-founder, and Timothy Springer, a Harvard Medical School professor and an early investor in Moderna. Each now has a net worth of over $3.5 billion.

Vaccine use has slumped in the U.S., but Ashish Jha, the White House COVID-19 coordinator, announced last week that a large majority of Americans "are moving to a point where a single annual COVID shot should provide a high degree of protection all year."

TREND FORECAST: *The COVID War has been a financial windfall for many, and especially for those associated with providing the vaccines that the world sees as the main line of defense against the virus; see, for example:*

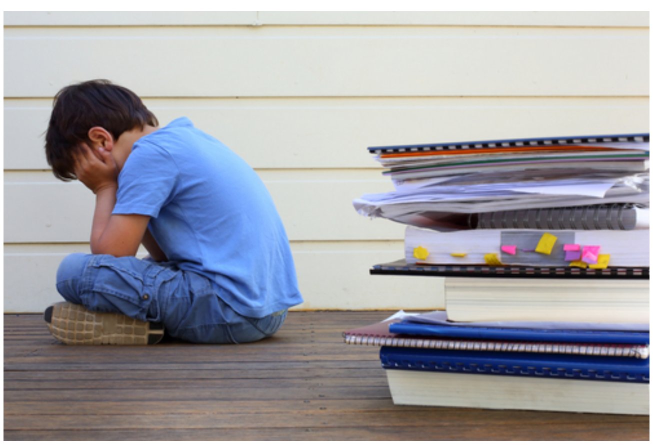
- *"DRUG COMPANIES CASHING IN ON COVID"* *(11 May 2021)*
- *"DRUG LORDS' VAX BOOM BOOMING"* *(8 Jun 2021)*
- *"DRUG LORDS VAX MONEY GRAB GETTING BIGGER"* *(17 Aug 2021)*

Moderna sold $5.9 billion of its vaccine in the first quarter of 2022. Moderna maintained its full-year guidance of $21 billion in Covid vaccine sales despite the vaccines having a fraction of the 96 percent efficacy which was sold to the public when they were launched in December 2020.

The Food and Drug Administration and the Centers for Disease Control and Prevention gave approval last month for boosters for the BA.5 subvariant for those 12 years old and up. The approval was granted without any data from clinical trials on humans.

"We don't know for a fact yet whether we will get to that same level, but that is the goal here. And that is what we believe the evidence that we've seen helps point to," Dr. Peter Marks, who heads the FDA office that reviews vaccines, said.

COVID-19 LOCKDOWNS DID IRREPARABLE DAMAGE FOR GENERATION OF STUDENTS, AS THE TRENDS JOURNAL FORECAST



A recent test to assess students in the U.S. returning to school found that the scores in reading and math dropped the most in 30 years, further cementing our forecast that COVID-19 lockdowns will damage an entire generation of students.

Peggy G. Carr, commissioner of the National Center for Education Statistics, told *The New York Times* that she was "taken aback by the scope and the magnitude of the decline."

The report said the National Assessment of Educational Progress tests were administered to a national sample of 14,800 9-year-olds and compared to tests given two years ago, when the outbreak was just starting to impact the world. (See "CRUCIAL COVID DATA IGNORED BY PRESSTITUTES" 14 Dec 2021, "MISMANAGING A PANDEMIC: FAILURES IN THE COVID-19 NARRATIVE" 9 Aug 2022, "MORE EVIDENCE KIDS DON'T SPREAD COVID TO ADULTS" 17 Nov 2020 and "SCHOOL LOCKDOWNS KILLING STUDENTS" 2 Feb 2021.)

TRENDPOST: *Teachers unions own politicians. Long after it was proven that COVID-19 was not spread among students in classrooms, two of the largest national teachers' unions still refused to support the reopening of schools due to safety conditions.*

The Biden White House started to feel pressure from parents who were tired of being stuck home with their children. Ron Klain, his chief of staff, tried a balancing act so as to not rile up parents while defending these teachers' concerns.

When asked why these powerful unions were ignoring the data showing kids are not spreading COVID, Mr. Klain dodged the facts and defended their decision: "I don't think teacher' unions are overruling studies. I think that what you're seeing is that schools haven't made the investments to keep students safe."

Since the beginning of summer 2020, political leaders in the U.S., backed by their health experts and amplified by a mainstream media glad to accommodate, have been putting forth the notion that schools are "super-spreader" environments requiring the need to be extremely cautious about reopening.

On 14 December 2021, when most students in the U.S. were returning to in-person classes, we published an article titled, "SCHOOLS: THE NEW 'Abnormal.'"

We noted that schools around the U.S. reported experiencing increases in unruly behaviors such as talking in class, treating adults and one another disrespectfully and strewing trash about, to more serious issues.

Peter Faustino, on the board of the National Association of School Psychologists, says that a normal full academic year's worth of mental health and behavioral incidents have occurred in just the first three months of the current school year; "I think the pandemic was like an earthquake and I think we are seeing that tidal wave hit shore," he said.

Scores for the math section fell by seven points, which was the first recorded decline in 50 years and reading scores also fell by five points, which EdWeek.com reported was the biggest drop since 1990. White students' math scores fell five points while black students' scores fell 13 points.

"These results are sobering," Carr said. "It's clear that COVID-19 shocked American education and stunted the academic growth of this age group of children."

The results were the first report with a nationally representative sample of students comparing achievement from before the pandemic to now, according to a press release from the NCES.

Susanna Loeb, the director of the Annenberg Institute at Brown University, told the *Times* that the biggest concern is the "lower achievement of the lower-achieving kids." She said lower test scores at an early age often pave the way for many children embarking on their education.

HONG KONG FORCES ALL CHILDREN UNDER 5 YEARS OLD TO TAKE VACCINE IF THEY WANT TO LIVE A NORMAL LIFE

All children five years old and over will need proof of at least two COVID-19 jabs if they want to take part in normal life.

The city's government announced that rules that applied only to children 12 and older will be extended to the younger population, citing recent COVID-19 deaths among children.

Health officials from the city said the recent Omicron outbreak has left 38 children between 3 and 11 in severe or critical condition. *The Wall Street Journal* reported that 31 of the children were unvaccinated. Eight of the children who died from the virus were unvaccinated, the official said.

One pediatrician in the city told local media that about 20 percent of the children he treated for the virus came down with long COVID.

The city is experiencing its fifth wave with the virus and doctors said they've noticed a change in the cognitive abilities, insomnia, and headaches in these children. The city of 7.4 million has had a total of 1.63 million cases and 9,780 deaths.

Under the new guidelines that were announced on Thursday, all children who are 5 years old or older will need to be fully vaccinated if they want to enjoy public swimming pools, movie theaters, or restaurants.

Reports noted that some parents have hesitated to get their children vaccinated because they usually recover from the disease and the long-term and short-term health risks from the vaccines are still unknown.

