TRENDSJOURNAL.com | FORECASTING SINCE 1980 | 19 JULY 2022

THE TRENDS JOURNAL®

HISTORY BEFORE IT HAPPENS®

PEACE & FREEDOM RALLY

The Crown Garden at the Four Corners of Freedom
CROWN & JOHN STs - KINGSTON, NY

FEATURING:

GERALD CELENTE
JUDGE ANDREW NAPOLITANO
SCOTT RITTER
GARY NULL
PHIL GIRALDI
& THE HOT DAMN BAND

JULY 23, 2:00 PM

TRENDS JOURNAL
HISTORY BEFORE IT HAPPENS®

19 July 2022

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About the TRENDS JOURNAL

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

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

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

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PEACE & FREEDOM RALLY

Welcome to this week's **Trends Journal**: "PEACE & FREEDOM RALLY"

This week's cover marks this weekend's "Peace & Freedom Rally" to be held in Kingston, New York.

The mission of the Rally, organized by OccupyPeace and the Universal Church of Freedom, Peace & Justice, is to reverse the negative trends of ongoing wars, hatred and destruction... and bring Peace on Earth and Goodwill to All.

As we have noted, World War III has begun, and It will only become "official" when there is a nuclear exchange or some other catastrophic murderous event. The facts are in front of us for all to see. The world is on fire and the politicians and their bureaucratic syndicate are the arsonists.

This is not overly dramatic.

New York City is now running PSA ads on ways to avoid nuclear fallout from a potential blast.

But despite the risks, there has been ZERO talk of peace from Washington and the mainstream media.

The Rally will include some of the finest minds in the movement, including **Gerald Celente**, the founder of Occupy Peace and the Universal Church of Freedom, Peace & Justice, and the publisher of **The Trends Journal**; **Judge Andrew Napolitano**, the syndicated legal columnist; **Scott Ritter**, the former U.S. Marine Corps intelligence officer; **Gary Null**, host of Progressive Radio Network, and **Philip Giraldi**, the former CIA operations officer and current director of the Council for the National Interest.

The "Peace & Freedom Rally" will be held at 2 p.m. on 23 July in Kingston, N.Y. There is no admission charge and food and drinks will be available.

The Trends Journal offers our subscribers actionable news that you need to prosper under any geopolitical or economic condition. We are in the fight for our lives.

President Vladimir Putin's meeting today in Iran with Iranian President Ebrahim Raisi and Turkish President Recep Tayyip Erdogan shows that Russia will not be deterred by Western pressure, and each day of war inches the world closer to conflict. Also today, Chinese Foreign Minister Zhao Lijian told reporters that Washington created the Ukraine crisis while China "stands on the side of peace and justice."

The time to act is now. Please do what you can to join us this Saturday and do what you can to donate to our Peace and Freedom movement.

Sincerely,

Gerald Celente and the Trends Journal Team

COMMENTS

COMING TO AMERICA, FOUND SOMETHING ELSE

The sad thing is that people don't mean anything....my brother in Russia is having heart problems and I can't even send money to help him. I can't fly over there easily either. Expedia even erased the word Moscow or Russia from their search. What a shame.

Putin is right, the United States can't rule the world. And people here just need to understand and accept it. Russia is a huge country with huge history and traditions that people want to keep, and Western ideology is sweeping the world. He is protecting his county from it.

I moved to the United States 12 years ago, but this is not the country that I thought it would be. I still love it and hope it will turn around, but I highly doubt that it will. I really feel bad for all the people who died in wars for freedom of the United States and veterans. Sad....

GALG

PUTIN WARNS WEST

The U.S. (largely the CIA) agitated this war and the American people blindly comply, but they will think differently when they are forced to treat their children for radiation burns. Fuck Zelensky and his Nazis collaborators. Also, and again, Congress stands idly by why stupid Biden goes to war with the most powerful nuclear country in the world—Russian. I pray hard that this ends peacefully.

Frank Natalie

DUCK & COVER

One more way to control people, more fear and terror. If we go to nuclear war, I pray the missile lands on my head. Better dead than to suffer from radiation poisoning. The human species is the most violent, self destructive animal, tragically, should this nuclear event come to pass, it will also take down everything in its path. God help us all! I am not able to make it to Kingston on 7/23, however, will definitely be there in spirit.

Kathy Scheuer

COMMODITIES LONG CYCLE

How can the global commodity boom be over when it just got started last year? Commodity cycles are very long and as you know, come in "waves". Prices will cycle up and down. The first wave up is strong, as described by Elliott Wave experts. Wave 2 is a corrective wave. A future wave 3 is always very strong, but these waves occur in fractals, meaning a wave inside a wave.

It all plays-out over a very long period of years, as was the case in the 1970's. If the United States does not change its energy policy, then we won't be self-sufficient in energy (oil and gas) and consumers will continue to pay for it, as oil and gas inflation or supply problems contribute to 50% of our annual inflation rate, regardless.

Craig Bradley

SOLD-OUT

And thus lies the aftermath of Marxism on a culture (Americans and our homeland, Europe). Although our government has sold us out, it is the WEF and Central Bank that's really pulling the strings. But remember, "Diversity is our strength!!" BS.

Scott Grinstead

COVID BOOSTERS BARELY WORK
Family and friends that are fully vaccinated have come down with COVID or was it a cold? So it goes…pharma should be sued into oblivion along with our gov't!

Mark Lukin

NOT QUITE A 49'ER, BUT…

From us old timers, remember when a Million dollars was a lot of money and $10,000 a year was looked at what people thought was a great salary. Fast forward, first it was millions, then; wow, billions was crazy and unheard of. Now we talk of trillions and billionaires worth up to a quarter of a trillion dollars.

INSANE, and derivatives, what most people have no idea what they are including me. Something like a bet against another bet, and a third party bets on that bet, maybe a fourth party gets in on the action. All tied up by our BIG BANKS to the tune of a Quadrillion dollars ($1,000,000,000,000,000).

And the Banks don't have a clue what each bank is holding in total, And guess what_ALL this money is someone else's liability.

So on that note let's look at GOLD< GOLD<GOLD, besides all of its positives, scarcity, malleability, don't rust etc, the most important. NO ONE ELSE'S LIABILITY.!!!

Edward Koller

WHERE YOUR TREASURE IS
As Jesus said, where your treasure is, there will your heart be also. Knowing this, the so-called deep state knew exactly how to divide us. Here in California, just about all of the public servants are millionaires. Every cop in this state, over their career, is paid well over a million dollars. The same goes for firefighters, probation officers, prison guards, beach lifeguards, DWP workers, city councilmen and mayors…the list goes on and on. They all seem to have no problem with this open fraud of the government unions.

At this point, the parasite killed the host years ago, and has been surviving on ponzi money ever since. The time has come for them to face their just rewards. They will not reap their ill-gotten gains from raping the taxpayer. Their buying power will inflate away to nothing, like every other communist country.

Dave from L.A.

AMERICA BEING ERADICATED
How come Republican incumbents almost always win their primaries? Too much campaign money from their pimps, the stupidity of the local voters, cheating in the election process, all of the above?

a1achiropractic

TRENDS ON THE ECONOMIC AND MARKET FRONT

ECONOMIC UPDATE - MARKET OVERVIEW

Once upon a time, before the Bankster Bandits and the Wall Street Gang took full control of the economy, we were able to accurately forecast how the current events were forming future trends. Indeed, Gerald Celente's and The **Trends Journal** forecasts of the 1987 stock market crash, the Asian currency crisis, the Dot.com Bust, the Panic of '08, are etched in stone.

The system has always been marred with elements of corruption, but never as openly obvious as what we're experiencing today. Never has the rigging of the markets been so blatant, and never has the famous George Carlin saying "It's One Big Club, and You Ain't In It," rang more true.

Therefore, the qualitative facts and quantitative data that are foundations of trend forecasting become secondary factors when the game is rigged. Even the greatest card players can't beat the dealer with a fixed deck.

Tracking trends is the understanding of where we are and how we got here to see where we are going. In taking a short trip back to what is not ancient history—but long forgotten by the vast majority—is the Panic of '08 and what caused it.

Primary to the financial chaos that brought on the Great Recession was the dirty depravities of the Bankster Bandits and Wall Street Gang that created the crash with their derivative schemes and the subprime mortgage fiasco.

All of this was made possible by the arrogant, war mongering American President Bill "Slick Willie" Clinton who deregulated the financial industry. Killing the Glass Steagall Act, banks got the green light to gamble in hedge fund trading with derivatives while also demanding more mortgages to support the profitable sale of these derivatives... made possible with subprime interest-only loans to borrowers.

Didn't See It Coming

Making up any crap they want and feeding it the public, the Fed Banksters invented their quantitative easing scheme, as Dr. Paul Craig Roberts, former Assistant Treasury Secretary during the Reagan administration, noted came to the tune of $8.2 trillion "in new money which was directed or found its way into prices of stocks and bonds, thus enriching the small number who own most of these financial instruments." (See "The United States Does Not Have an Economy," by Dr. Paul Craig Roberts in this issue).

The facts are all there for anyone to see and the bond buying scheme is facism (what Benito Mussolini called the merger of state and corporate interests). It is made clear in Gregory Mannarino's article, "DEATH OF THE SYSTEM: UNLIMITED BOND BUYING."

And, according to the Levy Institute at Bard College, the Bankster Bandits shoveled out nearly $30 trillion to their Bankster buddies to keep the "Too-Big-to Fail" from failing... while the plantation workers of Slavelandia lost what they owned and fell further down the economic ladder.

To further exemplify the overt corruption that we note, and why honesty, integrity and the facts no longer matter, is today's headline article from Wall Street on Parade:

> ***"There Are Three Separate Cases in Federal Court Accusing JPMorgan Chase of a Culture of Fraud***
>
> *"JPMorgan Chase is the largest federally-insured bank in the United States. It is also one of the largest trading houses on Wall Street. That's the Faustian bargain the Clinton administration entered into with Wall Street when it repealed the Glass-Steagall Act in 1999.*
>
> *"According to data from the FDIC, as of June 30 of last year, JPMorgan Chase Bank N.A. had 4,925 branches in 44 U.S. states holding $2.01 trillion in deposits. Many of those deposits belong to mom and pop savers who have no idea that the bank has admitted to five criminal felony counts since 2014 and has a rap sheet that is the envy of the Gambino crime family."*

Yet, unlike the little people of Slavelandia, who are prosecuted to the fullest when they break the law, the head of the crime-ridden bank, Jamie Dimon who champions himself as a true "patriot", is exalted by the mainstream media and featured as the money machine man-who-knows-best that Americans should admire.

Telling Lies

Again as we have noted in our trend forecasting lessons, even when the qualitative and quantitative data is accurate and not rigged, there are always the "wild cards," be they made by humans or nature.

Note: We are not permitted to write "manmade" or "Mother Nature" because we may get blasted by the transgendatory dead-woke mainstream maniacs!

On the human side, the COVID War was launched by dictatorial governments across the planet. It all began in countries the mindless call "democracies."

Indeed, after Italy was the first to follow the “Chinese Way” by locking down the nation and imposing draconian mandates on society after China launched the COVID War on its Luna New Year, The Year of the Rat in January 2020... the same draconian lockdown mandates were imposed in the U.S. throughout Europe and most of the “free” world.

The financial, spiritual and moral destruction of the ongoing COVID War is incalculable. It has destroyed the lives and livelihoods of billions. But now, rather than blaming the COVID holocaust that has caused economic destruction and emotional slaughter of We the People on a mass scale because of politicians and their bureaucratic “officials”... the media is now blaming the economic ups and downs on “the pandemic.”

For example, an article in yesterday’s *Financial Times* noted that the once high-flying fintechs are going down. They wrote: “Almost half a trillion dollars has been wiped from the valuation of once high-flying financial technology groups that took advantage of the boom in initial public offerings earlier in the pandemic.”

No, not “earlier in the pandemic.” The virus was not responsible for this trend, it was the politicians, who, without a scintilla or scientific data and based solely on their egotistic political science, launched the COVID War to “flatten the curve” ... in the early stages of “the pandemic.”

FT goes on to write that “More than 30 fintechs have listed in the US since the start of 2020, CB Insights data says, as investors flocked to companies they believed could benefit from a long-term shift toward digitization accelerated by the pandemic.”

No, not “accelerated by the pandemic,” it was the COVID War launched by politicians that accelerated digitization by their dictatorial mandates that forbade people to go outside or go to work... forcing all “non-essential” businesses to close down that boomed the fintech and many other sectors of the meta-world.

Wild Cards

Also on the human side, the Ukraine War is a wild card that has changed the geopolitical landscape with its deadly and devastating socioeconomic implications.

When the war began, many commodity prices spiked to record highs. Now, across the spectrum, prices have sharply retreated.

Why, because of the massive money printing schemes politicians and central banksters invented to flood the world with cheap—and often free—money to artificially pump up economies that were crashing as a result of their COVID War mandates... is now drying up.

As we detail in this and previous **Trends Journal**s, with data proving that inflation was skyrocketing, the Bankster Bandits should have been raising interest rates a year-and-a-half ago. Instead they denied the inflation facts and they, along with governments that kept the cheap money flowing which in turn kept ratcheting up inflation.

Therefore, the higher they raise rates, the more the money flow will dry up and the deeper economies will decline... as will equities and many commodities.

And now the hard numbers are pointing to the big slowdown.

Among them, declining copper prices. Referred to as "Dr. Copper" because it is said to have a Ph.D. in economics because the price at which it is selling accurately signals changes in global economic trends.

From heavy industry to hi-tech, copper is an essential manufacturing component. Therefore, the higher the demand, the higher the price for not only copper but other commodities needed to build expanding economies.

Thus, when copper prices drop sharply, it is a signal that economies will dive down as well. Down a third from its record high of $10,600 last October, some 32 percent from its March peak, copper is selling at its lowest level since early February 2021. Now trading just below $7,000 per metric ton, this is its lowest level since the COVID War began in March 2020.

Seeing economic decline ahead, Goldman Sachs sees copper falling to $6,700 a ton before year's end and falling below $6,000 should the world descend into recession... which we forecast it will.

The world economy faces "increasing risk" that rising U.S. interest rates will cut demand there and "considerable headwinds" hamper China's recovery from its two-month lockdowns this spring, Rio Tinto warned in a public statement last week.

The company is one of the world's major copper producers.

With U.S. interest rates rising and the dollar getting stronger—with copper and many other commodities dollar based—it is becoming too expensive for businesses in countries whose currencies are in decline and it costs them more to buy less.

Cold Chile

Chile, the world's largest copper producer, saw the value of its currency plunge with the metal's price, which has fallen by a quarter so far this year as the world's economy has slowed.

After the value of Chile's peso sank to 1,060.40 to the dollar last week, the country's central bank announced it will spend $25 billion now through 30 September to sell dollars and buy pesos.

Chile's inflation rate was estimated at 12.7 percent in June. As with all nations, the lower their currency sinks against the dollar, the more expensive it is to buy imported goods and services.

The bear market in copper futures and options—bets that copper's price will sink deeper—is strongest since 2015, the Marex commodities brokerage reported.

In addition to copper, a number of other industrial metals such as zinc, lead, aluminum, tin, nickel are down 10 to 25 percent from their highs.

Beyond rising interest rates that are bringing down base metals, China's zero COVID policy lockdowns which have lessened demand for the products are also responsible for the commodity price drops. Indeed, China is the number one source of global copper demand.

In the meantime, with the global economy going down—along with commodity prices—the equity markets, especially in the U.S., stay on the sharp up and down bounce.

LAST WEEK: STOCK MARKETS STILL SINKING

Despite a strong rally Friday, all three major stock indexes continued their slide last week.

On Friday, the Dow Jones Industrial Average tacked on 658 points on strong bank earnings and retail sales data that was perceived as better than expected. The NASDAQ added 201 points Friday and the Standard & Poor's 500 index grew by almost 73 points.

For the week, though, the trend remained negative.

The Dow edged down 0.2 percent Monday through Friday, the NASDAQ shrank by 1.6 percent, and the S&P gave back 0.9 percent.

Investors are trading on day-by-day news but, long term, are still waiting to see whether the U.S. Federal Reserve can raise interest rates aggressively enough to affect inflation without causing a recession.

U.S. inflation climbed to 9.1 percent in June.

As a result, bets on interest rate futures markets are increasing that the Fed will raise interest rates by a full point next week instead of the three-quarters of a point the bank's officials have advertised.

Consumer spending rose 1 percent in June in the amount of dollars, but inflation far outpaced the dollar's power, meaning that in June shoppers actually bought fewer goods.

Consumers' view of the future remained near its all-time darkest, according to the University of Michigan's monthly survey of consumer sentiment.

Also on Friday, yields on the benchmark 10-year treasury note slipped from 2.957 percent Thursday to 2.929 percent. Yields fall as securities' prices rise.

Gold shed 1.5 percent for the week, edging down to $1,706 at 5 p.m. EDT on 15 July.

Brent crude dipped back below $100 on Friday before rising to $101.17 at 5 p.m. EDT. The price lost 4.4 percent for the week. West Texas Intermediate also broke down through the $100 mark, surrendering 4.4 percent at $97.69 at the end of Friday's trading hours.

Bitcoin struggled back above the $20,000 benchmark to $20,721 at 5 p.m. EDT on 15 July, adding 3.8 percent for the week.

Overseas last week, the pan-European STOXX 600 was down by 0.3 percent. Japan's Nikkei 225 last 0.4 percent, the South Korean KOSPI index dropped 0.2 percent, and Hong Kong's Hang Seng sank by 5.4 percent.

On the Chinese mainland, the SSE Composite shrank 0.1 percent and the CSI Composite was smaller by 3.1 percent.

YESTERDAY: WHEN GREEN DAYS GO RED

The Dow Jones Industrial Average shed 215.65 points, or 0.7 percent, to close the trading day at 31072.61. The S&P 500 dropped 32.31 points, or 0.8 percent to

3830.85, and the Nasdaq Composite Index fell 92.37, or 0.8 percent, to end the day 11372.60.

The banksters at Goldman Sachs did better than expected in the second quarter and recorded a profit of just under $3 billion, which was a 50 percent decline from last year, but better than expected. Economists thought the finance giant could report a 60 percent decline. Fixed income traders for the company brought in $3.61 billion in revenue, which was about $700 million more than was expected.

But the overall market was pulled down by Apple's announcement that it will reduce hiring in 2023. Bloomberg was first to report on the computer giant's plans.

Tech companies like Meta, Google, and Uber have all announced a slower pace of hirings this year. Tech companies like Twitter, Netflix, and Tesla have cut staff.

TikTok also announced Monday that it would reduce staff, *Wired* reported. One former employee told the outlet that the restructuring was likely related to the broader economic climate.

TREND FORECAST: *As we have been detailing each week, in our articles "WHEN THE ECONOMY FALLS JOBS GO WITH IT," TikTok's layoffs are just one more tick of the recession clock... the higher interest rates rise, the deeper the economy falls, the higher unemployment rises.*

Monday was another bumpy day in the market with stocks once up by 350 points only to sour by the end of the session on the news from Apple, the $2.4 trillion giant. Stocks have been volatile for a while now with surging inflation and actions by central banks to rein in inflation.