TRENDPOST: *Why vaccinate children when they are not in danger of dying from the coronavirus? The Wall Street Journal, in an article published 9 July 2021, reported on the findings of three studies that confirm what the* ***Trends Journal*** *has long detailed: the risk to children 18 and younger of dying from COVID-19 is extremely small.*

Indeed, we wrote back in December that "It should be noted that among this age group, the COVID death rate is minuscule, since, according to the CDC, 99.997 percent of 1-to-20-year-olds recover from the virus (see our 15 December 2020 article "COVID LOCKDOWN: MENTAL ILLNESS BLUES").

Now, new studies by researchers in the U.K., using records from the National Health System and data from other countries, represent some of the most detailed, comprehensive analysis of severe illness and death from COVID-19 in children.

Hype Vs. Reality

That risk was already thought to be quite low, and the studies show it is even lower, with even fewer deaths attributed to the virus than had been suspected. Of 61 deaths of children in England who had tested positive for COVID-19, it was found that in only 25 cases was the virus the actual cause of death. For the 469,982 children who were infected during the year studied, the survival rate was listed as 99.995 percent. This is roughly consistent with what we've been reporting, as on 3 November 2020, in "CRUCIAL COVID DATA IGNORED BY PRESSTITUTES."

Of those 25 fatal cases, 15 had underlying serious illnesses, and four had chronic underlying conditions. Only four appeared to have no underlying condition. Any way you slice it, however, it's the underlying factors that put one most at risk from COVID, and that goes for adults as well as children. But even with such factors, the studies concluded that, for children, the risk is "very, very tiny."

***TREND FORECAST:** Void of the facts and ignoring the health consequences, Presstitutes, bureaucrats and politicians continue to promote and mandate the need for young people to get the COVID jab despite reports of serious side effects on youngsters and that they are not dying from the virus.*

***TRENDPOST:** The **Trends Journal** has noted that Hong Kong has enforced one of the strictest COVID-19 policies that has taken a toll on the city's economy. (See "HONG KONG OPPRESSION: COVID 'COMMAND CENTER'" 12 Jan 2021, "HONG KONG HYSTERIA: STRICT MEASURES TO STOP COVID-19 SPREAD PROVE INEFFECTIVE. 50 PERCENT GOT THE VIRUS" 22 Mar 2022 and "HONG KONG UNDER PRESSURE FROM CHINA TO WIN THE COVID WAR" 22 Feb 2022.)*

We have noted that Hong Kong is a semiautonomous Chinese city and global financial hub. Chinese President Xi Jinping has been one of the world's last remaining holdouts to enforce a "zero COVID" policy. Beijing's fear has been that a large outbreak in the *city could spread across the mainland. Beijing did not allow Hong Kong to live with the virus.*

In 2020, the National People's Congress finalized legislation giving China's government the authority to impose strict security measures on Hong Kong residents.

The city's population is decreasing, according to Nippon.com. The report said the year-end population of 7.52 million fell to 7.40 million as of the end of 2021. Business Insider ran a headline last week titled, "Hong Kong is Facing its Worst-Ever Expat Exodus. Those Leaving Say the City is Becoming No Different From Mainland China."

"The government switched and changed its policy so many times and the decisions are made based on fear, not on evidence. Freedoms have been curtailed as a result," Marty Forth, a former resident said.

***TRENDPOST**: It is also worth noting that parents in Hong Kong are not the only ones hesitant to have their children roll up their sleeves for an unproven vaccine. Just 3.5 percent of U.S. children from six months to 4 years old have received at least one dose, according to the U.S. Centers for Disease Control and Prevention.*

The Scientific American pointed to a Kaiser Family Foundation survey conducted in July that found more than four in 10 of parents with children in the age group said they will "definitely not" get their child vaccinated against COVID. Vaccine safety was a top concern, but more than 10 percent said they believed their child did not need the vaccine or that they weren't that worried about COVID.

HOCHUL APPROVED HIGH-PRICED TEST KIT BUY FROM MAJOR CAMPAIGN DONOR COMPANY

Kathy Hochul approved an exorbitant state contract with a COVID testing company whose CEO contributed heavily to her campaign.

That's according to a report by Reinvent Albany made public last week, according to *The Daily Wire*.

Reinvent Albany noted in their report that "'Digital Gadgets' tests cost $12.25 each compared to $5 each for the first 5 million tests the state bought from iHealth ($5 each)."

The contract was worth 635 million dollars for Digital Gadgets.

The *Daily Wire* story cited the *Times Union* which found that Digital Gadgets CEO Charlie Tebele and family members previously contributed around 300,000 dollars to Hochul's campaign, including 70,000 last winter, before Hochul signed off on the contract.

"The governor's ongoing emergency declarations have allowed her to avoid proper spending oversight. In light of the recent Times Union report, many questions need to be answered. It has never been clearer that we need a full accounting of the state's COVID-related expenditures and oversight authority must be restored to the appropriate agencies," Assembly Minority Leader William Barclay responded to the controversy with a letter co-signed by nine other members of the state Republican Ways and Means Committee.

The **Trends Journal** both predicted and covered the myriad ways that corporate and governmental figures benefited as average people suffered from policies and mandates imposed during the COVID War.

Sample articles include:

- “PFIZER CEO MAKES WINDFALL PROFIT FROM VACCINE NEWS” (17 Nov 2020)
- “SECRET VAX DEALS: TAXPAYER ROBBERY” (2 Feb 2021)
- “$4 TRILLION FOR BILLIONAIRES AS MIDDLE CLASS SHRINKS” (23 Mar 2021)
- “TECHNOCRATS WIDEN WEALTH GAP THANKS TO PANDEMIC” (13 Apr 2021)
- “CUOMO’S BOOK A BUST, BUT GOT PAID MILLIONS” (25 May 2021)
- “BILL GATES, PHILANTHRO-PREDATOR” (21 Sep 2021)
- “COVID WAR: RICH GOT RICHER, POOR GOT POORER” (21 Sep 2021)
- “THE TIES THAT BIND FAUCI TO BIG PHARMA” (5 Oct 2021)

Late Breaking: Gov. Hochul announced Monday she would not be extending the COVID-19 state of emergency.

The state of emergency gave her special contracting powers which some are claiming were abused, as in the example of Covid test kits.

ITALY'S LIKELY NEXT PRIME MINISTER COULD INCH ROME AWAY FROM EU

Giorgia Meloni, the head of the Brothers of Italy party, appears poised to win the country's upcoming election later this month along with a coalition that includes Matteo Salvini's Five Star Movement, and Silvio Berlusconi's Forza Italia.

Meloni, 45, has been described in the Italian media as a firebrand with sympathies for Mussolini and who may be in over her head. She is expected to replace Mario Draghi when he resigned in July after losing a confidence vote in parliament. Meloni could be the first female prime minister in Italy's history and has vowed to cut taxes and close the country's border from "Islamization," according to The Associated Press.

"We can no longer allow the image of Italian conservatives, a bastion of freedom and defense of western values, to continue to be defiled," she said, according to the *Financial Times.*

Her party is considered controversial and "far-right." Carlo Bastasin, a nonresident fellow at the Brookings Institute, wrote that her party is the only one in Italy that has "never fully renounced its fascist background."