The word on The Street is a pullback from the Feds raising interest rates a full percent down to 75 basis points. The Ukraine War also shows no sign of stopping, raising the prospect of energy rationing in Europe and pushing up a number of commodity prices that have been in decline.

Elsewhere, Europe's Stoxx 600 increased by 3.85, or 0.93 percent to close at 417.63. Britain's FTSE 100 jumped 64.23 points, or 0.90 percent to 7223.24.

South Korea's Kospi also jumped 44.27 points, or 1.90 percent to finish at 2375.25. The Shanghai Composite increased by 1.55 percent, and the Shenzhen Component rose 0.98 percent.

Hong Kong's Hang Seng saw its strongest trading in weeks and rose 2.7 percent, to close at 20820.87. Markets in Japan were closed for a holiday.

Stock traders in Europe have expressed concerns about energy shortages and inflation that hit 8.6 percent, the highest ever. The European Central Bank is expected to raise interest rates by 25 basis points for the first time in more than a decade on Thursday.

Stocks in Europe started the day in the green until a Reuters report that said Russia's Gazprom declared force majeure on gas supplies to at least one unnamed customer in Europe that was identified in some reports as Germany.

GOLD/SILVER: Gold was trading down 4.90 to 1705.40 an ounce at 7:40 p.m. EST. It was a bumpy day for the metal, and it touched as high as 1714.30. The dollar was trading down 0.3 percent and off its 20-year highs.

Gold prices are vulnerable to higher Treasury yields. Gold was higher earlier in the day when reports emerged that the Federal Reserve will raise interest rates by 75 basis points. The higher the central bank raises rates, the less appealing gold is to investors because you do not earn interest on the metal.

The grand hope among gold investors is that the interest rate increase has already been worked into gold prices.

Silver was down 1.04 percent to 18.645 as of 7:53 p.m. EST.

TREND FORECAST: *The dollar is near all-time highs due to lingering fears of a global recession. The euro traded below parity with the greenback for the first time in two* *decades and the Japanese yen is at lows against the dollar at levels not seen in over 100 years. Foreign investors tend to shy away from gold when the dollar is more expensive. The metal may stay in the $1,706 to $1,750 price range until after the Fed's announcement and will gain some ground because the basis-point increase has already been worked into the price.*

BITCOIN: Bitcoin, the world's most popular crypto, had its best trading day in a month on Monday and hit 22,950 per coin, prompting some analysts to say that the "crypto winter" could be over.

The **Trends Journal** has reported on bitcoin's drop in value since November 2021, when it was trading at $68,982 per coin.

Crypto traders embraced reports that the Federal Reserve would not go with a full point interest rate hike, and saw the move as a sign that the global economy might be on better footing than once assumed.

"It's such a collapse and there's been so much stress in the markets," Rufus Round, GlobalBlock CEO, told CoinDesk. "The forced sellers are hopefully all done by now, and people are seeing value right here, especially given the macroeconomic backdrop."

TREND FORECAST: *When U.S. stocks go higher, bitcoin prices tend to benefit, and while hitting the 22,900 mark gives the crypto a little wiggle room from the 20,000 mark that it seemed to hover slightly above and slightly below for the past few weeks, there is some headwind for cryptos.*

Bitcoinist pointed out that the crypto had two previous bear markets, in 2018, when it fell 84 percent from all-time highs, and in 2014, when it was down about the same. The current 70 percent decline could mean the crypto has some room to fall. We still maintain that the coin will take the biggest hit when governments move to regulate it.

TODAY: BOOM GOES THE MARKET, JUST WAIT FOR THE BUST

The Stock Market saw big gains today with the Dow Jones Industrial Average leading the way.

The DJIA was up 754.44, or 2.43 percent to 31827.05, and the S&P 500 was up 105 points, or 2.76 percent to 3936.69. The NASDAQ Composite was up 353.10, or 3.11 percent to 11713.15.

Some traders have a rosier outlook on the economy than a few weeks ago. This opinion is based on what they see as the central bank getting control on inflation. These investors are also considering bank earnings reports to gain insight on the overall economy and chances of recession. The earning for key banks like Goldman Sachs were not as bad as expected.

James Gorman, the head of Morgan Stanley, said the market has been challenging, “but I think it is important to say that it’s not 2008 complicated.”

The Street seems to be split, with some analysts predicting that the economy will worsen, and others saying that even if the U.S. does enter a recession, it will not be as severe as previous years.

The tech-heavy Nasdaq 100 was up 3 percent ahead of Netflix’s earnings. The streaming video company saw its stock price jump by 8 percent after revealing that it lost 970,000 subscribers in the three months leading to 30 June. Analysts were expecting the number to be around 2 million.

Inflation is still on everyone’s mind. John Waldron, the president of Goldman Sachs, said in an interview with Bloomberg Tuesday that Goldman is “impressed” with the way the Federal Reserve has been attacking interest rates.

"You're seeing the Fed move quite aggressively and in my opinion very appropriately to get on top of what's significant inflation building in the economy, clearly trying to front load a lot of the moves, policy moves, to try to deal with inflation," Waldron said.

***TRENDPOST**: Jay Powell, the Fed Head who called inflation "transitory" for months before it hit a 40-year-high, will be happy to hear Waldron's praise. Goldman Sachs is one of the banks that – "has its finger on the pulse" – of the central bank.*

Powell has mentioned that he is aiming for a "soft landing," and Waldron said his hopes are possible.

"Were we to end up at that place [3 percent interest rates], we can see the economy resetting and being able to grow from here. I think it's important to reset the price of money in the economy, which is something the Fed is very focused on," he said.

We have pointed out that the Bankster Bandits will do all they can behind the scenes to delay the market crash and it looks like our forecast that the Feds may ease up on rising interest rates is taking form. And, considering inflation spiking at 9.1 percent, their rate hikes will do little to bring down inflation and more to bring down the economy, which equals: Dragflation.

Europe's Stoxx 600 was up 5.78 points, or 1.38 percent, to 423.41, and Britain's FTSE 100 was up 73.04 points, or 1.01 percent 7296.28. South Korea's Kospi was down 4.28, or 0.18 percent to 2370.97.

Japan's Nikkei was up 173.21 points, or 0.65 percent to end at 26961.68. The Shanghai Composite was down 1.33, or 0.04 percent to close at 3279.43.

The Shenzhen Component was also down 37.89 points, or 0.30 percent to close at 12449.77. Hong Kong's Hang Seng was down 185.12 points, or 0.89 percent, to close at 20661.06.

Europe, like the U.S., is trying to get control of runaway inflation that has hit a 40-year high. The Bank of England is expected to announce a 50 basis point increase after its August meeting. This comes as investors anticipate that the European Central Bank will act bolder to tame inflation. The euro increased 1.1 percent and had its best day since May. The dollar fell from its two-decade high and hovered around 106.52.

The Asian market closed before the jump in U.S. stocks and investors there continued to express concerns about the upcoming Federal Reserve rate hike and COVID-19 infections in China that continue to threaten the world's second-largest economy.

OIL: Oil prices were in the green today based on the weaker dollar and tighter supply for the world market.

Brent crude was up 1.21 points to 107.47 as of 2:11 p.m. EST, and West Texas Intermediate was up 1.38 to 104.02.

The prices reflect President Joe Biden's inability to get Saudi Arabia to agree to raise its output to offset sanctions imposed against Russia over its Ukraine invasion.

Naeem Aslam, the chief market analyst at Avatrade, said OPEC+ sent a message to the West that the cartel makes its own decisions, and not the President of the United States.

"OPEC+ will continue to control oil supply, and one country alone cannot determine the oil supply – at least that is the message that traders have taken from Biden's visit to Saudi Arabia," he said, according to *The Guardian.*

In the meantime, analysts have voiced criticism of the effort by the West to try and put a price cap on Russian oil.

"It's kind of a ridiculous idea in my view," Gal Luft, the co-director of the Institute for the Analysis of Global Security, told CNBC.

"Those Europeans and Americans that are talking about $40 a barrel, what they're going to get is $140 a barrel," Luft said. "You cannot trick the laws of supply and demand, and you cannot defy the laws of gravity when it comes to a fungible commodity."

TRENDPOST: *The Ukraine War shows no signs of slowing and leaders from Western countries appear willing to inflict an unlimited amount of pain on their populations for the good of "democracy."*

Oil prices will remain volatile due to uncertainties from the Ukraine War and the potential of further COVID-19 lockdowns in China. Brent has met resistance between $105 and $109 and could surge as high as $139 later this year, according to some forecasts.

The higher oil prices jump, the higher inflation will rise and the greater the pressure on central banks to raise interest rates. And the higher interest rates rise, the deeper equity markets and economies will fall.

GOLD/SILVER: Gold was steady today and was trading down 0.20 to 1,710.10 as of 2:40 p.m. EST. Silver was also down slightly to 18.695.

We have noted that gold prices are vulnerable to the surging dollar and higher interest rates because investors see Treasuries as better safe haven investments. The slight drop in dollar value has gold investors thinking twice about selling the precious metal.

The U.S. dollar hit its lowest level since 6 July and anticipated moves by central banks in the U.S. and Europe have some investors sitting on the sidelines.

TREND FORECAST: *We've seen the many variables behind gold prices and how the safe haven asset is not completely immune to market uncertainty. Fears of recession, a prolonged war in Ukraine, and central bank intervention to combat inflation are weighing down on gold prices.*

Investors seem to take comfort when gold hits the $1,800 mark, but we maintain our forecast that for gold to maintain strength, prices must stay in the high $1,900 per ounce range and when they solidify above $2,200 per ounce, gold will spike to new highs.

BITCOIN: Bitcoin, once again, followed U.S. stocks higher today and was up 984.20 to 23,426 as of 3 p.m. EST.

The world's most popular crypto has hovered around $20,000 a coin as of recent weeks and the $23,000 market is seen by some investors as a breakout and proof that the "Crypto Winter" has faded to spring.

We have reported on how cryptos have been down due to a confluence of problems. Investors have found Treasuries more appealing due to higher interest rates. The crypto market cap had fallen 2.2 trillion from its 3 trillion high reached in November 2021, but it is back up to about $1 trillion today.

We have also noted that a positive attitude on The Street usually has a positive impact on the crypto market. There is a feeling that the economy is looking better since the Fed is reportedly looking at a 75 basis point interest rate increase instead of a full point, according to analysts.

Bitcoin is up about 15 percent in the past week, Solana increased by more than 35 percent in the week, and Ethereum is up 45 percent.

TREND FORECAST: *Bitcoin's recent 15 percent increase shows how crypto prices track stock prices. The better the outlook on The Street, the better cryptos, by and large, perform.*

So, at this point as go equities, so too will go cryptos. And this increase may continue because if the Federal Reserve's decision to raise rates only by 75 basis points and not one percent is true, equities will climb and so too will it be positive for bitcoin. We maintain that Bitcoin could jump even more if it hits $25,000 per coin.

BEARS ROUT BULLS IN OPTIONS, EQUITIES MARKETS

Investors have placed more bets that stock prices will fall further than at any time since 2016, according to JPMorgan Chase.

At the same time, bets that share prices will rise have tumbled to their fewest since April 2020, when the COVID-related lockdowns were crashing the economy, Deutsche Bank analysts said.

Investors are fleeing stock markets out of fear that a recession is near, *The Wall Street Journal* reported.

The Standard & Poor's 500 stock index has lost 19 percent of its value this year as of 15 July, the *WSJ* said, its worst year-to-date performance since 2002.

The share of investments that asset managers are allotting to stocks has sunk to one of the lowest levels since the COVID War began, a survey by the Association of Active Asset Managers found.

The portion has reached one of the lowest levels since 2010, Deutsche Bank noted.

Investors also have increased their bets that the U.S. Federal Reserve will raise interest rates by a full point at next week's meeting, something it has not done in more than 25 years.

A poll by the Federal Reserve Bank of New York revealed that about two-thirds of investors expect stock prices to stay flat at best or fall further this year, the largest proportion since the bank began the survey in 2013.

The bond market's inverted yield curve—often a reliable indicator of a looming recession—has reached its widest span in 20 years.

"It's classic investor behavior," Andrew Slimmon, a portfolio manager at Morgan Stanley Investment Management, told the *WSJ*. "People are reacting to what has already happened by getting cautious too late."

Stocks' plunge so far this year signals a brighter second half of the year, he predicted.

"The second half of the year will be more favorable for the market," he said, "especially for some stocks which did very poorly."

Institutional investors' massive flight from stock markets during this year's first half suggests they are likely to return during the second half, JPMorgan analysts suggested in a note to clients.

TREND FORECAST: *Considering that the game is rigged—i.e., The Plunge Protection Team pushing equities up when they are in sharp decline—absent undeniable terrible socioeconomic and geopolitical news, equities can still move higher.*

Indeed, the Fed raising interest rates .75 basis points or a full one percent is still small change when accounting for the 9.1 percent U.S. inflation rate. With inflation so high and interest rates so low, funding for the Wall Street money junkies is still cheap, thus, they will do all they can to stay on their M&A and equity market buying spree.

MONEY DRIES UP FOR CORPORATE BOND ISSUES

Dozens of corporate bond issues have been shelved now that the U.S. Federal Reserve is no longer greasing the bond market with rock-bottom interest rates, the *Financial Times* reported.

For example, Europcar, a French car-renting firm, sought €150 million in bonded debt to refresh and expand its vehicle fleet.

However, the company’s board pulled the bond issue as potential investors demanded ever-higher yields.

Although bond issues are rarely yanked from the market once bankers have begun selling them, the number of deals canceled in June has tripled across Africa, Europe, and the Middle East compared to May, Bloomberg data shows.

“There have probably been more transactions withdrawn from the market in the last three months than in the last three years,” Mark Lynagh, co-director of European debt for BNP Paribas, told the *Financial Times*.

Fund managers are demanding higher yields on bonds because interest rates are rising steadily across much of the world and because inflation persists, worsened by the Ukraine war and resulting Western sanctions.

However, corporations have been lulled by years of artificially cheap money, courtesy of the Fed, and are not yet ready to accede to paying sharply higher interest on conventional bonds, the *FT* said.

“Bankers say ultimately, companies will have to learn to live with pricier debt,” the *FT* noted.

“It used to be child’s play,” one banker commented to the *FT*.

“You would put a deal out there, the European Central Bank [ECB] would come in with a massive order, and everyone else would pile in,” the banker said.

“Now, the market is already contending with inflation and interest rates,” the banker added. “Then there’s the Ukrainian war, the Bank of England wanting to sell down its corporate bond portfolio, and the ECB asset purchase program finishing.

“It’s the worst possible time for all these things to be happening together.”

Through its virtually automated COVID-era bond-buying program, the ECB amassed €345 billion worth by 30 June, compared to €195 billion in bonds before the virus arrived.

Fueled by the ECB's largesse, corporations piled up $1.2 trillion in debt through Europe's bond market in 2021, data service Refinitiv reported.

Now the market is choosier and many corporations will be left out.

"In an amazing market," the ECB's absence would add a fraction to the cost of debt, Will Weaver, head of European debt capital at Citi, commented to the *FT*.

However, with the ECB sitting out the purchase of new debt, the difference is perhaps half a percentage point or more in interest "or maybe the deal doesn't get done," he said.

JPMorgan and Morgan Stanley recently marketed £1 billion worth of bonds to finance gambling company 888's purchase of William Hill's European business.

The banks discounted the bonds' price to investors, taking the price cut out of their fees for structuring the deal, and offered 11.5 percent interest "and still struggled to woo buyers," the *FT* said.

Worldwide, the value of new corporate bond issues dropped 17 percent in the first half of this year compared to last, Refinitiv data shows.

New high-yield or "junk" bond issues were 78 percent fewer, falling to their lowest number since 2009 during the Great Recession.

Now that the ECB has closed its wallet, the fear of not taking advantage of cheap money has been replaced by the fear of stumbling in a shaky market, the *FT* said.

"Companies don't want to take the risks," another banker told the *FT*. "If you're a CFO or treasurer and you get board approval [for a bond issue] and then you pull the bond, it doesn't look good for you or your company."

TRENDPOST: *An endless supply of cheap money has allowed corporations to borrow at will and many did.*

A tighter bond market will allow those companies to bring equilibrium back to their balance sheets and focus on shepherding themselves through a slowed global economy instead of thinking about expansion.

Many corporations that borrowed steadily just to survive—among them the so-called "zombie corporations" that we detailed in "Zombie Companies Stalk Europe's Economy" (22 Sep 2020) and "Reckoning Day for the Living Dead" (7 Jun 2022)—will be taken over at bargain prices or allowed to die.

U.S. INFLATION TOPS 9 PERCENT IN JUNE

Inflation in the U.S. sped up to 9.1 percent in June, the fastest pace since November 1981, the labor department reported.

Gasoline prices fueled the rise, up 11.2 percent since May and 60 percent higher than a year earlier, due to high crude prices and scant oil refining capacity.

Residential prices for natural gas were up 8.2 percent and electricity added 1.7 percent.

Energy prices overall grew 41.6 percent year on year, their fastest trajectory since the 1980 oil shock sparked by the Iranian revolution.

Other pressures also played a role.

Grocery prices rose 12.2 percent, year on year, their fastest since 1979.

Rents were up 5.8 percent, a sharp hike from May's 5.2 percent. "Owner's equivalent rent," what a homeowner would pay to rent the same home, gained 5.5 percent last month, compared to 5.1 percent in May.

Housing costs account for about 31 percent of the typical household's budget, *The Wall Street Journal* noted.

"High rents are really troubling because they're locked in every year or every two years [by leases] and that's what leads people to ask their boss for higher wages," Lara Rhame, chief U.S. economist at FS Investments, told the *WSJ*.

Prices for clothing and home goods rose, while the cost of vehicles dipped.

Inflation accelerated by half a percentage point from May's 8.6 percent, indicating that the U.S. Federal Reserve's interest rate increases so far have had no discernable impact on prices.

The core inflation rate, which omits costs of energy and food, added 0.7 percent in June, compared to 0.6 percent in May.

The average hourly U.S. wage grew 5.1 percent in June, year over year, lagging inflation by four full points.

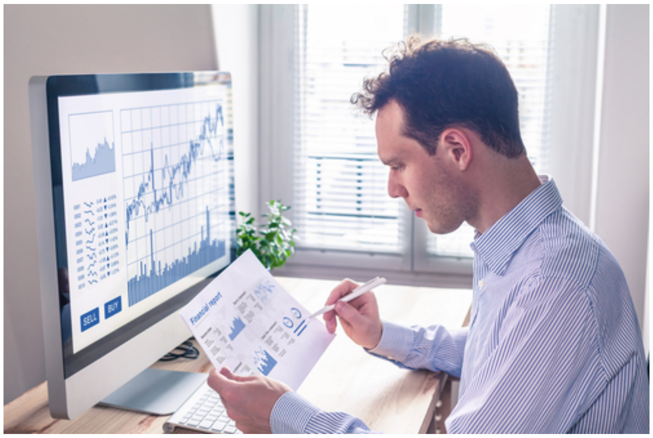
Adjusted for seasonal variations and inflation, earnings decreased 3.6 percent from June 2021 through June 2022, driving down Americans' purchasing power at the fastest clip in 40 years, the *WSJ* said.