Her likely election solidifies our forecast that anti-establishment parties will grow in popularity after COVID-19 lockdowns and as the world's economy circles in the toilet due to runaway inflation. Bastasin noted that the Brothers of Italy have benefited from a meteoric rise since 2018, when the party pulled in a meager 2 percent of the vote. The party was pulling in about 24 percent, according to a poll last month.

The country's Cattaneo Institute, a think tank, released a study last month that found Italy's conservative bloc may end up with 258 lawmakers out of 400 in the Chamber of Deputies, and 131 out of 200 in the Senate, Reuters reported.

TRENDPOST: "PAINTED AS A RADICAL". *The **Trends Journal** has long noted that to propagandize to the public, the media stigmatizes politicians by putting them into narrow categories such as right, left, middle, conservative, liberal, progressive, etc.*

Love them, hate them, by their deeds you shall know them.

Meloni is no different.

Her challengers have called her a dangerous demagogue who will "embolden the radical right and sour relations with Brussels while allying Italy with Eurosceptic and nationalist powers such as Viktor Orbán's Fidesz in Hungary," the FT reported.

Of course, Orbán's close relationship with Moscow has ruffled feathers across the EU. The U.S.'s influence over Europe is enormous and any country that does not march in lockstep with Washington's failed policy is considered sympathetic to Russia.

Unlike Salvini, who has spoken out against sanctions imposed on Russia, Meloni has defended their usefulness. Both parties have condemned Russia's invasion, but Meloni contends that the sanctions against Russia have been effective and are beginning to take their toll on the Russian GDP.

Dmitry Peskov, a Kremlin spokesman, said the country's GDP will likely contract by about 2 percent. He said there was reason to be optimistic because the decline is not as severe as expected.

The Guardian reported that Meloni's position is a far cry from 2014, during Russia's annexation of Crimea. She said at the time that sanctions imposed on Russia "massacred" businesses in the country.

***TREND FORECAST**: The **Trends Journal** has reported extensively on Drahgi's failed premiership during the COVID-19 outbreak. (See "ITALIANS TAKE TO THE STREETS TO RAIL AGAINST WORKPLACE 'GREEN PASS,'" 19 Oct 2021, "ITALY DEMANDS COVID PASSPORTS," 10 Aug 2021 and "ITALY'S FIVE STAR MOVEMENT SPLITS DUE TO INFIGHTING OVER APPROACH TO UKRAINE," 28 Jun 2022).*

Draghi symbolized the destruction of the anti-euro, anti-eurozone, anti-immigration populist movements when their leaders voted Draghi into office. Italy, the first western nation to launch the COVID War in 2020 and the first to impose draconian lockdown mandates on its population, is once again leading the way when it comes to stripping freedoms from its people with its "No Jab, No Job" Green Passport declaration.

We said at the time that there will be growing anti-vax, anti-establishment, anti-immigration, anti-Eurozone movements spreading throughout Europe. This trend will greatly accelerate as economies decline, civil unrest grows and the refugee crisis worsens.

ISRAEL: BOMBS AWAY OVER SYRIA, BUT LOOK THE OTHER WAY BECAUSE IT'S NOT UKRAINE

Israel has been accused of carrying out more military strikes on civilian targets in Syria last week after two deadly rounds of bombings that targeted Aleppo International Airport, damaging infrastructure.

Syria blamed Israel for the attacks on the airport within a matter of days.

Al Jazeera, citing the Syrian Observatory for Human Rights, reported that three people were killed inside an airport warehouse that was used by an Iran-backed militia. *The Times of Israel* published satellite images of the airport that appeared to show damage to the airport's runway.

Syria redirected all flights to the Damascus airport. The report noted that one of the strikes cut down the size of a runway, which would prevent larger planes from landing at the airport that can be used for both military and civilian aircraft.

Damascus accused Israel of committing a war crime and said the strikes “completely" destroyed the navigation station with its equipment. Faisal Mekdad, Syria’s foreign minister, accused Israel of “playing with fire.”

Video emerged on social media that claimed to show the aftermath of the explosions that showed rock fragments spread out on a runway at night.

The **Trends Journal** has reported extensively on this shadow war that has escalated in the past few months between Israel and Iran. These strikes include high-profile assassinations. (See “ISRAEL LAUNCHES, KEEPS ATTACKING SYRIA, 3 DEAD,” “ISRAEL KEEPS LAUNCHING MISSILES INTO SYRIA. WILL WAR ESCALATE?” and “U.S. SOLDIERS INJURED AFTER BASE SHELLED IN SYRIA, WHY ARE THESE TROOPS STILL THERE?”)

Since 2011, Israel has carried out hundreds of airstrikes in Syria. The Wall Street Journal also reported that since 2017, Israel has carried out about 400 airstrikes in Syria and other parts of the Middle East. And, the collaboration between the U.S. and Israel is focused on the eastern part of the country, the report said... where Washington is in control of its oil fields.

TRENDPOST: *Imagine if the headline read: "Syria keeps up bombing raids on Israel."*

Oh how terrible this would be if Syria kept bombing Israel! In the one-sided world of demonic thinking espoused by Western politicians and the Presstitute... only Israel has the "right to defend themselves," steal land under the name of "occupations," launch pre-emptive wars to bomb Gaza and kill Palestinians, and operate as an Apartheid state as noted by Human Rights Watch.

TRENDPOST: *What would happen if Russia fired off missiles at a civilian airport in western Ukraine? Russian President Vladimir Putin would be excoriated in the media that willfully turns a blind eye when Israel carries out such strikes.*

Critics of Israel took to social media to accuse Tel Aviv of firing the missiles while the focus of the world has been on Ukraine. Others identified what they see as hypocrisy when Western countries lash out at Russia over its aggression in Ukraine while turning a blind eye to Israel.

Sarah Abdallah, a Lebanese geopolitical commentator, posted on Twitter about the airstrikes and said, "Don't expect any Western condemnations or calls for sanctions though."

Israel sees proxy forces in Syria as an existential threat because they are supported by Iran, its major military threat. Israel has admitted to launching hundreds of airstrikes into Syria that target Iranian troops, military targets, and allied groups such as Hezbollah who, along with Russia, are supporting the government of Bashar al-Assad.

TRENDPOST: *While the Western media continually chastises Russia for its war against Ukraine and its intent to occupy Ukraine, those who note Israel's illegal occupation of Palestinian and Syrian land are denounced as being "anti-Semites."*

In the 1967 six-day war, Israel invaded and seized Palestinian territories of the West Bank, East Jerusalem, Gaza Strip, the Syrian Golan Heights, expelling some 300,000 Palestinians from their homes, while gaining stolen territory that was three and a half times its original size.

Israeli settlements are illegal 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."