TREND FORECAST: *Despite soaring inflation and interest rates, when accounting for inflation in negative territory, equity markets have not plummeted.*

And, the odds have diminished that the new higher number boosts the odds that the Fed will raise rates by a full point when its Open Market Committee meets next week. Instead the three-quarter point is now the signal on The Street as fears of recession increase.

The central bank has set a goal of ensuring that consumers do not see inflation as endemic to the future economy, as that assumption can become self-fulfilling.

DIVIDEND PAYOUTS SET RECORD IN SECOND QUARTER



Companies listed in the Standard & Poor's 500 stock index paid out a record $140.6 billion in dividends to shareholders in this year's second quarter, Dow Jones S&P Indices (DJSPI) reported.

The first quarter's payout was $137.6 billion; companies doled out $123.4 billion in 2021's second quarter.

Dividends also should set records for this quarter and for the year, DJSPI senior analyst Howard Silverblatt predicted in a *Wall Street Journal* interview.

Sales are strong and corporations are expected to share their fatter profits with stockholders, he said.

If companies see revenues shrink, they would halt stock buybacks before cutting dividends, he contends.

"You don't want to tell the world you have a cash flow problem," he said.

"Businesses want to send a message that they are in good health," Brian Jacobsen, a senior strategist at Allspring Global Investments, told the *WSJ*.

"If they can maintain and grow their dividends despite the challenges, that tends to signal that they're confident about their business outlook," he added.

TRENDPOST: *While equity markets have bounced back from their lows, the NASDAQ is still in bear territory and the S&P are floating near it and the Dow is not too far away from sinking 20 percent from their highs. Bond prices have also slipped down.*

Thus, the only investment component to turn in a positive performance during this year's first half are dividends... which cheers up investors to stay in the markets.

CONSUMERS SPENT MORE IN JUNE AND BOUGHT LESS

Consumer spending rose 1.0 percent in June compared to May, the U.S. commerce department reported, while inflation ran to 9.1 percent.

Shoppers increased the dollar value of their purchases of furniture, gasoline, and groceries. Spending at restaurants also went up.

The figures are not adjusted for inflation. Therefore, consumers actually bought a smaller volume of "stuff" in June, even though they spent more to buy it.

General Mills, purveyor of breakfast cereals and dessert mixes, reported higher sales in terms of dollar value in its most recent fiscal quarter, but that it sold fewer individual items across all product categories.

Americans spent 3.6 percent more on gasoline in June, while gas prices rose 11 percent from May, indicating that consumers are driving less to save fuel costs, *The Wall Street Journal* said.

A commerce department report due later this month will report May spending on services, which is estimated to have grown by 0.2 percent that month, compared to a 1.9-percent post-COVID expansion last January.

Consumers maintained their gloomy view of the economy, according to the University of Michigan's monthly survey of consumer sentiment. Consumer sentiment of current economic conditions registered 51.1 on a scale of 100, barely rising from June's record-low 50.0.

Home construction also slowed in June and factory production fell for the second month in a row.

TRENDPOST: *When inflation is galloping above 9 percent and consumer spending rises by a fraction, obviously consumers are buying fewer goods and less services. Because sales figures are reported as dollar volumes and not adjusted for inflation, those figures have to be compared to the current inflation rate to reveal the real levels of consumer spending.*

TREND FORECAST: *Consumer spending will continue to trend down in real terms until consumers see inflation's rate decreasing over at least three months.*

That trend, whenever it happens, will not build consumer confidence, since their rising wages are far below the real inflation rate, which according to John Williams Shadowstats, is double the "official" government rate.

TOP TREND 2022, DRAGFLATION: CREDIT CARD SPENDING FALTERS

U.S. credit card holders charged 0.4 percent less to their credit cards in June compared to July, the second consecutive month of decline, according to internal data reported by Barclays.

Barclays' records indicate that credit-card use at gas stations spiked, while consumers cut back on buying cars, general merchandise, and spending on health care.

“Recent data suggest that the US consumer might be starting to pull back on spending,” Barclays’ analysts wrote in an 11 July research note, which has “led us to question if a sharper slowdown in consumer spending is around the corner.”

Bank of America said its cardholders added 0.3 percent to their balances last month, but added that skyrocketing gasoline prices pose “a risk that real consumer spending declined for the second consecutive month” in June, the bank’s analysts noted in an 11 July report.

Consumer spending accounts for as much as 70 percent of the U.S. economy.

TREND FORECAST: *Although consumers saved at record rates during the COVID War, they also piled on debt, as we reported in “Consumer Debt Soars” (13 Jul 2021).*

With a recession looming and prices still headed skyward, consumers will continue to be more cautious in borrowing and be more mindful of paring down the debt they already have.

Because shoppers fuel two-thirds or more of the U.S. economy, a reduction in consumer spending will help push the U.S. toward Dragflation, our Top 2022 Trend in which prices rise as the economy contracts.

PRODUCER PRICES RISE ON HIGHER ENERGY COSTS

The prices manufacturers and suppliers charge businesses for their products jumped 11.3 percent in June, year on year, because of rocketing energy costs, the U.S. labor department reported.

June marked the seventh consecutive month of double-digit increases in the U.S. Producer Price Index (PPI) and notched a slight rise from May’s 10.9 percent gain.

On a seasonally adjusted basis, so-called "factory gate" prices added 1.1 percent in June over May.

The core PPI, which excludes energy costs, rose 6.4 percent, year over year, its slightest increase since October 2021, *The Wall Street Journal* said, attributing the slowing pace to some clearings of clogged supply chains.

Consumer prices rose 9.1 percent in June, according to the labor department.

TREND FORECAST: *While there has been some easing of supply chain disruptions which have improved supply conditions, across the manufacturing and industrial sectors price pressures are reportedly still high.*

Thus, price increases will be passed on in all sectors, consumer products as well. And in the consumer retail sector, "shrinkflation" where people are paying more for less product, will be the New ABnormal.

As we have forecast, considering inflation in the U.S. is at a 40 year high, the rate increases by the Fed, while bringing the economy down, will not ease inflation. Thus, Dragflation—declining economy, rising inflation—will persist.

FREIGHT RATES SLIP ON SLOWING DEMAND

As consumers spend less (see "Credit Card Spending Falters" in this issue), the cost of moving goods to stores and warehouses also is falling, *The Wall Street Journal* reported.

Companies are renegotiating the high-price freight contracts they signed when stores were unable to get merchandise fast enough to meet demand.

Now one major U.S. importer has reported revising freight contracts 15 to 20 percent below prices set six months ago.

The situation is a stark reversal from the beginning of this year, when retailers and manufacturers were signing shipping contracts at premium rates to ensure they would move goods in time for the fall and winter selling seasons.

Last year, a shortage of shipping containers and truck drivers left shipments sitting in ports and on freight docks for weeks at a time, with shipments often arriving after a selling season had passed.

During the COVID War, spot and short-term freight rates were higher than those written into long-term contracts. In March, that spread began to narrow; last month, short-term rates fell below long-term costs.

TREND FORECAST: *The softening freight costs will help ease inflation's pace to some degree. However, shipping costs remain many times more than before the COVID era.*

We documented falling freight-hauling prices in "Demand for Truck Hauling Eases Unexpectedly" (26 Apr 2022) and "Rates to Sail Goods from China to U.S. Fall By a Third" (28 Jun 2022).

The value of consumer goods the U.S. imported in May was $1.5 billion less in May than April, the U.S. Commerce Department reported. Imports are likely to continue to fall, the National Federation of Retailers said, as consumers cut spending amid higher interest rates and ongoing inflation.

GENERATION Z *REALLY* WANTS TO GO BACK TO THE OFFICE

Less than 25 percent of workers aged 20-something want to work remotely full-time, even if they can, according to a new survey by WFH Research, a collaborative project by several universities.

The share of workers preferring to stay remote all day every day is 29 percent among 30-somethings, 33 percent of employees in their 40s, and 41 percent of those 50 and beyond, the survey found.

Work-related social media site LinkedIn found that applicants under age 24 are least likely to seek jobs advertising full-time remote work.

"Gen Z wants to work together in person," Joe Du Bey, CEO of Eden, which provides workplace-management software, told Business Insider.

"When we talk to our customers, they're telling us the same thing," he added. "It's their 20-somethings that are pushing them very hard to get back into the office."

The chief reasons Gen Z wants to work at a central location:

- 75 percent want "community," the energy, buzz, and interaction with colleagues;
- More than 40 percent were concerned about a lack of networking and career mentoring if they work in isolation;
- A significant minority said they lacked a physical workspace at home.

A worker in her or his early 20s, perhaps living in a studio apartment or with roommates, will want to hook into a professional structure at the beginning of a career, have a workspace that feels authentic, learn how organizations work, learn from older colleagues, and develop relationships, including friendships, Business Insider noted.

As workers age, they have established themselves, their networks, and their families, perhaps moved out to the suburbs, and are less dependent on co-workers for a professional and social context, BI pointed out, making remote work more attractive.

In a poll of tech workers that Eden conducted, 88 percent of employees on a hybrid schedule said they preferred it; 87 percent of office full-timers liked that arrangement best; and 83 percent working entirely remotely want to stay that way.

"Part of the Great Resignation was really just a shuffle toward your work preference," Du Bey noted.

TREND FORECAST: *Companies such as Tesla and JPMorgan that demand daily attendance at a central location will attract younger workers taking their first steps on the career ladder.*

Those workers can be paid less but will need more guidance and supervision.

In contrast, Meta, Yelp, and other companies moving toward fully remote workforces can have their pick of seasoned employees who will demand larger salaries but need less direction and hand-holding.

Overall, as the economy goes down, businesses renting office space will do what they can to cut back on rent expenses and will do so by permitting workers to work at home a few days a week.

This of course will put more downward pressure on the commercial real estate sectors that rely on commuters.

TRENDS ON THE GLOBAL ECONOMIC FRONT

WHEN THE ECONOMY FALLS JOBS GO WITH IT

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

- Tesla laid off another 200 people
- Netflix cut 3 percent of its workforce
- Amazon has frozen hiring in some areas
- Rivian plans to layoff 5 percent of its 14,000 person workforce
- GoPuff cut 10 percent of its staff or 150 employees
- Microsoft will cut a small percentage of its staff
- Meta Platforms Inc.'s head of engineering informed the managers to identify low performance employees to be fired
- Uber and Lyft have paused hiring
- OpenSea cuts a fifth of staff or 57 people
- 800 jobs at Arrival are at risk after it pledged to cut a third of its costs

- Tonal is cutting 35 percent of its workforce
- Google slows its hiring pace for rest of the year
- BlackRock has delayed hiring freezes for some senior positions until 2023, and total spending on employee pay and benefits fell 5 percent. Blackrock is also trying to hold down costs by "juniorising" the workforce—hiring less experienced people to open positions
- Starbucks will be closing 16 of their stores
- Fintechs have laid off more than 4,000 employees in the first half of 2022
- With the market in bear territory and IPO's down 90 percent from last year, The New York Post is predicting a 10 percent reduction on Wall Street
- Tik-Tok has begun laying employees off as it begins restructuring
- Goldman Sachs has warned that it will slow hiring and is considering culling bottom-performing staff
- LinkedIn's in house hiring data—which shows hiring via the LinkedIn platform was down 12 percent from a year previously

Surveys are showing conflicting positions muddling labor market analysis:

- The *WSJ* 7/19 "The Institute for Supply Management's survey of purchasing managers at US factories showed employment contracting in May and June; ISM's service sector index showed employment contracting in three of the five past months…"
- A survey of employers shows nonfarm payrolls growing at 375,000 a month
- A survey of households shows the economy losing an average of 116,000 jobs over the same span

TOP 2022 TREND, DRAGFLATION: IMF AGAIN CUTS GLOBAL GROWTH FORECAST

The International Monetary Fund (IMF) is trimming its global growth projections for this year and next as inflation continues unchecked and the war in Ukraine shows no signs of ending, the *Financial Times* reported.

"Recent indicators imply a weak second quarter and we will be projecting a further downgrade to global growth for 2022 and 2023 in our World Outlook Economic Update later this month," IMF managing director Kristalina Georgieva announced in a blog post last week.

In April, the fund cut its 4.4-percent January estimate to 3.6 percent while warning of potential downside risks.

Those risks have materialized, creating a "cost-of-living crisis" that is "only getting worse," she said.

The estimate is the lowest since the COVID War began in March 2020.

Among the risks is the prospect that Russia could end its shipments of natural gas to Germany, which would spark "a global energy crisis" and "plunge many economies into recession," she warned.

"Acting now" to curb inflation "will hurt less than acting later," Georgieva added, but acknowledged that higher rate increases by central banks are likely to cost jobs and growth.

Sovereign bond yields denominated in foreign currencies are now above 10 percent in a third of emerging economies, "close to the highs last seen after the global financial crisis," she noted, and urged industrialized nations to stand ready to help and emerging nations to reduce borrowing.

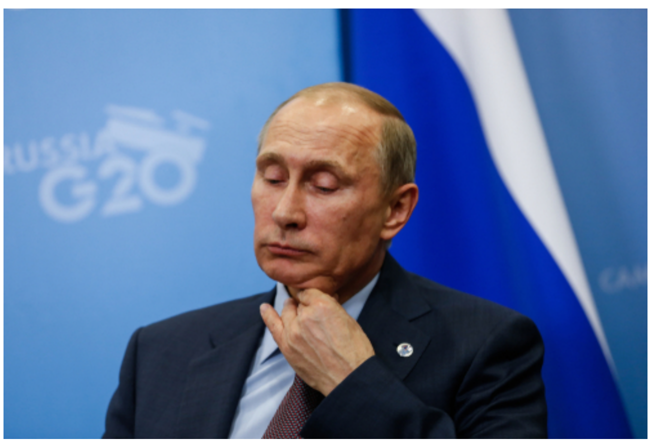
Food price inflation threatens to cast an additional 71 million people worldwide into extreme poverty, defined as an income of less than $1.90 per day, the IMF calculated.

Rising poverty rates raise the likelihood of "hunger, malnutrition, and migration," with resulting social instability already increasing, the agency said.

TREND FORECAST: *The odds are increasing that inflation will remain untamed until recession hits very hard and interest rates rise much higher.*

Inflation will continue at least into the early phases of recession, leading to a period of Dragflation, our Top 2022 Trend of rising prices and shrinking GDPs.

RUSSIA: MORE SANCTIONS, LESS GAS



Gazprom, Russia's state-controlled natural gas company, says it is unable to guarantee gas deliveries to Europe because of "extraordinary"' circumstances, Reuters reported.

Russia closed the pipeline earlier this month for 10 days of "routine maintenance." Deliveries are scheduled to resume this week on Thursday.

Now, in a 14 July letter to several European gas customers, Gazprom has invoked the "force majeure" clause in its sales contracts, the so-called "act of God" clause, claiming that circumstances beyond its control may cause it to break the terms of the agreement.

Reuters did not report whether the letter explained what the extraordinary circumstances are.

"This sounds like a first hint that the gas supplies via [Nord Stream 1] will possibly not resume after the 10-day maintenance has ended," Hans van Cleef, ABN Amro's senior energy economist, said to Reuters.

Gazprom cut the deliveries through the pipeline to 40 percent of capacity on June 14, saying it lacked a turbine being repaired by Siemens Energy in Canada. The turbine is now en route to Russia, Siemens says.

However, Germany's economics ministry said the turbine was scheduled for use beginning in September, so its lack is not the real reason for the June cutback in gas flows.

Russia is widely suspected of starving Europe of natural gas as a political pressure tactic and as punishment for Europe's participation in economic sanctions against Russia related to its war on Ukraine.

TREND FORECAST: *If Russia refuses to resume gas deliveries to Europe, the continent will be plunged into a recession and the Western world will experience a severe energy shock. And now, with temperatures hitting new highs in the U.K. and soaring across Europe, more people are using more energy to stay cool.*

The only easing of prices will occur when the world dives deep into recession and/or sanctions are lifted on Russia by Europe which relies on Russian energy supplies. According to the European Union, last year the EU imported more than 40 percent of its total gas consumption, 27 percent of oil imports and 46 percent of coal imports from Russia. Energy represented 62 percent of EU total imports from Russia, and cost €99 billion.

And while the euro is diving toward parity with the dollar and increasing the cost of imported goods, the Russian ruble is trading near seven year highs. Having just posted a record trade surplus, Russia continues delivering oil to China, India, and other nations not taking part in the sanctions.

CENTRAL BANKS AROUND THE WORLD RAISED INTEREST RATES LAST WEEK

At least a half-dozen central banks raised their key interest rates last week as inflation continues to surge unchecked.

The Bank of Canada (BoC) surprised observers by hiking its overnight rate from 1.5 percent to 2.5, the biggest single bump since 1998 during the Asian financial crisis.

The rate is now at its highest since 2008, just as the Great Recession was taking hold.

Additional increases will be forthcoming, bank officials announced.

Canada's inflation rate was 7.7 percent in May, the highest since 1983.

Meanwhile, unemployment remained at a record low for the fourth consecutive month as wages grew dramatically, both factors that fuel inflation.

Consumer prices in Canada will rise by an average of 8 percent this year, BoC officials predicted, moderate to 3 percent by the end of next year, and settle at the bank's 2-percent target rate late in 2024.

Some analysts have speculated that Canada's full-point increase raises the likelihood that the U.S. Federal Reserve will up U.S. rates by the same, *The Wall Street Journal* said.

The Reserve Bank of New Zealand lifted its rate by a half-point, the third time in three meetings that bank officials did so. Typically, the bank has boosted its rate by only a quarter-point at a time.

The bank set its rate at 2.5 percent, above what it has set as a “neutral” point at which inflation could be reined back without harming the economy.

As a result, New Zealand is the first developed country to raise its interest rate above neutral, placing a higher priority on slashing inflation than on coddling the country’s jobs market.

Inflation in New Zealand reached 6.9 percent in May.

“The global economic outlook has continued to weaken, broadly as expected,” the rate-setting committee said in a post-meeting statement.

“The weaker outlook reflects a tightening of financial conditions, ongoing global supply disruptions, and rising geopolitical tensions,” it added, pointing to rising prices due to the Ukraine war and related Western sanctions and supply chain clogs created by China’s two-month anti-COVID lockdown this spring.

The Bank of Korea (BoK), South Korea’s central bank, also raised its base rate by a half-point last week, the first time it has ever made a half-point hike.

The bank boosted the rate to 2.25 percent after inflation in June reached 6 percent, its highest mark since 1998.

Also, the won, South Korea’s currency, has lost 9.4 percent against the dollar this year, ranking it as one of emerging markets’ worst-performing currencies.

This was the bank’s sixth rate increase since August. Each of the others had been quarter-point bumps.

Korea’s economy will expand by 2.7 percent this year, the BoK predicted, compared with 4.7 percent last year.

The strong dollar and weaker won make the country’s imports more expensive. Also, South Korea’s economy depends on exports, which are slackening amid growing signs of a global economic slowdown.

Among the other banks to join the rising tide:

- Australia's central bank boosted its rate yet again by a half-point.

- Chile added three-quarters of a point to its rate after analysts had predicted only a half-point rise.

- The Philippines raised its rate by three-quarters of a point after recently dismissing the need for large rate hikes to moderate inflation.

- The U.S. Federal Reserve will increase its rate when it meets next week, with many analysts expecting a one-point rise after U.S. inflation shot to 9.1 percent last month.

- The European Central Bank also has promised a rate increase this week, its first in eight years, as we reported in "ECB Announces Rate-Hike Plan" (14 Jun 2022).

"Central banks will be minded to look through evidence of slowing growth until they are confident the inflation genie is being forced back into the bottle," Rabobank analysts wrote in a 13 July note to clients.

"We continue to believe that policy makers are willing to countenance triggering a recession if that is the extent to which they need to shift the demand curve in order to meet this aim," they added.

TREND FORECAST: *New Zealand's central bank is the first to take the necessary step of lofting interest rates above neutral. The message: a recession in the short term is less damaging to the economy than prolonged inflation that embeds itself in consumers' expectations and sets off a wage-price spiral.*

Other central banks need to take a similar step to accomplish their stated mission of reversing inflation. However, few will have the boldness to do so.

Instead, inflation will chip away at businesses' and consumers' buying power until people slow buying enough to crash economies into a recession while central banks modest interest rate rises when compared to inflation remain ineffective.

GASOLINE PRICE SPIKE RIPPLES THROUGH THE GLOBAL ECONOMY

Demand for gasoline, as well as its price, have soared in recent months, spurring oil refiners to produce more of the engine fuel.

To do so, refiners have claimed a larger share of other petroleum derivatives needed to make gasoline.

As a result, the world is seeing a shortage of chemicals needed to make plastics, rubber, nylon, even some pharmaceuticals, are in short supply and their prices are shooting up.

Toluene and xylene, used in textiles and plastic packaging, recently reached their highest prices in at least 40 years.

Benzene, a foundational compound in a range of manufactured products, set a record price of $1,900 per ton in June.

Although oil prices have fallen from their recent highs, refined petroleum products are likely to remain scant, the *Financial Times* reported.

Some older refineries closed permanently during the COVID War as demand for refined products crashed. Also, Western sanctions are denying Russian oil and refined products to NATO countries' markets, sharpening competition for remaining supplies.

Worsening the situation, natural gas prices in Europe have set a series of records, most recently doubling again this spring, the *FT* said. Russia also has shut down its main pipeline sending gas to Europe for "routine maintenance" but Europeans fear Russia might not reopen it.

We detailed this dramatic development in "New World Disorder Top Trend: Germany Rations Power as Russia Cuts Gas Supplies" (12 Jul 2022).

European refineries and chemical plants use natural gas to turn petroleum into a variety of products.

Also, record gasoline prices have prompted some refiners to use higher-quality additives in their gasoline.

"It's like using cream instead of milk to blend into your coffee," ICIS analyst Zubair Adam told the *FT*.

Some chemical firms and industry analysts think that prices may ease as supplies now are becoming more plentiful.

There is a current glut of polypropylene, according to Michael Boswell, CEO of Plastribution, a U.K. distributor of raw plastics. Polypropylene is a key ingredient in an array of common plastic items.

Optimism is not widely shared among industry observers.

"Over the past six months, surges in energy and oil prices increased costs in the petrochemical industry," Hakan Bulgurlu, CEO of the Turkish appliance maker Arcelik, said to the *FT*.

"Under pressure from inflationary tides and recession forecasts, demand tightened recently, strengthening expectations for a downtrend in prices in coming months," he added.

Others expect scarce refining capacity and tight oil supplies to keep short supplies and high prices in place.

"There isn't enough fat in the system margin-wise for these cost pressures to be absorbed," Steven Jenkins, chemical industry specialist at consulting firm Wood Mackenzie, told the *FT*. "The pressure is real."

TRENDPOST: *Plastics, like oil and natural gas, are a foundation of modern economies.*

As consumer spending sags further, so will demand for plastic, allowing supply and demand to return to balance as supply chains gradually unknot themselves.

TOP TREND 2022, DRAGFLATION: EC ADJUSTS FORECASTS

Inflation across the Eurozone will reach 7.6 percent this year, the European Commission (EC) said, adjusting its forecast of 6.1 percent issued this spring.

Prices will inflate by 4 percent in 2023, the EC predicted, twice the European Central Bank's 2-percent target rate. The EC had forecast 2.7 percent in its spring outlook.

In Estonia and Lithuania, inflation will zoom to 17 percent this year, with the Czech Republic, Hungary, Poland, and Romania also facing double-digit price hikes, the forecast said.

Meanwhile, the Eurozone's GDP will grow 2.6 percent this year and 1.4 percent in 2023, the commission said.

European economies have gained some momentum as COVID-era lockdowns have been lifted, but growth will lack that engine next year and will weaken as a result, Paolo Gentiloni, EC economics commissioner, said in a statement accompanying the revised forecasts.

The new outlook lands as the European Central Bank readies its first interest rate increase since 2014. It has signaled it will raise its key rate from -0.50 percent to -0.25 percent, a development we reported in "ECB Announces Rate-Hike Plan" (14 Jun 2022).

Those new predictions might not last if Russia's war in Ukraine endures or, especially, if Russia does not reopen the Nord Stream 1 pipeline, which provides Europe with a third or more of its natural gas.

Russia shut off the pipeline earlier this month for what it called "routine maintenance." (See "New World Disorder Top Trend: Germany Rations Power as Russia Cuts Gas Supplies," 12 Jul 2022.)

"Russia's war against Ukraine continues to cast a long shadow over Europe and our economy," EC vice-president Valdis Dombrovskis said in a *Financial Times* interview.

"We are facing challenges on multiple fronts, from rising energy and food prices to a highly uncertain global outlook," he warned.

"Stagflationary forces [are] currently in play," the EC said, and warned of possible "adverse outcomes" to the region's economy because of the Ukraine war and Europe's dependence on Russian fuel supplies.

TREND FORECAST: *Barring an unexpected event, such as an abrupt halt to the Ukraine war, Europe will continue its economic slide through stagflation into our Top 2022 Trend of Dragflation: rising costs and lower economic output.*

Especially as Europe tries and fails to fill its natural gas storage tanks against this winter's heating season, energy prices will creep up and businesses and consumers will cut their economic activity as fuel bills take a greater share of their incomes.

EUROPE'S FACTORY PRODUCTION REMAINS WEAK

Bad economic times are getting worse. The Eurozone's factory production rose 0.8 percent in May from April as the U.K.'s economy crept back after contracting in April.

However, the greater factory output was largely due to a 13.9-percent burst in Irish output by U.S. companies operating there. The increase was attributed to the full restoration of access to health services, which had been curtailed for two years during the COVID crisis.

The spurt accounted for 51 percent of the region's increase. Production gained a fraction in Germany but slipped in France, Italy, and Spain.

Britain's and Europe's economies grew in this year's first quarter, while the U.S. GDP shrank.

Now, soaring energy prices—especially due to Russia's war in Ukraine and related Western sanctions—threaten to send the region's economies into negative numbers.

"The main things you have to pay for are a roof over your head, gas, water, and food," one Brit told *The Wall Street Journal*. "Everything else is a luxury."

Earlier this month, Russia shut down its Nord Stream 1 pipeline for "routine maintenance." The pipeline brings Europe the bulk of its Russian natural gas imports, which accounts for as much as 40 percent of the continent's gas supply.

Many fear that Russia will not reopen the pipeline as retaliation for European sanctions against Russia for its attack on Ukraine, as we reported in "New World Disorder Top Trend: Germany Rations Power as Russia Cuts Gas Supplies" (12 Jul 2022).

If gas supplies fail to resume and rationing results, Germany's economic activity will decrease by 3.25 percent from this year's third quarter through the second quarter of 2023, the country's central bank has estimated.

The economic damage could be as much as a 9.9-percent loss of output if the gas shutdown is complete and prolonged, according to a recent study by several German economic institutes.

TRENDPOST: *In 2021, factories burned about 36 percent of Germany's natural gas and households 31 percent, analysts at JPMorgan Chase calculated.*

Half of that gas came from Russia, with the proportion falling to 35 percent in the first four months of this year as Russia cut deliveries following sanctions imposed upon them by the U.S. and EU nations. (See "Will Surging Gas Prices Sink U.K, E.U. Economies?" in our 21 September, 2021 issue.)

EURO HITS DECEMBER 2002 LOW AGAINST THE DOLLAR

On 12 July, the euro fell to a value of $0.9998, its weakest value in 20 years, as the Eurozone's economy was battered by record inflation, energy shortages, record-high fuel prices, and the threat of a global economic slowdown.

The euro closed at $1.01 on 18 July.

On the same day, the U.S. dollar booked a value of $108.56 against an assortment of major currencies, its priciest since October 2002.

The euro's plunge revived memories of its infancy, when it was referred to as a "toilet currency" and Europe's central banks intervened to prop up its value until it was more widely accepted.

The gap between the euro and dollar has widened, in part, because Europe is more fully exposed to the impact of Russia's war in Ukraine. The war has cost it fuel, food, and manufactured goods as well as having flooded it with Ukrainian refugees needing food, shelter, and care.

While down 11 percent against the buck this year, the euro has fared better against other trading partners' currencies, losing an average of only 1.6 percent so far in 2022.

Still, the Eurozone imports more from the U.S. than any other country except China, so the euro's plunge against the greenback will raise a range of consumer prices across the continent.

The euro also makes up about 20 percent of the world's foreign currency reserves and the Eurozone has issued a quarter of sovereign bonds, CNBC said.

The euro's weakness has been a factor in Europe's 8.6-percent inflation in June, CNBC noted.

For every 10 percent the euro loses to the dollar, Europe's inflation rate over the next year grows by 0.2 percent, Schumacher calculated.

The weak euro, sliding at a time when energy prices are rocketing up, raises the region's odds of a recession. Most oil and natural gas imports must be paid for with dollars.

If current conditions persist in the energy and currency markets, the Eurozone's trade balance could drop by €400 billion this year, Deutsche Bank warned.

"If the change in the energy mix facing the European Union changes its competitiveness, that could mean the euro [continues] to come down," Maria

Demertzis, co-director of Bruegel, a Belgian think tank, said in comments quoted by the *Financial Times*.

"That's one to watch," she added.

TREND FORECAST: *This is not rocket science. European inflation is running at 8.6 percent and the ECB has not raised interest rates since 2014.*

Go back to January of this year... It is not ancient history. Listen to the either stupidity or lying by the ECB Central Bankster Christine Lagarde once again rejecting calls for the bank to raise its base interest rate from its current -0.50 percent, where it has remained for eight years. (See "ECB: More Monetary Methadone," 27 Apr 2021 and "ECB Pledges to Keep Rates Lower Longer," 27 Jul 2021, among other articles.)

Pressure had been growing on the bank to boost rates, with Europe's inflation back then running at a multi-decade high of 5 percent. Under inflation pressure, Norway and the U.K., had pushed their rates higher (See "Norway Becomes First 'Group of 10' Countries to Raise Interest Rates" (28 Sep 2021) and "European Markets: Higher Rates Impact" 21 Dec 2021).

Thus the dollar has, and will continue to attract investors away from the euro as the U.S. Federal Reserve continues to raise interest rates while the European Central Bank may just jack them up to zero at best. Indeed, with inflation at 8.6 percent raising rates to zero brings the real interest rate to -8.6 percent.

MARKETS RIGGED: TAIWAN PROVES IT

Taiwan's government said it will withdraw money from its National Stabilization Fund to keep stock prices from falling further after they already have lost about $340 billion in value this year.

The fund was established in 2000 to combat market turmoil caused by “significant occurrences at home or abroad” or “large-scale movements of international capital” that adversely affect equity values.

This is the eighth time the fund has inserted itself into the market. It last jumped into action in March 2020 as the COVID War began, spending $25 million to buy shares of 19 companies and eventually making about $7.8 million in profit when it sold back its holdings.

It also went to work in 2008 during the Great Recession, in 2011 amid Europe’s debt crisis, and again in 2015 when China’s stock markets crashed.

The fund holds about $16.7 billion borrowed from pension funds, financial institutions, and postal savings accounts.

The government refused to specify how much money it would deploy now to prop up the country’s stock market.

The country’s main stock index jumped up 2.7 percent on 13 July on the government’s announcement.

Taiwan’s share prices have fallen as many investors have forsaken stocks and are seeking safer stores of value amid the war in Ukraine, rampaging inflation, and rising interest rates, *The Wall Street Journal* said.

About $32 billion has left the country’s stock market so far this year, compared to $15 billion through all of 2021 and $18 billion in 2020.

TREND FORECAST: *As we note above in our Economic Overview and have reported in many previous issues of The* ***Trends Journal****... the game is rigged.*

Taiwan’s emergency fund had overtly interfered with the country’s stock market.

As we have noted in the past, stock markets have a symbolic value as well as a financial one.

If a stock market crashes, investors and the public in general assume that a country's entire economy has collapsed, which may or may not be true. Often, the assumption can become a self-fulfilling prophecy.

So, while Taiwan's government had a pragmatic reason to insert itself into the stock market, the move also demonstrates the fact that equity markets are manipulated by governments at their whim to achieve political, not solely economic, objectives.

Back in 2018 when Shanghai Composite Index was down more than 30 percent, the Chinese National Team intervened to artificially prop the equities back up.

In the U.S. same gang of market riggers, different name. Regardless of the country, the governments will do all they can to artificially pump up failing equities.

Moreover, should the market declines intensify, The U.S. Plunge Protection Team, the Chinese National Teams and other world "Teams," plus the central banksters, will coordinate market manipulation strategies in attempts to reverse and/or minimize the selloffs anyway they can.

HEATHROW CAPS PASSENGER NUMBERS, ASKS AIRLINES TO STOP SELLING TICKETS

London's Heathrow airport, one of the world's busiest, has limited the number of departing passengers it will accommodate and has told airlines to stop selling tickets for the summer travel season.

The injunctions will remain in place until 11 September.

The mandates were imposed a day after the airport told carriers to cancel 61 flights when the number of passengers in a terminal exceeded the airport's capacity to deal with them.

The airport is struggling with shortages of baggage handlers and counter and check-in staff as post-COVID demand for airline travel has surged.

Heathrow's mandates follow similar moves by Gatwick, also in London, and Schiphol, Amsterdam's chief airfield.

The three airports are gateways to Europe for U.S. travelers, who have flocked back to the skies as travel restrictions have disappeared and a strong dollar has made Europe a relatively cheap getaway.

Before the COVID War, Heathrow handled as many as 125,000 departing passengers a day, ranking it as the world's second busiest airport behind Dubai International.

It now has limited that number to 100,000.

Since 1 June, Heathrow has scrapped 559 flights within seven days of departure, 299 percent more than during the same period in 2019, according to data service FlightAware.

That was 1.9 percent of all flights, compared to 0.5 percent in 2019.

The typical flight waited 36 minutes for takeoff last month, a third longer than in 2019.

TRENDPOST: *We note this as just another example of the devastating human and economic toll that has been taken as a result of the COVID War which the mainstream media ignores and/or blame it on the "pandemic."*

And barely mentioned are the scores of billions of dollars given to the airline industry during the lockdowns that have enriched the corporations while costing the taxpayers and the passengers.

SPOTLIGHT: CHINA

INVESTORS CIRCLE BACK TO CHINA

In June, investors put more than $6 billion into 20 international funds focused on Chinese stocks, more than in any month since early 2021, according to Morningstar.

Investors are betting on signs that China's crackdown on its tech sector may be easing and that the worst of the country's property development crisis is past.

The MSCI China Index crashed to a five-year low in March but has since rebounded slightly, although it remains 14 percent below this year's opening price. NASDAQ's Golden Dragon China Index is off 16 percent, year to date.

Many investors are still recovering from the past 12 months, in which Chinese listed companies shed more than $3 trillion in value after harsh regulatory regimes were imposed on tech and financial firms, anti-COVID lockdowns froze the economy, and China's close ties with Russia during its Ukraine war caused jitters.

China also banned for-profit tutoring, erasing what had been a significant economic sector, and prominent property developers defaulted on their foreign bonds, as we reported in a series of articles:

- *"China's Real Estate Market Teeters on Evergrande's Debt"* *(21 Sep 2021)*
- *"China's Real Estate Troubles Ripple Across Emerging Markets"* *(26 Oct 2021)*
- *"China's Real Estate Crisis Grows"* *(9 Nov 2021)*
- *"China May Break Up Troubled Real Estate Giant"* *(1 Feb 2022).*

As a measure of investors' angst, a range of Chinese stocks gave ground early last week as the government imposed small fines on Alibaba and Tencent, two of the country's most prominent Internet businesses.

Shares of Alibaba, considered the Chinese tech industry's bellwether stock, fell 11 percent in value on 11 and 12 July.

"There are still several uncertainties lingering in investors' minds, but we've come off rock bottom in terms of confidence," Tommie Fang, UBS's chief of China markets, said to *The Wall Street Journal*.

Some portfolio managers are cautiously picking up stocks they see as bargains, while others are waiting to see a clearer shift in the government's regulatory behavior and whether snap anti-COVID lockdowns are truly over, the *WSJ* said.

TREND FORECAST: *The U.S. and the dollar remain investors' safe haven in a chaotic world economy, but China will remain the venue of choice for growth: China holds almost a fifth of the world's consumers and its export manufacturing sector is second to none.*

Of equal importance, the business of China is business, as we have often said. Projecting military might and engaging in geopolitical adventures is secondary.

In contrast, the U.S. often entangles itself in other countries' military conflicts and seeks to enter into the politics of foreign nations to a greater extent than China does.

China has learned that the greatest geopolitical weapon is not bombs or bullets but trade and mutually advantageous economic ties.

CHINA EXPORTS 17.9 PERCENT MORE IN JUNE

China's exports rose 17.9 percent in June, year on year, adding to the 16.9-percent gain in May, the General Administration of Customs reported.

Analysts had forecast a 12-percent increase.

As a result, China's June trade surplus climbed to $97.94 billion for the month, up significantly from both May's $78.8 billion and the $76.9 billion economists had expected, *The Wall Street Journal* noted.

The strong numbers indicate not only that China's manufacturing industry has bounded back from a nationwide series of anti-COVID lockdowns in the spring, but also that supply chains are untangling.

Goods shipped to the U.S. increased at an annual rate of 19.3 percent; May's increase was 15.8 percent. Exports to other Asian nations also strengthened.

China sent only 1 percent more goods to Europe last month than in June 2021, a quarter of the 4.1-percent expansion in May. The continent's economies were burdened by soaring fuel prices and hobbled by a lack of food and manufactured goods coming from Ukraine.