LIZ TRUSS, A MAJOR WAR HAWK IS U.K.'S NEW PRIME MINISTER

Former U.K. Foreign Secretary Liz Truss, who became the country's prime minister last week, has pledged to continue to keep ramping up the Ukraine War and fight for Russia's defeat with the same energy as her scandal-plagued predecessor Boris Johnson.

The Conservative Party said Truss defeated her top challenger, Rishi Sunak, the former Treasury head, with about 57 percent of the vote.

Truss, 47, has been a vocal supporter of Ukraine. She used her first foreign call to ring Ukrainian President Volodymyr Zelensky and accepted an invitation to visit Ukraine. The U.K. has been a major weapons provider to Kyiv and has sent almost 7,000 anti-tank weapons and hundreds of missiles.

No Peace, Only War

Totally silent on peace negotiations, Truss, like Johnson, has done nothing but flame the fire in Ukraine and raise tension with Russian President Vladimir Putin. The former foreign secretary pushed the world to the brink of nuclear Armageddon in February when Moscow blamed her rhetoric for placing its nuclear forces on high alert.

The invasion was just a few days old when Truss told a British news outlet, "If we don't stop Putin in Ukraine, we are going to see others under threat: the Baltics, Poland, Moldova, and it could end up in a conflict with NATO. We do not want to go there."

Dmitry Peskov, the Kremlin spokesman, said the remarks about a NATO clash with Russia was "unacceptable."

Truss, a Tory, also raised eyebrows recently when she said would be willing to launch nuclear weapons, even if it meant the end of life on Earth.

TRENDPOST: *American war hawk, John Bolton, the former national security adviser under President Trump, wrote a column in The Wall Street Journal about Truss's rise to the top of British politics. He noted that Johnson, in his farewell to Parliament, advised his colleagues that they should "stay close to the Americans." (See "STOLTENBERG WANTS TO KEEP FIGHTING WAR," "WEAPONS POURING INTO UKRAINE, NO TALK OF PEACE, JUST MORE AMMUNITION" and "UK'S JOHNSON PROMISES MORE WEAPONS OF DEATH TO KEEP BLOODYING THE UKRAINIAN KILLING FIELDS.")*

Former Prime Minister Boris Johnson was one of the West's top supporters of Ukraine since the conflict began and "positioned himself" as Ukrainian President Volodymyr Zelensky's "man in the West."

Bolton said these words "are strange to American ears because we seldom hear them, even from our closest friends. Mr. Johnson meant it, and there is no doubt Ms. Truss agrees."

The U.S. State Department congratulated Truss and said in a statement that it looks forward to continuing its close cooperation "on a range of important priorities, including continued support to Ukraine in the face of Russia's war."

In May, Truss said the war in Ukraine could last up to 10 years. Ignoring the fact that by keeping the war going more people will be killed and cities destroyed, Truss said the West cannot allow Putin to succeed because a Russian victory would lead to "untold further misery across Europe and terrible consequences across the globe."

Putin Calls Truss's Win 'Undemocratic'

Russian President Vladimir Putin criticized the process in which Truss was named the new British prime minister.

"In the UK, the procedure for electing the head of state is far from democratic," he told the Eastern Economic Forum in Vladivostok. "It takes place within the framework of the party that won the previous parliamentary election. The UK people do not participate in the change of government in this case."

Truss was asked if she will end up calling for a general election any time soon and she said, "We are facing very serious issues as a country, partly as a result of the aftermath of Covid, partly as a result of Putin's war in Ukraine. What the British public want is they want a Government that is going to sort it out. That is what I'm determined to do as Prime Minister, sort out the energy crisis, get our economy going, make sure people can get doctors' appointments, that's what I'm focused on."

TRENDPOST: *Judge Andrew Napolitano noted during OccupyPeace.com's 'Peace & Freedom Rally' held in July in Kingston, N.Y. (WATCH), that governments use wars to increase their power over the public. We watched the same thing happen during the COVID-19 War when these politicians were locking down our way of life.*

Truss's solution to fight the energy crisis in the U.K. is to throw money at it. CNBC reported that 170,000 people in the U.K. are planning to stop paying their energy bills on 1 October because they can no longer afford to pay them.

The End Fuel Poverty Coalition said about 12 million households in Britain will be unable to adequately heat their homes this winter. The report noted that the precise amount has not been released but could be up to 100 billion euros worth of support.

Truss plans on freezing the cost of gas and electricity rates for two years.

"This is a moment to be bold," Truss said to the House of Commons, according to The New York Times. "We are facing a global energy crisis, and there are no cost-free options."

FIGHTING RESUMES BETWEEN TIGRAY AND ETHIOPIAN FORCES AFTER MONTHS-LONG CEASEFIRE

Fighting broke out again in Ethiopia between Tigrayan forces and troops from Addis Ababa last week, bringing an end to the months-long ceasefire in the region after a bloody conflict.

The **Trends Journal** has featured detailed coverage of the war since it was launched in November 2020. (See for example "ANOTHER NOBEL PEACE PRIZE WINNER GOES TO WAR," "ETHIOPIA'S TIGRAY WAR HORRORS," "ANOTHER ETHNIC MASSACRE IN ETHIOPIA," "ETHIOPIA: A WAR OF DISASTER," "ETHIOPIA WAR=TIGRAY SLAUGHTER" and "HUMANITARIAN CRISIS IN TIGRAY DETERIORATES. ADDIS ABABA: "FU" UN").

As we reported when the war broke out Prime Minister Abiy Ahmed's government launched the major offensive in the region because Tigrayans held an election in September 2020 in violation of a countrywide voting ban due to the COVID-19 outbreak.

Abiy, the 2019 recipient of the Nobel Peace Prize, blamed Tigray leadership for violating “the constitution and endangering the constitutional system.”

The ceasefire spanned five months and both sides denied taking the first shot. Ethiopia said in a statement that Tigrayan fighters ignored “peace alternatives” and “officially violated the ceasefire. The *Financial Times* reported that Tigrayan fighters said they were forced to defend themselves.

A senior official from Ethiopia told the paper that there was no incentive for government forces to fire the first shot, because it would “be a significant reversal of everything we have been trying for the past six months to get the economy right, not to mention the tragic loss of young lives.”

Last month, the UN’s World Food Program, released a report that without immediate funding, 750,000 refugees will have ‘nothing to eat.’

William Davison, an analyst with the International Crisis Group, told Voice of America that stability in Ethiopia is of great concern to the U.S.

“Above and beyond the desire to bring about peace because of its intrinsic benefits to Ethiopia because of the devastation the conflict is causing,” Davison said. “The U.S. is, of course, concerned about the regional and geopolitical implications of increasing instability in Ethiopia, a critical country in the Horn of Africa, which is an important strategic reason itself.”

The report noted that some Ethiopians are suspicious of the U.S.’s intention and believe Washington is favorable to fighters in Tigray. Antony Blinken, the secretary of state, said “a return to active conflict would result in widespread suffering, human rights abuses and further economic hardships.”