Despite the strong June export report, analysts expect China no longer can meet its 5.5-percent growth target for 2022 that president Xi Jinping set last year.

TREND FORECAST: *While exports pulled China out of its COVID War economic slump in 2020, as the global economy slows down, so too will China's exports.*

However, as the dollar gets stronger and the Chinese yuan get weaker, American businesses can buy more from China with less money, thus boosting their sales.

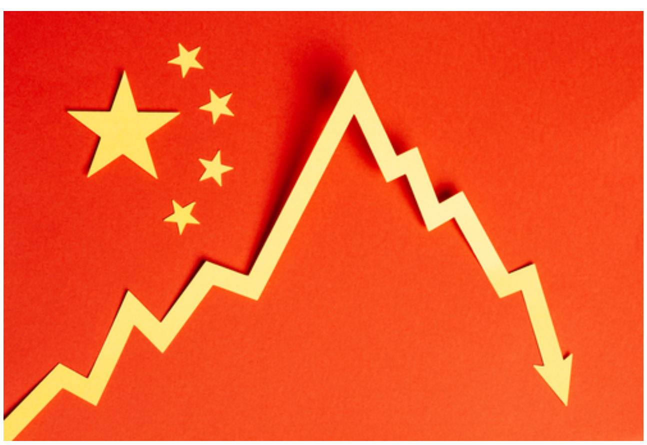
On the downside, U.S. companies that export to China will see their profit margins shrink as it costs the Chinese more money to buy less.

TRENDPOST: *We noted over a year ago in "Trade War? U.S. Lost It" (9 Feb 2021) that Trump's trade deal with China would fail to produce the results that it promised.*

"The Trump administration never had a feasible plan for reducing the trade deficit," Mary Lovely, senior fellow at the Peterson Institute for International Economics, told Politico then. "The 2017 tax cut ensured that the U.S… would continue to spend more than it produced, hence the… deficit."
Regardless of the trade deal's intentions, the COVID economy's shutdown around the world de facto guaranteed that the U.S., like other nations, would ramp up purchases from China to make up for goods we were no longer making at home.

TREND FORECAST: *The world will continue to depend on Chinese factories, although to a lesser extent than it has. Inflation will force more households to curtail their purchases which will cause nations to gradually slow the rate of increase in their imports.*

CHINA'S ECONOMY BARELY BUDGES IN SECOND QUARTER



Despite a leap in exports in June (see "China Exports 17.9 Percent More in June" in this issue), China's overall economy managed to expand by just 0.4 percent in this year's second quarter, the slowest quarterly pace in two years, Bloomberg reported.

The period spanned a two-month lockdown of more than 325 million people in at least 46 major metro areas, including key manufacturing centers and the port of Shanghai.

Analysts had expected a 1.2-percent gain, following the first quarter's 4.8-percent expansion.

The quarterly performance was China's second worst in 30 years, following the plunge at the beginning of the worldwide COVID infestation.

China's trivial economic gain in the quarter is a gauge of the impact on the global economy of president Xi Jinping's draconian "zero tolerance" anti-COVID policies.

Due largely to the lockdowns, the services sector, which accounts for more than half of the country's GDP, contracted 0.4 percent for the quarter.

Unemployment among people aged 24 and younger notched a new record of 19.3 percent in June.

Recently, Xi publicly recommitted to his drastic anti-COVID policy, raising the prospect of future snap lockdowns as the virus's family of "Ba" variants picks up pace around the world.

Because of the policy, China "won't make much of a contribution" to global demand this year, economist Chen Long at the Beijing consulting firm Plenum told Bloomberg.

"The base case is for more Beijing-style 'soft' lockdowns," he said. "Factories will run and trucks will be able to drive, so the industrial side will hold up well but consumption will be limited."

The quarter's anemic performance virtually guarantees China will be unable to meet its 2022 growth target of 5.5 percent, Bloomberg noted, itself the most modest goal in 30 years.

Saving jobs, not growing the economy, will become the government's new priority, analysts predicted to Bloomberg.

China's GDP grew by just 2.5 percent this year through June, so "this year's 5.5-percent growth is out of the water," Wei Yao, chief Asia economist at Société Générale, said in a Bloomberg television interview.

The economy would need "a very, very strong recovery in the second half to hit 4 percent this year," she noted.

However, an estimated 247 million people in 31 metro areas remain under some form of restricted activity, Nomura reported.

"The foundation for sustained economic recovery is not stable," the National Bureau of Statistics said in a statement accompanying the quarterly figures, warning of "rising stagflation risks" in the world economy.

Dim Hopes

Following growth of just 0.4 percent in this year's second quarter, hopes for a strong Chinese economy in the next six months have dimmed, *The Wall Street Journal* reported.

Consumer spending has stalled. The property development industry remains in crisis. Businesses are reluctant to invest for fear of new surprise lockdowns. A slowing global economy bodes ill for China's export industry, which has buoyed the country's financial performance for years.

As a result, banks have trimmed their forecasts for China's 2022 economic performance.

The country's GDP will grow by 3.1 percent this year, Barclays said, paring its previous prediction of 3.3 percent. Société Générale was less generous, chopping its outlook from 4.1 percent to 2.7 for 2022.

China's sluggish economy is sending ripples through emerging nations, which have depended on income from selling timber, metals, and other raw materials to the industrial powerhouse.

If China cuts its purchases, the chances rise that many of those countries will default on foreign debts, fail to meet public needs, and undergo social and political turmoil, as we predicted in our New World Disorder top trend.

"Headwinds are considerable" in China's manufacturing sector, mining giant Rio Tinto said of one of its largest customers in a report to shareholders last week.

Economic torpor is prompting Chinese citizens to hoard cash, the *WSJ* said.

Almost 60 percent of adults are more willing to save now than in the past, according to a poll by the People's Bank of China, the largest proportion in 20 years.

TREND FORECAST: *The Chinese zero COVID policy has crippled its "dual circulation" economic policy, which seeks to balance a strong manufacturing and export economy with robust consumer spending.*

We have detailed the policy in "China Announces "Dual Circulation" Economic Policy" (9 Sep 2020), "Self-Sufficient Economy" (30 Nov 2021), and "China's Economy is Shrinking" (10 May 2022), among others.

During the COVID War, China's consumers were especially tight-fisted. With prices rising and the world's economy running out of steam, they are even less likely now to spend freely.

Dual circulation will remain a goal, but it will not begin to be realized until the COVID virus is no longer causing periodic paralysis to China's economy.

Beijing already has fallen back on its long-standing prop of public works construction to push the economy through hard times.

As a result, China's goal of becoming the world's largest economy will be delayed beyond its self-imposed goal of 2030.

CHINESE HOME BUYERS REFUSE TO MAKE MORTGAGE PAYMENTS ON UNFINISHED HOUSES

An increasing number of Chinese home buyers have stopped paying mortgages on houses that builders have stopped working on amid the country's ongoing real estate crisis.

The stoppage protest has spread from 28 construction projects on 11 July to 58 the next day and to 100 across more than 50 cities by the end of last week, according to Jeffries Financial Group.

"The names on the list doubled every day in the past three days," Jeffries analyst Shujin Chen wrote in a 14 July research note.

"The incident would dampen buyer sentiment, especially for presold products offered by private developers given the higher risk on delivery, and weigh on the [industry's] gradual sales recovery," Chen added.

About 1 percent of the country's mortgage balances are involved, totaling about $58 billion, Jeffries said.

The state-owned Agricultural Bank of China reported holding the equivalent of $98 million in overdue payments for uncompleted homes. The Industrial Bank Co. said about $240 million of its residential mortgage loans were overdue, of which almost $57 million were in default.

As the protest grew, Chinese bank stocks tumbled, with some losing more than 3 percent.

Shares of property development companies were down as much as 2.7 percent, according to Bloomberg Intelligence.

Also, buyers are concerned that the homes they have bought are now worth less than they agreed to pay, Bloomberg said.

Home prices in China slid in May for the ninth consecutive month.

Developers commonly sell homes, and banks lend mortgages on them, before construction is finished.

China's property development market crashed last year as leading companies were unable to meet debt payments, a saga we reported in a series of articles:

- *"China's Real Estate Market Teeters on Evergrande's Debt" (21 Sep 2021)*
- *"China's Real Estate Troubles Ripple Across Emerging Markets" (26 Oct 2021)*
- *"China's Real Estate Crisis Grows" (9 Nov 2021)*
- *"China May Break Up Troubled Real Estate Giant" (1 Feb 2022).*

From 2013 through 2020, developers only completed about 60 percent of the homes they sold, Bloomberg said.

"Presales carry mounting risks for developers, homebuyers, the financial system, and the macro economy," Nomura analyst Ting Lu wrote in a recent note to clients.

"Failure to build homes on time reduces households' willingness to buy new properties, and rising raw material prices may mean funds from presales are insufficient to construct them," Ting added.

"More risk events are likely to come, [against] the backdrop of China's growth slowdown, residents' expectation of worse future income, and shrinking property sales," affecting China's social stability, Chen cautioned.

TREND FORECAST: *Property development makes up as much as a third of China's GDP. With residential real estate mired in crisis, the consumer side of China's dual circulation economic policy will not grow to needed levels.*

As export volumes shrink amid a slowing world economy, China will not be able to depend on consumer spending to fertilize the growth of its GDP.

Therefore, the country will continue to rely on government-funded public works programs to keep the economy oiled.

As a result, China's economy will remain anemic and unable to steer the world away from Dragflation, our Top 2022 Trend of rising prices and declining economic output.

LUXURY BRANDS' CHINA SALES NOT SO POSH

China's anti-COVID lockdowns through April and May slashed Burberry's second-quarter sales in the country by 35 percent, the company reported.

Compagnie Financière Richemont, which owns Cartier, Chloe, and Dunhill, among other top-tier brands, saw sales plunge 37 percent for the period.

For years, China's growing upper middle class has been a key market for luxury houses. The companies have scores of boutiques throughout the country.

A large number of the shops were shuttered for two months this spring during the country's widespread anti-COVID lockdown.

Now, with Shanghai undergoing a new COVID outbreak, the future of the Chinese luxury market remains uncertain.

Worldwide, Richemont's second-quarter revenues totaled €5.26 billion, with sales up 42 percent in Europe and 25 percent in the Americas.

Burberry's take for the three-month period was £505 million, equivalent to $597 million. European sales jumped 47 percent.

Swatch Group lost $400 million in sales in China for the quarter because of the lockdowns in April and May, the company said.

Brunello Cucinelli, the Italian fashion firm, posted second-quarter global sales of €415 million, a 24-percent increase despite disappointing volumes in China.

TREND FORECAST: *The equation is simple. The more zero COVID policy imposed by the Chinese government, the lower economic growth. And, as with other nations that locked down the businesses that have gone out of business and the people that lost their jobs, the economic damage will last for years.*

Furthermore, with the youth unemployment rate in China hitting a new record of 19.3 percent in June, fewer people will be moving up the economic ladder, and less able to afford high end products.

Therefore, the longer the Chinese economy stays weak, the longer the decline in the luxury market which relies on their massive 1.4 billion population to buy their products.

SPOTLIGHT: BIGS GETTING BIGGER

CHINESE LITHIUM GIANT BUYS RIGHTS TO ARGENTINE DEPOSIT

Ganfeng Lithium, the Chinese company ranked as the world's biggest lithium producer by market capitalization, has agreed to buy Argentine mining company Lithea for $962 million.

The deal hands Ganfeng rights to two brine deposits capable of producing the lithium carbonate essential to the batteries that power electric vehicles (EVs).

The two deposits will deliver 30,000 to 50,000 tons of lithium annually, Ganfeng estimates.

The world is seeing a contest to tie up lithium supplies as global demand for EVs is surging while gasoline prices set records. Controlling the supply of lithium, as China does now, will bring dominance in a key industry over the next several decades.

Lithium prices have skyrocketed 400 to 700 percent since spring 2021, according to various estimates, which we noted in "EV Sticker Shock Sets In as Battery Materials Costs Soar" (5 Jul 2022).

Goldman Sachs has predicted that lithium's price will fall as producers respond to relentless demand.

However, others dispute Goldman's optimism.

The spike in demand for EVs is outpacing both the pace at which lithium can be produced from existing deposits and the length of time it takes to bring new mines into production, analysts have pointed out.

As we reported in "Lack of Lithium Makes EV Boom Unsustainable, Supplier Says" (26 Apr 2022), "There simply isn't going to be enough lithium on the face of the planet, regardless of who expands it and who delivers it," Stuart Crow, chair of Australian mining company Lake Resources, said in a *Financial Times* interview. "It just won't be there."

UNITY SOFTWARE BUYS IRONSOURCE FOR $4.4 BILLION

Unity Software, which provides services to video game developers, will buy ironsource Ltd. for $4.4 billion in stock.

Unity provides a technical infrastructure for game developers; ironsource develops software for publishing games across various kinds of devices.

The union comes as the broader tech industry's equity values have fallen, sparking layoffs and making some companies less expensive and more ripe for takeover.

Amazon has frozen hiring, Google has said it will slow its addition of new workers, and Microsoft is trimming its payroll.

Unity shed 4 percent of its workforce in June.

The tech sector's financial slump is due in part to declines in digital advertising, a field in which ironsource specializes.

Video Gaming "is the only industry I'm aware of where the consumer loves the ads," Unity CEO John Riccitiello told *The Wall Street Journal*.

Consumers are expected to spend $203.1 billion on video games this year, 5.4 percent more than in 2021, according to data service Newzoo BV.

DUFRY PLANS TO BUY CATERER AUTOGRILL

Dufry, the Swiss company operating 1,700 airport retail shops in 60 countries, will buy Autogrill, an Italian business that advertises itself as "the leading global operator in food and beverage services for travelers."

Autogrill employs 30,000 workers in more than 3,500 airports, train stations, and highway stops in 30 countries.

First, Dufry will acquire the 50.3-percent stake in Autogrill held by the Benetton Italian fashion family. The Benettons will then become Dufry's largest shareholder.

Next, Dufry will make an offer for the rest of Autogrill's outstanding shares, offering a choice of either 0.158 of a share or €6.33 for each one.

The offer values Autogrill at between €2 billion and €2.2 billion.

In 2019, both Dufry and Autogrill were looking for ways to expand.

Then COVID arrived, shutting down the world's travel industry and sinking the companies' annual revenues by 70 and 60 percent, respectively.

The two found each other as the COVID crisis eased and travelers were back in the skies and on the road.

"This was the combination that made the most sense of all the ones that were looked at," a person familiar with the Benetton family's thinking told the *Financial Times*.

The new entity will operate 5,500 retail shops at 1,200 airports and highway sites, the two companies estimate.

BANKSTERS: ANZ BUYS SUNCORP BANK

Racking up the biggest banking sector deal since the Panic of ’08, ANZ the one of the top four Australian Banksters made a $3.3 billion deal to take control of Suncorp's banking division.

As the Bigs keep getting bigger, as Financial Times reported, “ANZ’s acquisition of Suncorp could herald further deals with smaller regional lenders including Bendigo Bank, Adelaide Bank and the Bank of Queensland,” and “NAB completed a A$1.2bn takeover of Citigroup’s consumer business in Australia last month.”

SPECIAL UKRAINE WAR REPORT

BIDEN REPEAT: RUSSIA MUST LOSE UKRAINE WAR

President Joe Biden said last week during a visit to Israel that Russia's invasion of Ukraine must be a "strategic failure" for his counterpart Vladimir Putin.

"Putin's assault on Ukraine is a challenge to the peace and stability everywhere in the world," Biden said last week after a meeting with Yair Lapid, the Israeli Prime Minister and that "Putin's war must be a strategic failure."

Biden also vowed that the U.S. will continue to support Ukraine militarily and financially and that other countries also need to stay committed to sending money and munitions to Kyiv to beat the Russians.

TRENDPOST: *The* ***Trends Journal*** *has been reporting on the tight rope that Israel has been trying to walk when it comes to the Russian invasion of Ukraine. Tel Aviv has a good relationship with Moscow, but its main ally is the U.S.*

Israel called the invasion a "serious violation of international order" at the beginning of the conflict and has been reluctant to say more because it wants to be able to continue to carry out its bombings in Syria.

The Times also reported on how Ukraine has been a touchy subject between Tel Aviv and Washington. Israel has sent humanitarian aid to Ukraine and voted to suspend Russia from the UN's Human Rights Council, but it has not sent weapons or "enforced formal sanctions on Russian oligarchs," the paper said.

Biden's latest remark has been a consistent message from his administration. Secretary of Defense Lloyd Austin said in April that the U.S. hoped to see Russia "weakened" as a military power after the conflict. U.S. Secretary of State Antony Blinken said last month that "Russia has already lost."

While Biden was visiting Israel and Saudi Arabia, it was revealed that a Russian delegation has visited Iran because Moscow is in the market for weaponized drones. A senior Biden administration official said Moscow's attempt to acquire these drones shows that Russia is "effectively making a bet on Iran," NPR reported.

Hossein Amirabdollahian, Iran's foreign minister, reportedly denied these reports during a phone conversation with Dmytro Kuleba, his Ukrainian counterpart.

"These sort of claims parallel with Biden's visit to occupied Palestine, or Israel, are in the direction of political intentions and purposes," Amirabdollahian reportedly said. "We oppose any move that could lead to continuation and intensifying conflicts."

TRENDPOST: *The latest comments from Biden about Russia eventually losing the war in Ukraine is more bark than bite, considering Russia now controls over 20 percent of Ukraine since the War began on 24 February and the Ukrainian military is suffering severe losses of men and equipment.*

And, this is the same Joe Biden who, on 26 March, during a speech in Warsaw, called for Putin's ouster, saying, "For God's sake, this man cannot remain in power."

The White House press team panicked and quickly said Biden's point was that Putin "cannot be allowed to exercise power over his neighbors or the region." Biden later wrote an editorial in The New York Times that reiterated his stance that the U.S. will not attempt a regime change.

Biden benefits from the fact that nobody even knows what a Russian "win" would look like. Does it mean taking control of the country's East? A regime change in Kyiv? Total control of the country?

French President Emmanuel Macron, who has been critical of Russia but kept communication lines open with the Kremlin, said Putin should not be embarrassed on the battlefield, because all bets would be off about how Russia would respond, a view that is clouded by Washington and the U.S. media.

BIG LIE? RUSSIA TAKES MORE LAND BUT RETIRED U.S. GENERAL SAYS RUSSIA WILL LOSE

A former top U.S. general said last week that Ukrainian fighters could end up pushing Russian troops back to the border in 2023 by winning the war of attrition because Moscow's forces are "exhausted" and they "don't have much else they can do right now."

Lt. Gen. Ben Hodges told Business Insider that he believes Ukrainian forces are about to make noticeable gains because they can now employ advanced rocket systems.

"It looks to me that wherever the Russians do not have overwhelming firepower advantage, and Ukrainians win 100 times out of 100," he told the website. "So providing the Ukrainians ability to strike Russian artillery, Russian rockets, their ammunition storage, add command posts, that's what destroys and disrupts the one thing that the Russians have that is to their advantage."