TREND FORECAST: *The Tigray war, launched by the Ethiopian government, has been essentially blacked out from the rest of the world. There are no news reporters in the Tigray region providing firsthand information, thus the true extent of the war, how many have been killed, and the damage done are only estimates.*

About 20 million people in the Horn of Africa face a food crisis. Besides the food crisis, Tigrayans have been chased by ethnic Amhara militias in what the U.S. has called an ethnic cleansing campaign, according to The New York Times.

The violence and food crisis that these Tigrayans face will never get the attention it deserves on corporate news outlets that will run story after story about the plight of Ukrainian refugees fleeing from their homeland. So the conflict will continue and thousands more will starve to death.

This war will continue to rage. The longer it lasts, more people will be escaping in efforts to find safe-haven nations.

As economic conditions deteriorate across the continent, there will be strong anti-immigration populist movements in Europe to stop the flow of African nationals who will risk their lives to leave nations wracked by civil unrest, poverty, crime, government corruption and violence.

ILLEGALLY IN SYRIA, U.S. FORCES KILL 'IRAN-BACKED' FIGHTERS

U.S. Central Command said its forces in Syria clashed with Iran-backed fighters in the country for two consecutive days last week, killing four suspected fighters.

The *Financial Times* noted that the clashes have occurred as the U.S. tries to revive the controversial nuclear deal with Tehran. A senior U.S. official told the paper that the "commitment to protect U.S. personnel and confront Iran's activities that jeopardize our people or our friends in the region is unwavering."

"The nuclear deal has nothing to do with our readiness and ability to defend our people and our interests," the official said.

TRENDPOST: *U.S. troops have been in Syria since 2015 with their made up mandate to assist local forces in the fight against ISIS. (See [“U.S. SOLDIERS INJURED AFTER BASE SHELLED IN SYRIA, WHY ARE THESE TROOPS STILL THERE?”]() 12 Apr 2022.)*

Indeed, imagine if Syria, Russia, Iran, North Korea had troops in the United States under the line that they were there to fight against anti-American antagonists that threatened their homeland?

As Gerald Celente has been stating since America’s illegal invasion of Iraq, based on lies that Saddam Hussain had weapons of mass destruction, “Do you think America would invade if Iraq’s major export was broccoli?” The same with Syria and Libya... it’s all about oil and U.S. domination.

The United States has no right to be in Syria, a foreign nation that is no threat and has made no threats to America. U.S. forces are located at an oil facility known as the Omar Field in Syria’s eastern province of Deir el-Zour. Recent U.S. strikes targeted ammunition depots that the Pentagon said are being used by militant groups.

It also should be noted the initial reason given for U.S. military presence in Syria was not fighting ISIS, but rather President Barack Obama, The Nobel Peace Prize winner, demanded that its president, Bashar al-Assad, had to go.

Yet, the American media and the public join against Russia’s invasion of Ukraine, while they champion Washington’s foreign entanglements.

Murder Inc.

U.S. forces stationed along the Syrian border with Iraq have come under fire in recent weeks and have faced drone and rocket attacks, *The New York Times* reported.

The paper noted that the war-torn country is a battleground for various militaries around the world—including Turkey, Israel, and Russia—and these American troops could be a “potential target of choice for those players looking to vent their grievances with Washington or its close ally, Israel.”

Israel has been carrying out a clandestine war with Iran in the region and Tel Aviv has conducted hundreds of bombings over the past few years to kill Iranian-backed fighters.

In June we reported that the U.S. and Israel are in close contact with each other before some of these airstrikes.

TREND FORECAST: *The **Trends Journal** has reported on the U.S.'s continued military engagements in Syria. (See "U.S. IN CLOSE CONTACT WITH ISRAEL BEFORE ATTACKS ON SYRIA," "U.S. SOLDIERS INJURED AFTER BASE SHELLED IN SYRIA, WHY ARE THESE TROOPS STILL THERE?" and "IS RUSSIA FIGHTING THE U.S. IN SYRIA?").*

And, as we continue to note, there is no media reporting on the hypocrisy of it being OK for the U.S. to occupy any land in any nation they desire and kill whoever they want anywhere in the world... but it's a "war crime" when other nations go the American Way.

Also, there is no condemnation of Israel's continuing bombing of Syria. However, if Syria had the military might to attack as does Israel and killed as many Israeli's as Israel killed Syrians, it would be denounced by the West and its mainstream media as acts of Holocaust proportions.

TRENDS-EYE VIEW

BLIMP TIME: AMERICANS DEVOURING SNACKS AS THEIR WAIST SIZE EXPANDS

Major food companies are making hefty profits meeting the increased demand in the U.S. for snacks that include Doritos, Cheetos, and other popular chips.

A CNN Business report found that snack sales in the U.S. are expected to reach $170 billion in sales in the next few years while about 42 percent of Americans are obese, according to the latest data from the Centers of Disease Control and Prevention.

The food industry is used to making money by making us fat with highly processed, high-calorie junk foods. The report noted that sales of supermarket staples Doritos, Ruffles, PopCorners have jumped by double digits in the second quarter of the year.

CNN identified the cause of the sales jump due to increased food prices in general, and the fact that more Americans are emerging from their homes after COVID.

Some customers said they enjoy the simplicity of these items that they can eat while on the go. Late-night snacking has also been seen as a growing trend. Mondelez, the food giant, conducted a survey that found 64 percent of the consumers across the world prefer to eat several snacks during the day rather than sit down for a traditional meal.

The report was released about a week after researchers from Florida Atlantic University's Schmidt College of Medicine found a tie between consuming too much ultra-processed food and severe mental health issues.

Study Finds described "ultra-processed" as food that is ready to eat right out of the package.

Heart and Stroke California said these foods go through "multiple processes (extrusion, molding, milling, etc.), contain many added ingredients and are highly manipulated. Examples are soft drinks, chips, chocolate, candy, ice-cream, sweetened breakfast cereals, packaged soups, chicken nuggets, hotdogs, fries and more."

Pasta, nut butter, and canned vegetables are all examples of this type of processed food, according to NutritionStripped.com.

"The ultra-processing of food depletes its nutritional value and also increases the number of calories, as ultra-processed foods tend to be high in added sugar, saturated fat, and salt, while low in protein, fiber, vitamins, minerals, and phytochemicals," Eric Hecht, one of the corresponding authors wrote, according to the Study Finds report.

TRENDPOST: *"Quick food," "fast food," "snacks" and "frozen dinners" all translate to "unhealthy foods."*

The Study Finds report noted that more than 70 percent of packaged foods in the U.S. is considered to be "ultra-processed." The average American consumes these foods for about 60 percent of their daily food intake.

*The **Trends Journal** has noted the social costs of obesity: lowered life expectancy, the cost of treating diseases and conditions (such as diabetes and heart disease) brought on or exacerbated by poor diets, and the cost of lowered productivity; see "FAT CHANCE FOR GOOD HEALTH" (11 Aug 2020).*

And now, in the age of COVID, we see that being overweight/obese is one of the primary "pre-existing conditions" that make people particularly vulnerable to COVID-19; see "COVID-19 & OBESITY: THE MORE YOU WEIGH, THE WORSE OFF YOU ARE" (9 Mar 2021) and "JUNK FOOD VS. COVID-19: THE WINNER IS?" (26 Jan 2021).