Retired U.S. military officers who have never won a war in their lives yet pretend to have some insider knowledge about the realities on the ground in Ukraine, and, in most cases, present a rosy picture about the prospects of an eventual Ukrainian victory.

There are a few reasons for this. Agreeing with the accepted consensus in the mainstream media means you'll be invited to CNN, Fox News, and MSNBC to offer insight, which could lead to a paid "military analyst" gig. (See "U.S. LOST EVERY WAR SINCE WWII, BUT IS TELLING UKRAINE HOW TO BEAT RUSSIA.")

In the early stages of the war, these would-be analysts insisted that Ukrainian fighters were simply outperforming the Russians, who were supposedly in disarray.

Ret. Gen. David Petraeus, who hasn't won a war since he's been in command and was defeated in both the Afghan and Iraq wars, must have received the script at the time.

Petraeus, a partner at KKR, the private equity giant, compared Ukrainian President Volodymyr Zelensky to Winston Churchill and said Ukrainians are exploiting their "home-field advantage."

But now even Kyiv admits that Russia and separatists control some 20 percent of the country. The accepted theory now is that once Ukrainians obtain enough HIMARS and other advanced rocket systems they will even the playing field.

Oleksandr Motuzianyk, a spokesman for Ukraine's Ministry of Defense, said last week that American-made HIMARS have been used by Ukrainian forces to destroy more than 30 Russian logistic military facilities.

Michael Kofman, a military analyst, told War on the Rocks Podcast that he believes Russian forces will begin to adapt "and change the way they operate to make them less effective."

TREND FORECAST: *As we had forecast when Russia invaded Ukraine, which we are totally against, by the U.S. and NATO ramping up the prospects for escalating the War with scores of billions in weapons and aid to Ukraine, WWIII was launched.*

And, Russia had the upper hand in the war because of its firepower superiority so it is not surprising that Ukrainian fighters are much more deadly with the Western equipment. (It was estimated last month that Kyiv has one artillery piece to 10 to 15 Russian artillery pieces.)

Yet, the only message from politicians and the mainstream media is to increase the military conflict rather than work toward a peace agreement. We continue to note that neither Napoleon nor Hitler could defeat Russia. Thus, to think that Ukraine can defeat Russia's military is nonsensical.

TRENDPOST: *Tracking trends is an understanding of "where we are and how we got here to see where we are going.*

On the Ukraine War front, the "how we got here" has been whitewashed from history. Not a word is mentioned of the United States 2014 coup of the democratically elected President, Victor Yanukovych and the role Victoria Nuland, currently America's Under Secretary of State for Political Affairs, played in the overthrow of its government in 2014.

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

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

Ukraine, however, already had a democracy. In reality, the NGO organizations are U.S. fifth columns that can be used to organize protests and to provide support for Washington's candidates for the Ukraine government.

Indeed, in early February 2014, a recording was leaked of Assistant Secretary of State for European Affairs, Victoria Nuland, telling Geoffrey Pyatt, the U.S. Ambassador to Ukraine, that the UN was on board to "help glue" the plan to replace Ukrainian President Victor Yanukovych with Arxeniy Yatsenyuk.

"Yats is the guy," Nuland informed Pyatt, urging her to move quickly because "the Russians will be working behind the scenes to torpedo" the deal. "F#& the EU!" Nuland told Pyatt.*

"Exactly," he responded. Shortly thereafter, Yanukovych was overthrown and "Yats" became president.

TREND FORECAST: *Vadym Skibitskyi, the representative of the chief intelligence directorate of the Ministry of Defense of Ukraine, told Ukrayinska Pravda that Russian military facilities in Crimea are considered a target that can be hit by Ukrainian troops. Should Ukraine attack Crimea, Russia will sharply ramp up its military operations in Ukraine.*

EU: LIFE WITHOUT RUSSIAN GAS IS A 'MAXIMUM ECONOMIC WARFARE SCENARIO'

The European Union is getting ready for life without Russian gas flows before the fall and winter months when there is a threat of a shortage.

Russia used to provide the EU with about 40 percent of its gas, but has since cut the flow by 60 percent, the *Financial Times* reported. The paper said it viewed a draft paper from the European Commission that hopes to reduce the threat of gas shortages.

The body may compensate companies that reduce their gas use. The plan also asks countries to move to renewables like nuclear power.

The European Commission blamed Russia for deliberately using “energy as a political weapon” in the face of tough Western sanctions and there is fear that the EU could run out of fossil fuel if it is a particularly cold winter.

The **Trends Journal** has reported on how the West’s sanctions have, at this point, backfired because Moscow has been able to find willing buyers in India and China. Russia has already cut off some countries from its gas flows. (See “RUSSIA ENDS GAS EXPORTS TO POLAND, BULGARIA. GERMANY AND ITALY ARE NEXT,” “BANNING RUSSIAN GAS IN EUROPE COULD LEAD TO INDUSTRIAL RATIONING,” “U.S. LNG SHIPMENTS TO EUROPE TIGHTEN DOMESTIC GAS SUPPLIES” and “EUROPEANS SUFFER: MORE SANCTIONS, LESS GAS.”)

Russia cut gas flows to Germany, Denmark, the Netherlands, and Italy by 60 percent and the commission said in the draft paper that there is “no reason to believe this pattern will change.”

“Rather, a number of signals, including the latest decision to reduce further supply to Italy, point to a likely deterioration of gas supply outlook,” the document read, according to EURACTIV.

The report said the EU is at the “early warning stage” on its energy supply, but will move to the alert stage on 20 July, when the draft paper is expected to be published.

The alert stage is notable because it signals "serious and reliable information that an event likely to result in significant deterioration of the gas supply situation may occur and is likely to lead to the emergency level being triggered in several Member States.”

Russia had previously warned that “unfriendly” nations would be required to pay for their gas supplies in rubles, which Ursula von der Leyen, president of the European Commission (EC), called “blackmail.”

The European Union has accused Russia of weaponizing its energy supply due to sanctions put in place in response to what European officials see as an unjust war in

Ukraine. President Vladimir Putin has indicated that the West is panicked because it miscalculated its reliance on Russian energy.

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

The situation in Europe is about to get much worse, and cracks in the united front against Russia will begin to emerge. We see the trend already happening in the UK. Candidates hoping to replace Boris Johnson as premier are talking about inflation and energy prices—not Ukraine.

Germans were told last week that they should prepare to face gas prices 3x's higher next year and they should start saving now to soften the blow.

"For those who are now receiving their heating bills, the installments are already doubling—and that's not even taking into account the consequences of the Ukraine war," Klaus Müller, the head of Germany's energy regulator, told RND.

"From 2023, gas customers will have to prepare for a tripling of the monthly costs, at least," he said.

All eyes are on Germany, which is seen as a European bellwether. Analysts from the Eurasia Group told CNBC last week that Germany would move to level three in its emergency plan, which would mean Germany's regulator, Bundesnetzagentur, would need to decide how to distribute gas supplies.

Henning Gloystein, director of energy, climate and resources at Eurasia Group, told CNBC that such a move would represent a "maximum economic warfare" scenario.

FEATURED ARTICLES BY GUEST WRITERS

THE UNITED STATES DOES NOT HAVE AN ECONOMY

By Paul Craig Roberts, Institute for Political Economy

The U.S. financial sector has long looted other countries. A number of participants have described the process.

First a country is enticed with bribes to the leaders to take out loans that cannot be serviced or repaid. Then in comes the IMF. Austerity is imposed on the population. Public services and employment are cut to free resources for debt service, and public assets are sold to repay the loan. Living standards fall, and U.S. corporations take over the country's economy.

As foreign governments, having experienced or witnessed the economic carnage and fearing accountability, are less willing to be bribed into indebting their countries, American finance is now applying this technique to Americans.

Contrary to the narrative in the financial press, the Federal Reserve is not raising interest rates in order to fight inflation.

It is ludicrous to think that a three-quarters of one percent rise in a very low interest rate is going to have any impact on a 9.1 percent rate of consumer inflation or that speculation that the Federal Reserve has in mind another three-quarters of one percent possibly followed by one half of one percent comprise an anti-inflation policy.

If all these increases occur, it still leaves the interest rate below the inflation rate.

Moreover, as I have previously explained, the inflation is not monetary. The higher prices are the result of supply disruptions caused by Washington's Covid lockdowns and Russian sanctions. Production was stopped and supply chains are broken.

The Federal Reserve's rise in interest rates is just a continuation of its policy of concentrating income and wealth in the hands of the One Percent.

Quantitative Easing was the cloak for the Federal Reserve to print $8.2 trillion in new money which was directed or found its way into the prices of stocks and bonds, thus enriching the small number who own most of these financial instruments.

Having maxed out this avenue of wealth concentration, the Federal Reserve is now raising interest rates in order to drive up mortgage costs to aspiring homeowners. The Federal Reserve is driving individuals out of the housing market in order to free up properties for "private equity" firms to purchase homes for their rental values.

That private equity firms see rental income from the existing stock of houses as the best investment opportunity tells us that the U.S. economy has played out. When investment goes into existing assets, not into producing new assets, the economy ceases to grow.

The Obama regime's policy of bailing out the financial fraudsters responsible for the 2008 crash while foreclosing on their victims, reduced American homeownership from 70 percent to 63 percent. The Urban Institute predicts further declines.

Today's homeowners' equity has declined—from 85 percent after World War II—to one-third, leaving two-thirds of homeowner equity in the hands of creditors. This makes it completely clear that a financialized economy indebts the people for the sake of rentier income to the One Percent.

The financialized economy created by the Federal Reserve has reimposed a class system akin to the landed British aristocracy that was overthrown.

Indeed, we have an economically far worse class system. The landed British aristocrats produced food that fed the nation. The American class system produces interest and fees for the financial system.

As Michael Hudson has shown us, a no-growth economy is the end result of a financialized economy. A financialized economy is one in which consumer income is diverted by debt expansion away from the purchase of new goods and services into debt service and fees—interest on mortgages, car loans, credit card debt, student loan debt.

With such a large share of household income spent on debt service, little is left for driving the economy forward.

If American economists were capable of escaping from their neoliberal junk economics, they would realize that "the world's largest economy" they attribute to the United States is total fiction.

The fact is that the United States does not have an economy.

Corporations driven by Wall Street located American manufacturing in Asia so that the One Percent could benefit from higher profits from lower labor costs, while the deserted city and states had to sell their income streams, such as Chicago's parking meter revenues for 75 years, to foreigners for one lump sum payment to solve one year's budget crisis.

The offshoring of American production, carried out under the cloak of “globalism,” destroyed the American economy and the tax bases of cities and states.

While the real economy declines, the Democrat Party, seeking permanent power, has imposed a policy of open borders for immigrant-invaders.

How are these millions of peoples to support themselves in an economy whose manufacturing has been moved abroad?

How can a population, deserted by American corporations, that is experiencing debt deflation absorb the costs of support and social infrastructure for tens of millions of third world immigrant-invaders?

You will never hear it from the whores in the financial press, but the United States is on the precipice of economic and social collapse. And what are the fools in Washington doing? The idiots are ginning up wars with Russia, China, and Iran.

BIDEN'S SECRET WAR IN UKRAINE

By Philip Giraldi

The White House keeps insisting that it will not directly involve American soldiers in the war in Ukraine, but it keeps taking steps that will inevitably lead to a large-scale open combat role for the U.S. against Russia.

Among the most recent moves to increase the pressure on the Kremlin, Biden revealed at a NATO summit meeting in Madrid on June 29th that the U.S. will establish a permanent headquarters in Poland for the Fifth Army Corps, maintain an additional rotational brigade of thousands of troops in Romania and bolster other deployments in the Baltic states.

Also, the number of U.S. troops in Europe, currently approaching 100,000, will be increased. Biden also was pleased to learn that Turkey had been enticed to drop its objection to Finland and Sweden joining NATO.

On the way to the NATO summit aboard Air Force One, Biden's National Security Adviser Jake Sullivan advised that, "By the end of the summit what you will see is a more robust, more effective, more combat credible, more capable and more determined force posture to take account of a more acute and aggravated Russian threat."

Presumably Sullivan was reading from a prepared script, but the objective surely seemed to be to heighten tension with Moscow rather than attempt to reduce it and come to some kind of diplomatic settlement.

NATO Secretary General Jens Stoltenberg also did his bit. In an astonishing display of derriere kissing, he responded that the new U.S. force posture commitments were demonstrative of Biden's strong leadership. What Stoltenberg did not mention was that Biden has been lying for some time about the presence of U.S. military personnel in Ukraine. He let the cat out of the bag back in March, when he told troops belonging to the 82nd Airborne division in Poland that they would soon be going to Ukraine, observing that "You're going to see when you're there, and some of you have been there, you're gonna see —" It was an admission that U.S. forces are already in place inside Ukraine even though the White House quickly did damage control, asserting that the president continues to be opposed to American soldiers being directly engaged in the fighting.

Biden also claimed that the U.S. was working to "keep the massacre [of Ukrainians] from continuing." Again, the language was hardly designed to make some room for a possible accommodation with Russia to negotiate an end to the fighting.

And now there is a *New York Times* report entitled "Commando Network Coordinates Flow of Weapons in Ukraine, Officials Say: A secretive operation involving U.S. Special Operations forces hints at the scale of the effort to assist Ukraine's still outgunned military."

The article describes a more active U.S. role in Ukraine than the Biden Administration has been willing to admit publicly. Back in February, before intervening in Ukraine, the U.S. reportedly withdrew its own 150 military instructors, many of whom were training Ukrainian soldiers on newly acquired American produced weapons.

However, some Central Intelligence Agency (CIA) paramilitary operatives and special ops troops continued their service in the country secretly, directing most of the intelligence flow the U.S. is sharing with Ukrainian forces. In addition to that, special ops soldiers from Washington's NATO allies have been managing the movement of weapons and equipment into Ukraine and providing some specialized training.

It has also been reported that British SAS commandos are actually guarding President Volodymyr Zelensky. The *NYT* specifies, citing American and other Western officials, that the soldiers and CIA officers are currently not on the front lines with Ukrainian troops. Also according to the *Times*, even though the U.S. and NATO member states have not acknowledged the presence of their paramilitary soldiers in operational roles in Ukraine, Russia and other intelligence services around the world are aware of this.

The *New York Times* report appears to be generally correct, though it does omit some details, some of which I have been hearing from former colleagues in the intelligence services. There has been considerable overt training at the Grafenwoehr, Germany army base as well as at the Ramstein U.S. Air Base to familiarize the Ukrainians with the new weapons arriving. Other NATO countries are also participating in the training.

Meanwhile, the cadres of special operations soldiers and intelligence personnel operating primarily in western Ukraine are not in uniform and many of them are working under various contrived cover designations, including sometimes loose affiliations with foreign embassies and NGOs. There are also a conventional CIA Station, a group from the National Security Agency and a Military Attache's office in the recently reopened U.S. Embassy in Kiev.

All of the above means that Biden and other western leaders have been dissimulating regarding their active participation in the Russia-Ukraine conflict. Apart from his possible gaffe, Biden will not admit that there are American boots already on the ground, but they are there and are playing a major role in both logistics and intelligence sharing.

The potential downside for the president could come when some of these soldiers in mufti get killed or, worse, captured and start to talk about their role.

Retired U.S. Air Force Lt. Col. Karen Kwiatkowski, a former analyst for the U.S. Department of Defense, [observes that](#) deploying plausibly deniable non-uniformed personnel,

> "is completely typical of the initial stages of a U.S.-backed long war, and for long-term political manipulation of the target country. This is the future that neoconservative 'strategists' in DC and their British and European allies imagine for Ukraine. Rather than a negotiated conclusion, with a new Ukrainian role as a neutral and productive country, independent of both Russian and U.S. political influences, the U.S. government and CIA see Ukraine as an expendable yet useful satrap in its competition with the Russian Federation."

Former CIA analyst Larry Johnson sees the activity in stark terms, while also commenting that the CIA has not won a semi-clandestine insurgent war in forty years. He [observes that](#),

> "Ukraine is a proxy; the West is trying to destroy Russia, it's that simple. It would be one thing if Russia was the most evil, oppressive, authoritarian regime in the world. It's nowhere even close. Even though the West keeps trying to portray Russia as such. The fact of the matter is, the West wants the resources that Russia has and it wants to control Russia. [But] Russia is not about to be controlled."

In other words, Washington might be seeking an unending war entangling Russia and limiting its options globally. The Biden Administration has staked its reputation and possible political future on enabling Ukraine to survive without succumbing to Russian territorial demands. It is a risky and even dangerous policy, both in practical terms and politically.

The persistence of the Ukrainians in their defense is largely a product of U.S. and Western Europe guarantees that they will do all that is necessary to support Zelensky and his regime, which is already seeking $750 billion in aid for "reconstruction." If western military casualties begin to surface, the political support for the Ukraine war will begin to fade in Washington and elsewhere and there will be consequences in the upcoming midterm U.S. elections in November.

A final comment on the *Times* piece is in response to the question why it has appeared at all at the present time. The mainstream media has been a cheerleader for aggressive U.S. support of Ukraine and Zelensky, but now it is beginning to step back from that position, as have also the *Washington Post* and other media outlets. Perhaps they are becoming convinced that the game plan being promoted by Washington and its European allies is unlikely to succeed at great cost to the respective economies.

Larry Johnson puts it this way: “I think the purpose of this article coming out now is just to lay the groundwork for why we can’t put or shouldn’t put any more U.S. military personnel or even CIA personnel inside Ukraine because continuing to put U.S. personnel…inside Ukraine to train is becoming too risky because of Russia’s success on the battlefield.” One might also add that it is exceptionally dangerous. A misstep or even a deliberate false flag coming from either side could easily make the war go nuclear.

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TRENDS IN THE MARKETS

DEATH OF THE SYSTEM: UNLIMITED BOND BUYING

By Gregory Mannarino, TradersChoice.net

This week central banks, beginning with the European Central Bank, embark upon yet another round of debt market SUPER-RIGGING. This new round of debt market manipulation, ON AN UNLIMITED SCALE, is to further allow central banks to continue to inflate. Furthermore, to also push off, for now, an immediate lock up of the system.

Just this past Friday it was Bloomberg who first broke the story of the ECB to begin UNLIMITED BOND BUYING, which reads as below.

> ***"The European Central Bank will unveil an unlimited bond-buying tool next week to help markets better adjust to steeper and faster interest-rate increases."***

Look at the wording of the Bloomberg report/statement above. This unlimited bond buying TOOL is being sold as a way to "help the markets better adjust to steeper and faster interest-rate increases." What is being left out of this report is this: **an unlimited bond buying move by the ECB, which will be followed up by the Federal Reserve, IS MASSIVELY INFLATIONARY.**

Moreover, this announcement by the ECB sparked a stock market rally on Wall Street last Friday. Unlimited bond buying is massively stock market positive, as it further artificially suppresses rates therefore fostering a "risk-on" environment—and subsequently cash makes its way back into equities/stocks.

Understand… at its core the global financial system is rapidly becoming illiquid, that is for the current debt-based system to function, debt must unrelentingly be added to the system exponentially.

The literal nanosecond <u>that a single dollar of debt</u> is not added to the system, the system itself dies.

Death of the current financial system will result in a "locking up" of the entire system, and ALL TRANSACTIONS STOP.

Not only do all transactions stop, but people will lose their ability to access any of the cash in their bank accounts, savings accounts, checking accounts, money markets, annuities, stock portfolios, CD's, etc.

Inter-business lending also stops. The result will be pandemonium in the streets. People will then look to the same entities who allowed this to happen, by design, for help—and out of the ashes a new system will be introduced—a system of extreme control.

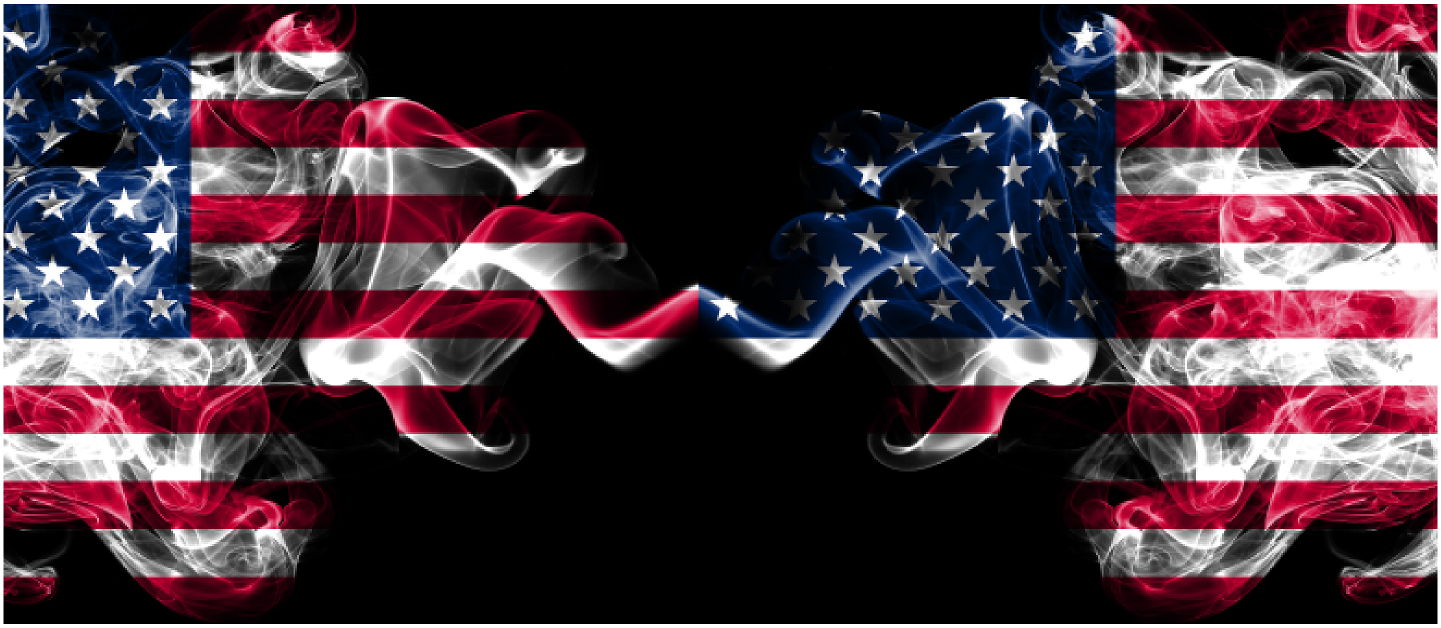
The current debt based economic model is dying by design, and this can be easily seen by simply observing the current action of central banks— and unlimited bond buying is a BIG tell.

There are other ways as well to see that the system is dying.

The Federal Reserve is deeply engaged in a scheme where it moves VAST amounts of debt overnight between institutions. This REPO, or “repurchasing agreement,” moves TRILLIONS of dollars back and forth between institutions in an effort to “trick the system” into thinking that there is more liquidity in the system than there actually is.

The current global financial system is insolvent, and without constantly fueling it with vast amounts of more debt, the current system dies. And it is dying now.

TRENDS IN TECHNOCRACY



By Joe Doran

THE BIG SPLIT: COULD TWO AMERICAS HAPPEN?

One of the more detailed articles arguing against a split of America into two (or more) nations, a March 2022 *Newsweek* piece, posited that doing so would be economically catastrophic.

There is an ever-growing divide between how red states and blue states envision hot button issues like abortion, medical mandates, gun rights, military interventionism, and government power vs citizen freedoms.

But there is also growing fundamental disagreement about the framework of government itself, including the Supreme Court, the Electoral College, the Bill of Rights, the power and role of domestic intelligence agencies and the Federal Reserve and Banking and Financial Institutions, etc.

Especially over the last 20 years, perhaps tracing to the razor thin 2000 Bush - Gore Presidential election controversy, the idea of dividing America into two ideologically and geographically separate nations has been a subject of consideration.

Often divisive moments have sparked an uptick in discussion and debate of the issue. For example, following Donald Trump's election in 2016, a spate of articles in 2017 covered the possibilities of an American "Civil War II."

The COVID War and the marked difference in how some red states like Florida and South Dakota handled it, versus blue states like New York and California, fueled the issue.

Populist dissatisfaction with war money and mongering in Ukraine, while the U.S. border remains a fiction, and the country is sinking into a recession or worse, has created another divide that's not strictly based on party affiliation.

And most recently, Supreme Court decisions on gun rights and abortion have again appeared to demonstrate that Americans have deep, mutually exclusive world views that are rendering a "one-state" solution increasingly disfunctional.

Kurt Schlichter is one of the latest to pen a proposal for a "national divorce," in a piece at Townhall.com.

A recent Gallup Poll shows just how unsatisfied Americans currently are with the institutions and workings of the nation. The poll registered the lowest rates of confidence ever recorded, across a wide spectrum of issues and institutions. (See "AMERICAN CONFIDENCE IN MAJOR U.S. INSTITUTIONS DOWN FROM LAST YEAR" and "NY TIMES TRIES TO REHABILITATE GOVT DISINFORMATION BOARD," 12 Jul 2022.)

No one is happy with where things stand as they are.

Would Two Americas Add Up to a Net Positive?

The *Newsweek* article titled "Civil War 2.0? Why Splitting Up Would Be a $100 Trillion Mistake" used several examples to argue its point.

In doing so, it made assumptions that are either questionable or not a given.

First, the article assumed it would take a war to split the country. And it rightly pointed out that such a war would likely be incredibly costly.

But the fact is, CW2 may ensue if America *doesn't* peaceably divorce its two irreconcilably different factions.

In 2020, a segment of radicalized activists belonging to Antifa and BLM movements and organizations rampaged and caused over 2 billion in damage, while dozens were killed.

The economic devastation caused by ill-conceived COVID lockdown policies has been far greater. Recent findings show that red states, which generally locked down less and opened up sooner—to hyperbolic criticism from the CDC and MSM—have fared better economically as a result. (See "RED STATES FARED BETTER THAN BLUE ONES IN THE COVID ERA," 12 Jul 2022.)

Currently more than 850 Americans are wallowing in Federal prison, most for doing nothing more than trespassing at the Capitol on 6 January 2021. More are being rounded up every day by a dangerously politicized FBI.

Americans are deeply divided on how and even whether its borders should be secured.

Abortion advocates are pointing to the travails of women (though they paradoxically can no longer define what a woman is) who have to face traveling to another state to have one, in the wake of the Supreme Court striking down Roe v. Wade.

In other words, not separating is having tremendous costs, no matter what your perspective.

Given those costs, and the ever widening divide causing a loss in confidence in the country as it is, across the political spectrum, working peaceably through an amicable separation might in fact reduce costs, and boost satisfaction in new entities which better align with citizen views. Such a separation could avert a hot conflict and save the associated human and economic costs.

A second objection of the Newsweek piece is that two Americas would mean two governments, and thus twice the costs:

> *"On a per citizen basis, it's more costly to run two governments than one. Defense spending, which for the U.S. is around $800 billion a year, might well explode. After the split, each side would be sharing a 2,000-mile acrimonious border with a nuclear neighbor—think Russia-Ukraine."*

Leave aside that the piece appears to implicitly make the argument that it would be better for Russia to subsume Ukraine (and perhaps Belarus, the Baltic States, Hungary and Poland, and so on) because it would save on government administration and military security.

It could as easily be argued that an American split would eventually show how the differing choices of government might result in either more or less efficiency and economic prosperity for citizens.

The example here is not Russia and Ukraine, but North and South Korea.

A third objection of the Newsweek article is that detangling and building separate infrastructures of energy industries, goods and services, and so on, would be costly, redundant and highly wasteful.

Again, it's a "centralization" and neo-globalization argument. The current world situation is showing the limits and costs of failed globalization. The idea that countries should cede whole industries and core abilities to produce crucial goods and services to foreign regions, has resulted in huge costs for America.

The short version of the story is that China and more lately Russia, didn't play along with America and the WEF doling out industries and sectors, together with a thinly veiled anti-human elitist green agenda.

Two Americas might mean a good kind of redundancy, as in resilient and self-reliant resurgences of domestic industry that are sorely needed, if citizens are ever to really prosper again.

Gerald Celente often points to China's "dual circulation" policy and focus on economic self-sufficiency as keys to its success. A separation into two more ideologically palatable America's might mean both have to focus again on providing core goods and services, in order to survive.

That would be a plus, not a minus.

There's one more benefit of a "Two Americas" vision that might be of substantial benefit.

The globalist and too often destructive military adventuring that the country has engaged in in the post WWII era right up to the present moment, might finally be abated by an American breakup.

Other regions of the world, notably Europe and Asia, would have to step up and see to more of their own security. That wouldn't be a bad thing.

China and Russia would undoubtedly exercise more influence in their regions. So be it. If they pursued empire and conquest, they would eventually meet the fate that empires do, that George Washington long ago cautioned the American experiment to avoid.

One Nation, Divisible by Radically Different Worldviews

In important respects, the views of “Red State” Americans regarding the role and nature of government, and the nature of humanity itself, is becoming so estranged from views associated with “Blue States,” that the nation has become deeply dysfunctional.

The courts are politicized. The schools. Entertainment. Sports. The battle is on every front. There is no escape.

The two sides can literally no longer agree on what a woman is (or, to be fair, a man).

They not only disagree about the best candidates for office. They can’t agree on how to conduct an election.

Perhaps the escape is to give both sides what they want.

A recent tweet by NY Congress member Alexandria Ocasio Cortez illustrates the depth of the divide.

Cortez complained about the events of 6 January 2021, alleging government workers and officials colluded in an insurrection:

> *“Remember how there was tons of footage and evidence of officers & others inside on 1/6 supporting insurrectionists, but then everyone decided it was too politically risky to investigate thoroughly so they brushed under the rug and now we still have no idea who or what is safe?”*

Millions of Red State Americans remember politicians and police bending a knee to BLM, and standing down in the face of widespread violence, pillage and intimidation throughout the country in 2020.

A June 2020 violent protest at the White House, in which a church across the street was torched, and more than 50 officers were injured, was never characterized as an “insurrection.”

Neither was a protest occupying the Hart Federal building in 2017, which sought to disrupt a Supreme Court confirmation process and intimidate politicians.

When two sides are trying to jail each other, silence each other by canceling them, and even killing each other in the streets…when government is so dysfunctional that it can't or won't enforce its own laws, or overreacts and runs roughshod over said laws to throw political opponents in jail…

…it might be time to separate peacefully, while it's still possible.

There's a rumor this year of an October surprise. Some believe former President Donald Trump will be arrested before the Congressional elections, charged with "insurrection" in connection with the events of January 6.

Hopefully, it's just one of those conspiracy theories.

If not, it may be a monumentally tragic step toward the kind of separation fight that no American should want.

For related reading, see "ARE AMERICANS HEADING TOWARD A SILENT SECESSION?" (4 May 2021).

GREEN ENERGY TYCOONS UPDATE: INVESTIGATING THE "CLIMATE CARTEL"

If nothing else, the Russia - Ukraine conflict has thrown new scrutiny onto a self-serving "green energy agenda" that favors the investments of billionaire interests including Bill Gates, BlackRock and others.

Several shoes dropped this past week regarding the growing awareness that there's a "climate cartel" at work trying to kneecap the traditional energy sector to favor dubious green technologies.

As reported by Breitbart, there was Sen. Tom Cotton (R-AR) on CNBC's "Squawk Box," promising an investigation of the climate cartel:

> *"[W]hat Larry Fink and BlackRock have done, in part through collusion with this Climate Action Partnership, is essentially create a climate cartel. They are trying to suppress investment in the fossil fuel industry in America. And I know you have a lot of CEOs and investors who watch. I would just say this, if you're thinking about joining this climate cartel, you better think again, and you better lawyer up. There's a reason why America's top law firms are already advising their clients to be wary here, because this is contributing to $5 a gallon gas and when Republicans take charge in November, I'm going to make sure that the Congress is investigating these matters."*

Cotton called the calculated strategies undermining the traditional energy sector to benefit with rival technologies a violation of antitrust laws, and a possible criminal violation.

The **Trends Journal** alerted readers to the climate cartel angle of the supposedly disinterested green energy agenda, in "ENERGY INFLATION AND GREEN ENERGY TYCOONS," 17 May 2022.

Cotton pointed out that supposed "green" electric vehicles are no more green than gasoline powered cars. Many electric plants rely on coal to generate their power, the Senator noted.

The impact of mining the materials to produce lithium batteries and other components and infrastructure for electric vehicles also represents huge environmental costs.

A June 2022 CNET article is one of the latest to point out that the carbon superiority of EVs is a muddier issue than many presume. There are factors that really can't be very accurately quantified with EVs, including the impacts of battery production, and even the weather conditions that markedly affect EV efficiency.

Yes the article does end up concluding that EVs are more carbon friendly than gas vehicles. But does 260 grams of carbon emissions per mile vs. 150 grams (with caveats about accuracy) sound like a reason for a rush phase-out of fossil fuels?

Oh, and another huge hole in the calculations: after as little as ten years, that EV lithium battery may need to be replaced. Factor that in, and the carbon benefit of electric vehicles shrinks further.

Disposal time? Components of an EV including that battery require extra resources to dispose of or reclaim, and contain hazardous materials. They pose an environmental negative for EVs, as a *Wired* article detailed in 2021.

Other impracticalities and immaturity of green technologies means quite simply that average human beings—not elites—stand to lose big-time in terms of standard of living, should the green agenda be imposed.

Europe is getting a taste of it right now with the energy crisis, exacerbated by decisions to decommission nuclear power plants, and other green initiatives.

Green technology is in no position to power homes, businesses, or replace needed farm fertilizers, for that matter. There's a reason why Europe is revolting, and the "Climate Cartel" is as much a factor as the Russia - Ukraine conflict, which have only brought the illusions and NGO and green energy tycoon eco-graft manipulations home to roost.

Senator Manchin Pulls Plug On Energy Provisions In Budget Bill

Meanwhile, Democrats hoping for a slice of "green new deal" to sell as a voting accomplishment before November elections, may be running on empty.

According to Fox News, Senator Joe Manchin (D-WV) has said he won't support a budget bill that contains any "green" provisions on energy and climate change.

Democrats planned to approve a comprehensive bill that included funding for supposed “clean energy incentives,” to promote during the midterm elections.

"Political headlines are of no value to the millions of Americans struggling to afford groceries and gas as inflation soars to 9.1 percent," a Manchin spokesperson said in a statement to Fox News.

Pursuit of Money vs Saving Earth: The Climate Cartel

It’s no secret green activists are thrilled at the exorbitant gas prices. Fox News this past week featured a headline about the current Biden Transportation Secretary: “Amid high gas prices, Pete Buttigieg slammed for telling Americans to switch to electric cars.”

They want gas prices higher. It makes alternative green technologies “more competitive.”

But artificially creating fossil fuel scarcity, by effectively banning new refineries, and drilling and tapping available sources, is not competing. Creating vast incentives and subsidies for green tech isn’t competing.

The fact is, much green technology can’t compete with fossil fuel and combustion technology, in terms of price, efficiency and relative simplicity, on anything approaching a level playing field.

Thus green energy advocates point so stridently to carbon footprints and “saving the earth.” The world, they argue, must ban fossil fuels (and natural foods and fertilizers, and so on), not because the alternatives are superior by traditional metrics.

The oceans will rise and the world will broil, goes the argument.

But there are few “cost free” decisions in the real world, as eminent economist and political philosopher Thomas Sowell has long pointed out.

The reality is the inevitable energy squeeze resulting from "green energy" policies is hurting world economies, and increasing hardships among the world's poorest, who can least afford it.

If the interests rigging the energy game were divested and financially uninterested parties, their "saving earth" motives at least might seem sincere.

Unfortunately, that's not the case. Senator Cotton's recent remarks at least show that some policy makers might be ready to pay closer attention to following the Climate Cartel money.

THIS WEEK IN SURVEILLANCE

THE TRIVERGENCE: A BUZZWORD FOR EMPOWERMENT OR ENSLAVEMENT?

Don Tapscott is credited for conceiving the term "Trivergence" in December 2021 to describe the interconnection of three technology drivers of the so-called 4th Industrial Revolution:

- AI and Robotics
- (Permissionless Crypto Powered) Blockchains
- Internet of Things (IoT)

In an article published at CoinTelegraph.com, Tapscott noted how the three technologies were converging to create not just new kinds of products and services, but a new paradigm that would transform society in broader ways.

Tapscott is a long-time technology writer and thinker, and co-founder of the Blockchain Research Institute.

As an example of Trivergence, Tapscott spoke about what's happening with cars:

> *"Autonomous vehicles are a case in point of Trivergence. The car is a thing, it's smart and can learn and, when combined with blockchain, enables a new kind of transportation economy. The nature of blockchain makes it both easy and cost-efficient to create networks that do not require a central point of control, such as a vehicle-to-vehicle information grid."*

Going deep into the example, Tapscott detailed the Mobility Open Blockchain Initiative (MOBI).

MOBI, a nonprofit coalition aims to use Trivergence technologies to reimagine transportation, with goals of making it "more effective," inexpensive, environmentally friendly, safe, less crowded and so on.

Blockchain-based standards to streamline mobility transactions, promotion of secure protocols for vehicle-to-vehicle and vehicle-to-infrastructure communications and payments, are being developed by the group.

According to MOBI, these standards will allow any intelligent device, including cars, traffic sensors, toll bridges, and other forms of mobility infrastructure, to have an identity, interact, and take part independently in business transactions.

If that sounds like technology that will empower people, in some ways it will.

But if it also smacks of a WEF Klaus Shwab "wonderland" where "you will own nothing and be happy," ordering up a vehicle when you require one, letting it take you where you want to go, and leaving it to go on its AI-powered, blockchain and IoT enabled way, to transact with another traveler, well… the transvergence is undoubtedly enabling that kind of future, too.