Lockdowns have contributed to the obesity crisis among young Americans. The CDC found that obesity among children and teenagers nearly doubled during the first seven months after the COVID outbreak took hold.

***TREND FORECAST:** The effects of America's and other nations' addiction to processed, low quality, junk food will continue to take its toll.*

If, indeed, it is true that you are what you eat, is America's low spirit, diminishing self esteem, lack of dignity, absence of energy and drive to elevate to higher emotional, spiritual, physical and political levels directly tied to the massive amounts of highly processed, chemically laced, artificially colored/flavored food they eat and drink?

Therefore, at this time, there is no trajectory to suggest a change in the Ready to Explode trend line until a new wave of self-consciousness and self-confidence captures the American spirit.

However, trends are born, they grow, mature, reach old age and die. While the Ready To Explode trend is rapidly expanding, there will be ups and downs in its growth trajectory … both personally and nationwide. Clearly, numerous opportunities exist for OnTrendpreneurs® to design/provide products and services to assist the overweight and obese who will not lose weight, and for those who want to lose weight.

NEW STUDY CEMENTS TRENDS JOURNAL FORECAST: THE NEW WORLD DISORDER

Verisk Maplecroft, a U.K.-based consulting firm, released its Civil Unrest Index last week and found that there is an "unprecedented" level of risk for civil unrest in over 100 nations due to factors ranging from inflation to wars.

RT reported that out of 198 nations around the world, just 42 saw their risk of civil unrest decrease.

The company said it came to its conclusion because inflation's impact is "evident across the globe, with popular discontent over rising living costs emerging on the streets of developed and emerging markets alike, stretching from the EU, Sri Lanka and Peru to Kenya, Ecuador and Iran."

The COVID-19 War and the Ukraine War have been a devastating one-two combination for many economies. As Gerald Celente has often noted, "When people lose everything and have nothing left to lose, they lose it."

The recent study found that Europe faces the rising risk of public unrest due to the Ukraine War. Just days ago, about 70,000 protesters took to the streets in the Czech capital of Prague to lash out against energy prices and the war in Ukraine. WSWS reported that the country used to receive about 90 percent of its gas from Russia and about 50 percent of its oil. But now Prague is relying on Germany, which is charging "horrendous prices."

"The aim of our demonstration is to demand change, mainly in solving the issue of energy prices, especially electricity and gas, which will destroy our economy this autumn," Jiri Havel, the event co-organizer, told a local news outlet, Reuters reported.

The study said Bosnia, Switzerland, the Netherlands, Germany, and Ukraine all run the highest risks of civil disorder. The company also said that the risk is unlikely to change anytime soon.

"Recession fears are mounting and inflation is expected to be worse in 2023 than in 2022," the company said.

TREND FORECAST: *This study is old news to* ***Trends Journal*** *subscribers. We have been forecasting the "New World Disorder" trend for more than two years. We noted that politicians across the globe are fighting for survival against angry citizens who are taking to the streets in protest of lack of basic living standards, government corruption, crime and violence. (See "NEW WORLD DISORDER TOP TREND: NATIONS SINKING DEEPER, PEOPLE SCREAMING LOUDER.")*

Also, the deeper emerging market economies sink, the greater the refugee crisis will surge as people will do all they can to escape to safe haven nations. In turn, anti-immigration populist movements will gain power in those nations that want to restrict more refugees.

TREND FORECAST: *As interest rates rise, emerging nations' economies will continue to decline and many of the countries in emerging markets will default on their debts.*

Unlike in the past, the industrial and post-industrial world will have fewer resources with which to bail them out. As we have greatly detailed, as with the United States, European countries are led by political freaks willing to ruin their own economy for a chance to drain Moscow in a long war in Ukraine.

Gerald Celente has long said that we are led by mad men and mad women who, once in office, get drunk on power and lose sight of the people who got them there. A good example is Boris Johnson, the former British prime minister.

'FOREVER CHEMICALS,' FOREVER DEADLY

The Environmental Protection Agency announced last month that it wants to begin labeling so-called "forever chemicals" found in many household products "hazardous" so releases of a certain amount of these substances will have to be reported to the federal government.

The approval of PFOA and PFOS, which are part of a class of perfluoroalkyl and polyfluoroalkyl substances (PFAS), would be labeled "hazardous" substances under Superfund regulations. The agency said companies that pollute with these substances would be forced to pay fines or take the clean-up bill.

For years, The **Trends Journal** has reported extensively on the issue and its impact on Americans' health. (See "EPA LOWERS WHAT IT CONSIDERS TO BE SAFE LEVELS OF 'FOREVER CHEMICALS' IN DRINKING WATER" 21 Jun 2022, "DEADLY 'FOREVER CHEMICALS' IN U.S. WATER" 13 Apr 2021 and "HEALTHY INDIVIDUALS COULD DEVELOP LIVER DISEASE DUE TO 'FOREVER CHEMICALS FOUND IN NON-STICK PANS, TAKEOUT CONTAINERS" 10 May 2022.)

Nearly all Americans are exposed to PFAS. They can be found in the air or drinking water and the chemicals stay in the bloodstream for a lifetime. The chemicals are not regulated so municipalities are not required to test for them in their systems. Scott Faber, the senior vice president of the Environmental Working Group, said there are nearly 2,000 public water supplies in the U.S. that have some level of PFOS and PFOA.

Keith Vorst, an associate professor at Iowa State University who studies the levels of PFAS in products, told *The New York Times* earlier this year, "It's in the Arctic. It's in the polar bears. It's in trees. It is at the bottom of the ocean."

PROA and PFOS are two of the most widely used PFAS, CNN reported.

The Biden administration announced that it will spend $1 billion to address these chemicals. The EPA issued nonbinding health advisories that set health risk thresholds for PFOA and PFOS to near zero. In 2016, the guidelines were set at 70 parts per trillion.

TRENDPOST: *Tim Whitehouse, the executive director of Public Employees for Environmental Responsibility, told CNN that the EPA's move is another case of too little, too late.*

"This administration and previous administrations have been fiddling around trying not to upset chemical companies, and communities suffer," he said.

The American Chemistry Council industry group—whose members include 3M and DuPont—accused the EPA of shoddy work when investigating these chemicals. The agency is accused of not waiting for a review by the agency's Science Advisory Board before making major announcements.

The group said it is concerned that the process for developing the advisories was "fundamentally flawed."

"A few communities may benefit from the proposed rule, but it doesn't solve the problem and the problem is that the EPA refuses to develop management standards for PFAS waste," Whitehouse said.

AMERICA'S YOUTH: GETTING HIGH AND GOING DOWN

The National Institute on Drug Abuse found that marijuana and hallucinogen use in the U.S. among those 19 to 30 years old hit historic highs, according to a Monitoring the Future panel study.

“As the drug landscape shifts over time, this data provides a window into the substances and patterns of use favored by young adults,” Dr. Nora Volkow, the head of the National Institute on Drug Abuse, said in a statement. “We need to know more about how young adults are using drugs like marijuana and hallucinogens, and the health effects that result from consuming different potencies and forms of these substances.”

The **Trends Journal** has reported extensively on the impact that the COVID-19 outbreak and subsequent lockdowns had on the nation’s overall mental and physical health. (See “GET DRUNK: THE COVID WAR KILLER” 29 Mar 2022, “BOOZE BINGE ESSENTIAL” 2 Jun 2020, “MORE LOCKDOWNS= RISE IN ALCOHOLIC LIVER DISEASE” 16 Feb 2021 and “COVID WAR LOCKDOWNS SPIKE DRUG ADDICTION IN U.S.” 17 May 2022.)

The survey found that marijuana use where an individual used it on 20 or more occasions in the past 30 days is at the highest levels since the research was first studied in 1988.

The proportion of young adults who reported past-year marijuana use reached 43 percent in 2021, a significant increase from 34 percent five years ago, the statement read. Daily marijuana use was reported by 11 percent of young adults in 2021, compared to 8 percent in 2016 and 6 percent in 2011.

The survey, which was conducted online from April to October 2021, and asked people from 19 to 60, also looked into hallucinogen use, which covers an array of drugs from “shrooms,” LSD, and mescaline. The use of these drugs were stable over the past few decades but in 2020, there was a dramatic increase, according to the study.

In 2021, 8 percent of young adults reported past-year hallucinogen use, representing an all-time high since the category was first surveyed in 1988. By comparison, in 2016, 5 percent of young adults reported past-year hallucinogen use, and in 2011, only 3 percent reported use.

Dr. Kevin M. Gray, a professor of psychiatry and behavioral sciences at the Medical University of South Carolina, told *The New York Times* that "availability" and "peer acceptability" play important roles in the trend.

"Generally speaking, young people don't see these substances as dangerous, but the consequences of using them are still there," he said.

We reported in May that more than 100,000 people died from drug overdoses in the U.S. last year—a 15 percent increase from 2020—due in large part to the spread of illegal fentanyl throughout the country, the Centers for Disease Control and Prevention said. It should be noted that opioid use was a rare bright spot in the survey and was down last year.

The survey also noted that binge drinking, which had been trending downward before the COVID-19 outbreak, returned to pre-pandemic levels. About 32 percent of young adults reported binge drinking in 2021, compared to 28 percent in 2020, and 32 percent in 2019.

TREND FORECAST: *The **Trends Journal** had forecast drug addiction, along with crime, would spike when politicians, without a scintilla of scientific data to support their draconian mandates, locked down much of the nation to fight the COVID War. (See "FENTANYL: A KILLER OPIOID", "COVID LOCKDOWNS INCREASE DRUG ABUSE" and "SADLY, AS FORECAST: FIGHTING THE COVID WAR=RECORD-BREAKING OPIOID DEATHS.")*

TRENDPOST: *Lockdowns also prevented people from accessing treatment for drug use or addiction; see "COVID LOCKDOWNS INCREASE DRUG ABUSE" (15 Sep 2020).*

FERTILIZER CRISIS MAY SLASH WORLD FOOD OUTPUT BY 40 PERCENT, SAYS UN FOOD OFFICIAL

Well before the Russia-Ukraine War outbreak, and before it was on the national radar, The **Trends Journal** picked up on a story from Wisconsin farmers noting fertilizer supply problems (see “THE PRICE OF UREA IN CHINA” 12 Oct 2021).

We suggested some enterprising American companies might want to get back into the fertilizer business, instead of depending on foreign sources like China and Russia.

The fertilizer crisis has since become a hugely recognized problem. Now a senior United Nations (UN) food official says shortages might cause a 40 percent reduction in world grain production.

Impacts of that magnitude would be catastrophic on the world's grain supply, according to Maximo Torero, chief economist of the Food & Agriculture Organization (FAO) of the United Nations (UN), as reported by slaynews.com.

Fertilizer prices have become prohibitively expensive to many farmers all over the world, Torero pointed out. He fingered the war in Europe, but though the conflict has worsened the problems, they existed before that.

David Beasley, executive director of the U.N. World Food Program, previously signaled in August that estimates of a 20 percent drop-off in food production could be low, according to Politico.

"980 million people inside Africa…depend on the smallholder farms and the fertilizer to reach them, and we're working on these issues as we speak," Beasley commented to the U.S. Congress.

TRENDS IN HI-TECH SCIENCE

by Ben Daviss

LIVING MOUSE EMBRYOS SYNTHESIZED IN LAB

Using three kinds of mouse stem cells, biologists at the University of Cambridge have created living embryos with beating hearts, all parts of a developing brain, and the beginnings of all other organs in a mouse's body.

Two kinds of the stem cells support an embryo's growth and development; the other kind becomes the various organs and tissues of the body.

The researchers cultivated each of three types of cells separately, then combined them when all three reached the point at which they were ready to interact and self-organize.

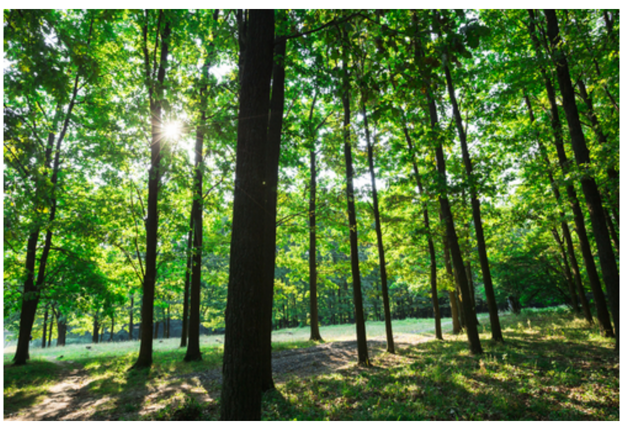
The embryos continued developing normally for about 8.5 days, which is roughly halfway through a normal mouse pregnancy.

TRENDPOST: *Many human pregnancies fail when different kinds of rudimentary cells begin to communicate but can't work together. Being able to replicate and observe what has been a mysterious phase of fetal development in mice could give clues to why such pregnancies self-destruct.*

More broadly, scientists now can link specific genes to the development of specific parts of a fetus. Many genes—in the brain, for example—are present but their purpose isn't known. By knocking them out, researchers can see what the effect is.

It will trouble some people that the researchers are planning similar studies using synthesized human embryos. British law, which governs the Cambridge scientists, allows experimentation on human fetuses up to the age of 14 weeks.

TREE BARK COMPOUND KILLS DRUG-RESISTANT BACTERIA



Where chemists have failed, nature has come to our rescue.

Humans have overused antibiotics for decades, creating more and more dangerous bacteria that are immune to our drugs.

Now researchers at Portsmouth University in England and Naresuan and Pibulsongkram Rajabhat universities in Thailand have found that hydroquinine, a compound in the bark of the cinchona tree, is able to dispatch a range of bacteria, including strains of staph, e. coli, and pneumonia bacteria.

In tests, it also killed a nasty bug called *Pseudomonas aeruginosa*, which causes infections in the blood and lungs. It kills half the people whose bloodstreams it infects.

The cinchona tree, also known as the "fever tree," yields quinine, a common antimalarial drug and grows commonly in Latin America, the Caribbean, and parts of western Africa.

The researchers urge additional studies with the goal of using, and eventually synthesizing, hydroquinine as a next-generation super-antibiotic.

TRENDPOST: *Antibiotic resistance killed 4.95 million people worldwide in 2019, according to an international research study carried out by universities and medical centers.*

Scientists searching for alternatives to today's antibiotics that are losing their power are turning increasingly to nature as it reveals more and more effective alternatives.

FUSION ENGINEERS TRY AGAIN

The number of devices competing to produce sustainable fusion energy has grown again with the introduction of the "stellarator" by Germany's Max Planck Institute for Plasma Physics.

For decades, scientists have labored to create chambers in which heat as high as 100 million°F combines with crushing pressures to melt hydrogen atoms together, releasing vast quantities of clean energy that could be captured and harnessed to power the world.

Donut-shaped test chambers called tokamaks are the current state of the art. They use almost unimaginably powerful magnets to hold hydrogen plasma in the center of their chambers, far enough from the walls that the massive heat unleashed by the reactions dissipates before it can melt any equipment.

So far, “success” has been defined by creating the target temperatures and pressures and maintaining them for a few minutes. Sometimes a fusion reaction occurs.

But now fusion’s stalled development has inspired other approaches.

Australian R&D start-up HB11 has re-imagined fusion from scratch and come up with a method that is not only simpler but also more promising, as we reported in “New Fusion Energy Method Revives Advocates’ Hopes” (2 Mar 2021).

Instead of relying on giant magnets and unearthly heat, HB11’s reactor is a largely empty metal sphere with a pellet of boron held in the center. The sphere has openings in its sides for two lasers: one establishes a magnetic field to channel the reaction and the other propels hydrogen atoms into the boron fuel pellet with enough force to fuse.

While tokamaks typically are at least as big as a small apartment building, and often larger, the stellarator is only about 16 meters wide—about 50 feet—and three or four meters tall.

Better yet, it has shown that it does a better job than tokamaks of keeping its hot hydrogen plasma stable and keeping heat and atomic particles inside the magnetic field where fusion takes place.

Also, in theory, the stellarator could run indefinitely, while tokamaks need to shut down periodically for maintenance on their magnetic coils.

The new device achieves these benchmarks by incorporating 50 tortuously twisted superconducting electromagnetic coils, each weighing six tons.

The shape and placement of the coils around the ring-shaped stellarator was determined by modeling with a supercomputer.

Germany’s machine already has reached “tokamak-like performance” in early tests lasting as long as 100 seconds. Continuous runs of 30 minutes will mark a breakthrough on the way to commercial viability, stellarator boosters say.

Dreaming of that day, the start-up Princeton Stellarators, new this year, has raised $3 million to build a demonstration device that makes several design improvements on Germany's version.

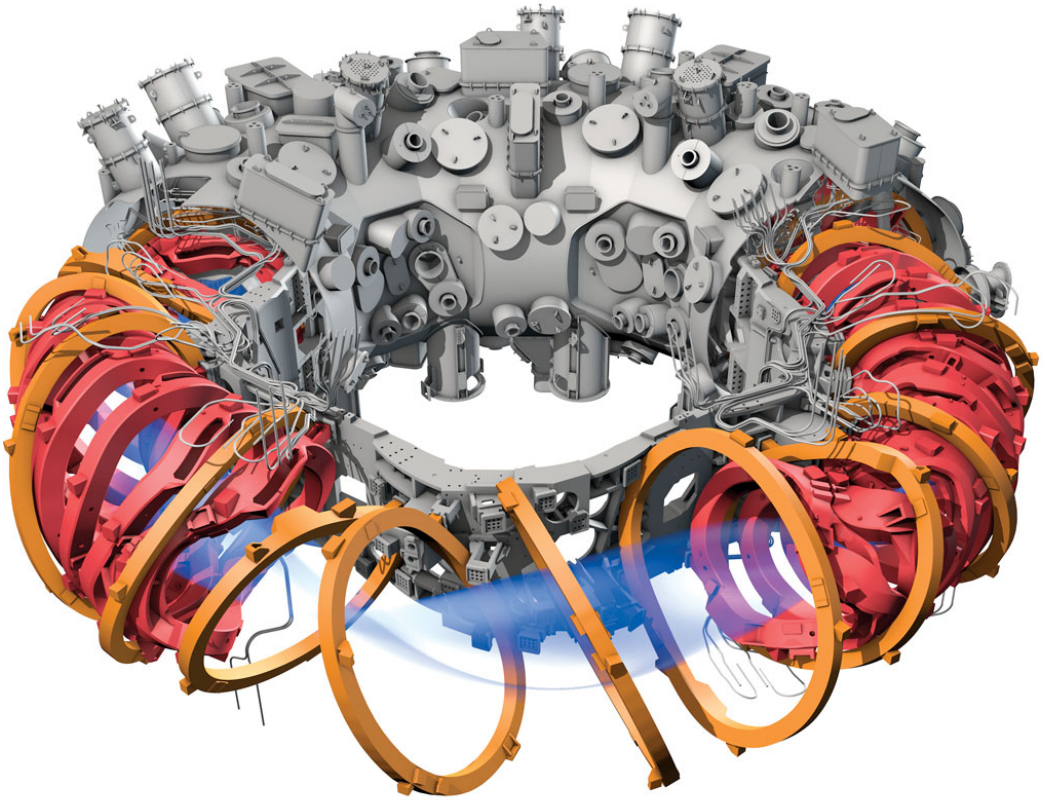
Renaissance Fusion in Grenoble, France, has secured €16 million in working capital and plans to show a working prototype by 2027.

The U.S. Department of Energy has funded Type One Energy in Madison, Wisconsin, to apply advanced manufacturing techniques to build a stellarator of its own.

TRENDPOST: *It's not only fusion's technology that needs to progress but also its cost.*

Germany's stellarator cost more than €1 billion to create. Although commercial versions will cost far less to produce once a design is tested and validated, the cost will still be astronomical compared to other forms of clean energy.

At the current rate of progress, fusion energy will not begin to make a meaningful contribution to the world's energy economy before at least 2040. By then, more decentralized energy generation methods may be more firmly established and profit-minded investors could be scarce.



Germany’s Wendelstein 7-X stellarator.

Graphic: Max Planck Institute for Plasma Physics