Of course, someone will still own that vehicle, and profit from it.

Maybe the transvergence has answers for that as well, that might have some attractions.

Blockchains, smart contract technology and DAOs are all fast creating tokenization of assets and fractionalizing of ownership that is innovative, without question.

So it turns out, if you want, you may be able to own a fractional amount of that car that just intelligently drove you from here to there.

But your “ownership” will be on a pure investment level, seeing tokens accrue in your crypto wallet, which contains the NFT (Non-Fungible Token) encapsulating your rights, as the car earns its way autonomously through day and night.

What Tapscott detailed with cars can be extrapolated to any good or service. Homes, creative outputs like a recorded song or digital book or video, or even one’s time and attention.

It’s already happening. Ever hear of the BAT (Basic Attention Token)? By using the Brave web browser and enabling their digital wallet, simply browsing the net can earn tokens.

Much more granular and verifiable than Nielsen Ratings and “click thrus.”

There are analytics and investment firms devoting special attention now to transvergence tech.

Of course, the Trivergence means that enormous amounts of data and information concerning every human activity—and indeed, every change-state of virtually everything, will be more and more comprehensively accounted for, and exploited for efficiency and opportunity by the smart technologies involved.

As Tapscott put it:

> *“Over time, the Trivergence will usher in a next-generation internet where nearly every animate and inanimate object on Earth generates data, a distributed ledger records and secures this data and AI analyzes the data, communicates with the*

objects, alerts their owners and continuously adjusts and improves the efficiency of the economy and the sustainability of its effects on the environment."

Does that sound like new worlds freedom just over the horizon? In some ways the case can be made (see "The Creator Economy" in the Trends In Cryptos section of this issue).

Does it sound like a new world of "transaction everything" and comprehensive data-mining surveillance?

Yes, it sounds like that, too.

For Tapscott's original article, see here. A recent related article by Pavel Kulikov is also worth a look.

And for related reading from the **Trends Journal** archive, check out:

- "SMART CITIES WILL BE DIGITAL PRISONS" (30 Mar 2021)
- "AI SURVEILLANCE BECOMING AN EVERYDAY REALITY" (13 Apr 2021)
- "METAVERSE: THE NEW COLLECTIVE" (14 Dec 2021)
- "AND THE LATEST U.S. INTELLIGENCE 'EMPLOYEE OF MONTH' IS…YOU" (7 Jun 2022)

TRENDS IN CRYPTOS

CONFIDENCE IN CENTRALIZED CRYPTO PLATFORMS HIT IN THE WAKE OF FAILURES

Celsius, a former leading "CeFi" (centralized lending and borrowing) crypto exchange made news this past week for its bankruptcy filing, drawing a spotlight as the latest crypto casualty.

The sharp downturn in the bleeding edge technology sector has exposed a number of projects and ventures that have dealt in negligent or outright corrupt financial practices.

Overleveraging, and undercapitalization are part of the story. Abusing technology in concocting investment returns and asset backing and stabilization are another factor, which helped doom the Luna stablecoin.

But part of the problem is an economic shaking out due to macroeconomic conditions that have severely cut investing on platforms.

Celsius and Voyager were two platforms that focused on attracting investors with the promise of double-digit yields for lending out their crypto deposits.

But even more conservative crypto exchanges have been hit with liquidity problems from reduced investing.

Centralized exchanges including BitPanda, BlockFi, CoinFLEX, and others have signaled problems by limiting withdrawals and/or taking other steps.

Coinbase, one of the most conservative and compliant centralized exchanges, has seen a huge drop-off in activity during the 2022 “crypto winter,” and it's affecting the company’s bottom line.

Robinhood, a stock trading platform that ventured into cryptos, has seen inflows in both sectors of investment significantly impacted.

Dan Dolev, an analyst at Mizuho Equity Research, said Coinbase's average trading volume this month will likely tally around 1.2 billion dollars, down from 7 billion in November 2021.

That’s according to Coindesk.com. The drop-off in volume from about 9 percent of the crypto market, to less than 3 percent currently, likely puts Coinbase out of the top ten centralized exchanges.

Gensler Weighs In

SEC Chair Gary Gensler reacted to the downfall of Celsius and several other crypto platforms, with measured comments saying such platforms might be treated in a similar way to traditional brokerages.

In other words, they might be obligated to similar regulations in the event of failure, though he added that regs would probably need to be tailored based on some unique aspect of cryptos.

“Just as there's difference between asset-backed securities and an equity offering, there may be differences here as well,” Gensler said in an exclusive interview with Yahoo Finance published on 14 July.

Gensler emphasized transparency, saying “The person raising the money and selling you those financial assets ought to not defraud you, ought to give you the information so you can make your decisions.”

Who Owns Your Wallet?

A recent Marketwatch.com story noted that the failures of several centralized lending platforms have “shaken investor faith.”

It seems like a crypto age ago at this point, but Trends In Cryptos featured a story about Celsius and its creative services catering to the “unbanked,” in October of 2021 (“TURNING UP THE UNDERBANKED HEAT WITH CELSIUS”).

The venture and its CEO, Alex Mashinsky, had been prominently featured around that time on the *London Real* podcast.

Our **Trends Journal** article emphasized a key question of centralized exchanges that anyone who ventures into cryptos should understand:

> *“There’s an old (well, as old as cryptos) statement, ‘Not your keys, not your crypto,’ and there are risks when holding crypto on any custodial platform or exchange.”*

Quite simply, no one should ever leave large amounts of their crypto holdings on centralized exchanges, unless they are very confident in the entity involved, and their crypto is being kept on the exchange for a compelling reason.

The most conservative option is to hold crypto in a non-custodial cold storage wallet—ie., an offline wallet where you retain and keepsafe the crypto keys.

Several companies specialize in cold storage hardware devices. Ledger and Trezor are two hardware wallets used by many. Arculus also sports useful features.

ECB REPORT URGES PASSAGE OF "GREEN" CRYPTO REGS

The same EU that just did a u-turn to re-classify nuclear energy as a "green energy" source in the face of an energy crisis, wants to pick green winners and losers in cryptos.

The Markets in Crypto-Assets (MiCA) bill, a comprehensive cryptocurrency regulation, which was hammered out in late June, is being pushed by a new ECB (European Central Bank) report for quick passage by member states.

Among major issues addressed by the legislation include stable coins, which seek parity with currencies like the U.S. dollar or the Euro, and crypto consensus models.

One of the outcomes of the legislation, if approved, would be a bias against "proof-of-work" consensus mechanisms used by some crypto networks including the biggest of them all, Bitcoin.

The law would require businesses to record their energy use and emissions, and address environmental concerns around cryptocurrencies in other ways.

"Proof-of-stake," used by Algorand, Polkadot and Cardano, among other public blockchains, is more favorably treated by the proposed law.

Ethereum, the largest crypto project that innovated with smart contract technology that allowed the network to host software "DApps," was built using a proof-of-work consensus. But the network is on a progressive upgrade path to a proof-of-stake

“Ethereum 2.0” that industry experts say will make the network more scalable and energy efficient.

Other crypto projects, like Solana and Hedera, use unique consensus mechanisms like “proof of history” and “gossip,” which require less computational power and thus less energy, similar to proof-of-stake.

Addressing Stable Coin “Contagion”

The ECB report noted that stablecoins have become a crucial mechanism in DeFi and other crypto trading activities. It referenced Tether as a stablecoin with a major role in those activities:

> *“Tether dominates trading volumes within the crypto-asset ecosystem, and stablecoins provide most of the liquidity for decentralised trading and lending.”*

Stablecoin issuers would be required by MiCA to have sizable reserves and to regularly update their disclosure statements.

The ECB report specifies that because of the potential for contagion, stablecoins pose a particular danger to financial stability.

In the case of Terra LUNA, a decoupling from its U.S. dollar peg in early May precipitated by flaws in its algorithms, caused a crash that exposed a wider group of crypto firms and projects.

Effects of LUNA’s demise are still reverberating.

Stablecoin Strictures A Prelude to EU CBDC

Not surprisingly, the ECB report uses some peculiar reasoning to argue that stablecoins don’t meet “a practical means of payment for the real economy.”

Chiefly, the report argues: “European payment service providers (PSPs) are not very active in stablecoin markets and offer limited stablecoin payment services.”

The report also ties stablecoins to the “slow” Ethereum blockchain network, to argue that they are not suitable, though it admits that “this is changing.”

In fact, major stablecoins like USDT Tether are not only issued on Ethereum.

USDT is issued on Algorand, Avalanche, Bitcoin Cash's Simple Ledger Protocol (SLP), Ethereum, EOS, Liquid Network, Omni, Polygon, Tezos, Tron, Solana and Statemine.

USDC is issued on Ethereum, Algorand, Solana and TRON.

The arguments of the report are pretty plainly framed to suggest that an ECB issued CBDC (Central Bank Digital Currency) is the real answer to the issue of stablecoins.

Notably, the top stablecoins are making efforts to be transparent about their backing reserves in the wake of the LUNA debacle.

Circle Internet Financial, a major firm behind USDC, reported at the end of June that it held 13.6 billion in cash and 42.1 billion in U.S. Treasury bonds, which together more than covered the current 55 billion value of total USDC tokens.

“While U.S. policymakers work to enact federal regulations for stablecoins, Circle continues to increase our transparency based on new industry innovations and what USDC holders within our ecosystem would like to see,” Chief Financial Officer Jeremy Fox-Geen said regarding the disclosure.

The full ECB report can be read here.

ALGORAND MAKES CASE FOR "PRIVATE - PUBLIC" CBDC MODEL

For the second year in a row, Algorand, a permissionless "3rd generation" blockchain, is issuing a report detailing how central banks can utilize its technology to create CBDCs (Central Bank Digital Currencies).

The new 2022 report argues that Central Banks need CBDCs in order to participate in the opportunities provided by the digital economy, to maintain their monetary sovereignty, and modernize the payment system of their countries.

The new 2022 report notes four key trends that are coming to define the digital age. They include:

- A growing digital economy
- Asset tokenization as a new business model
- A growing demand for alternative forms of money; and
- The emergence of decentralized finance as a new financial system

These trends challenge one of the primary objectives of a Central Bank, and one very much in chaos at the moment: ensuring price stability.

Six Necessary Aspects of a CBDC

The white paper also identifies a number of features that creation of a CBDC must take into account.

CBDCs have to have to be trusted to prevent manipulation. Decentralized blockchains excel in this regard. As the paper notes, "By contrast, entries on centralized ledgers can be manipulated if the ledger's database is hacked or otherwise compromised."

Bitcoin, the original blockchain crypto, has never had its ledger compromised.

Scalability, including the ability to process thousands of transactions per second, is another must.

Algo's vision of governments partnering with "private company" blockchains to CBDCs, may be a path that some governments choose.

At a recent G20 meeting in Indonesia, some Central Bank representatives actually acknowledged that privately issued digital currencies could have advantages compared with Central Banks trying to create and maintain CBDCs.

As reported by Reuters, Phillip Lowe of Australia's Central Bank said:

> *"I tend to think that the private solution is going to be better—if we can get the regulatory arrangements right—because the private sector is better than the central bank at innovating and designing features for these tokens."*

He added a regulatory caution:

> *"If these tokens are going to be used widely by the community, they are going to need to be backed by the state, or regulated just as we regulate bank deposits."*

Will Any CBDC Offer Citizens True Ownership and Privacy?

One area mentioned by the report is a sticking point that many privacy advocates say make CBDCs a poison pill that will inevitably allow governments to wield digital money as a tool of surveillance and political control.

The Algorand white paper answers the issue of privacy this way:

> *"As such, it is paramount, particularly in the context of retail CBDCs, to balance this right carefully with the regulatory need to ensure transactions are KYC/AML (Know Your Customer) compliant. This requires a layered approach to privacy with adjustable limits for fully private, partially private, and fully transparent transactions. Importantly, central banks must have full control over the*

thresholds between the different layers of privacy and be able to change these as necessary."

The report clearly indicates that Central Banks will have more or less complete control, via an ability to "change" layers of privacy "as necessary."

It goes so far as to say that the privacy features of cryptos like Bitcoin represent a "flaw":

> *"Algorand provides a flexible framework that allows governments and central banks to specify their own tiers of privacy and delegate, as needed, identity to authorized Identity Providers in their system using a combination of built-in features and powerful Layer-1 smart contracts. This layered approach to privacy is both practical and in stark contrast to the approach most private crypto assets have chosen, where there is no native notion of privacy. These blockchains instead rely on pseudonymous addresses as a means of protecting user privacy, but this approach to privacy is in direct conflict with existing know your customer and anti-money laundering requirements."*

The commandeering of digital payments infrastructure to crush political dissent is also in conflict with long established democratic rights of citizens in free nations.

And the ability of government to granularly track money and payments of citizens, which CBDCs will facilitate, is also virtually unprecedented.

The shutdown of digital accounts and fundraising efforts of the Canadian Truckers Convoy protest against vaccine mandates in early 2022 was a blueprint for how governments are now leveraging people's reliance on digital payment systems to crush unwanted dissent.

Meanwhile, China's digital yuan CBDC has been criticized as not only a currency, but a mechanism of enforcement of its political "social credit" system, which can punish and disenfranchise people who engage in verboten political and other activities.

The Algorand report made no mention of these thorny issues.

For further reading, see:

- “ACLU CALLS FOR A RETAIL DIGITAL CASH THAT FUNCTIONS LIKE PHYSICAL CASH” (7 Jun 2022)
- “A PERVERSION OF CRYPTOCURRENCY” (12 Oct 2021)
- “DIGGING INTO THE FED’S LONG AWAITED REPORT ON A U.S. CBDC” (25 Jan 2022)

BLOCKCHAIN BATTLES

WEB3 AND THE “CREATOR ECONOMY”

Cryptos came for financials first. And despite the current drastic downturn, the technology will continue to transform finance in fundamental ways.

But the “crypto mindset” is empowering a generation of creatives as well as the cypher punks who originally coded and participated in the underground ecosystems that bubbled up into the mainstream, in 2017, and definitively, in 2021.

That history is detailed in an excellent new article at Cointelegraph, “The creator economy: How we arrived there and why we need its Web3 upgrade.”

Author Julie Plavnik says several key factors will drive Web3, all precipitated by technological innovation based on a crypto mindset:

- *Eliminating intermediary platforms between creators and their fans.*
- *Creator’s owning 100 percent of their data, brand and work.*
- *Transparency of business processes and money-making.*
- *Stimulating authentic creativity instead of ad-driven content production.*

Understanding how crypto networks can dispense with intermediary players, is hard for many to grasp. But it's a key aspect of why the technology is so empowering for participants, as well as how it creates economic efficiencies.

Despite the current climate, investment is still pouring into the sector. For example, this past week, Multicoin Capital announced a 430 million dollar "Venture Fund III."

Its focus is on the creator economy, DAOs (Decentralized Autonomous Organizations) and consumer-facing goods.

The full "Creator Economy" article can be read here.

ETHEREUM UPGRADE TO PROOF OF STAKE HAS A DATE

The 19th of September, 2022.

That's the working date for the much anticipated "Ethereum 2.0" major upgrade, which will move the blockchain network from a proof-of-work consensus method, to proof-of-stake.

The announcement of a date sent Ethereum to a double-digit surge over the weekend.

The change is expected to bring energy and transaction scalability improvements that could give a boost not only to the first crypto network that employed "Smart Contract" technology, but the crypto sector in general.

According to some estimates, the current limit of about 15 transactions per second on the network will scale to thousands (theoretically, up to 100 thousand per second).

Transaction costs, which have been high on Ethereum compared to some competitors, will be reduced.

Staking on Ethereum—locking up a certain amount of tokens, which must be done for the right to validate transactions and earn rewards—could bring 10 to 15 percent annual returns following the upgrade, CoinDesk reported.

Security enhancements will also entail.

Ethereum has been undertaking incremental upgrades on the way to the “2.0” goal, including several last year.

“I do believe that we will see a positive reaction in the markets post-merge later this year,” said crypto influencer Hashoshi in a recent episode of his podcast “Crypto Over Coffee,” *Time* reported in June about the upgrade.

Hashoshi added:

“The positive momentum will be for those projects that are building on top of Ethereum such as Polygon, Arbitrum … among many others.”

Blockchains which compete very directly with Ethereum, such as Solana and Polkadot, might face new pressure by the event, Hashoshi said.

BLOCKCHAIN USE WILL GROW TEN-FOLD BY 2028, SAYS RESEARCH FIRM

The Global Blockchain Market will be worth almost 120 billion by 2028, compared to 4.56 billion in 2021.

That’s according to an analysis by ResearchandMarkets.com.

Titled “Global Blockchain Market, By Component, By Type, By Application, & By Region - Forecast and Analysis 2022 - 2028,” the report said growth will result from several factors, including widespread use of blockchain payment solutions, digital identities, and the utility of Smart Contract technology.

The report noted that blockchain technology is being increasingly implemented in sectors including Banking and Financial Services, healthcare, media and entertainment and others.

According to the report:

> *"Over the forecast period, market growth is also expected to be driven by increased strategic initiatives in the decentralized financial domain. For example, Square, a payment company, said in July 2021 that it is developing a DeFi business using bitcoin. Thus, such activities are likely to aid the industry growth during the forecast period…"*

The analysis by ResearchandMarkets.com emphasized that a regulatory framework conducive to cryptocurrency based blockchain innovations would figure significantly into wider adoption. It said lack of clarity represented a restraint on the growth potential:

> *"An uncertain regulatory and compliance environment is one of the major factors that hinder market growth. Some governments have outlawed the use of initial coin offerings (ICOs). One of the most difficult aspects of modernizing transaction systems is regulatory acceptance; which is hindering market growth. With the rapid advancement of technology, regulatory agencies must evaluate what gaps exist in current regulations and how they affect total technological applications."*

The full report is only available for purchase to entities seeking business intelligence, though a summary assessment was given via press release.

WORLD LEADERS IN CRYPTO? U.S AND GERMANY

Major investments by mainstream financial institutions and conducive regulatory environments are helping Germany and the U.S. lead in crypto use and adoption in the 2nd quarter of 2022.

That's according to analytics company Coincub, as reported by Cointelegraph.com.

Germany's tax law, which nixes capital gains on cryptos like Bitcoin and Ethereum as long as they're held for longer than a year, has made crypto investment more attractive.

The U.S. moved up from third to share the top rank. Coincub said that president Joe Biden's executive order on Ensuring Responsible Development of Digital Assets, issued in March 2022, provided a positive signal to institutional investors.

Switzerland and Singapore ranked 3rd and 4th on Coincub's list, and Australia followed.

The analytic rankings include quantitative information, such as crypto trading or mining numbers, and qualitative information, including government regulations, and institutional attitudes toward the sector.

TRENDS IN THE COVID WAR

SELLING FEAR: NEW COVID-19 VARIANT WILL GET YOU!

The BA.5 Omicron subvariant is sweeping through the U.S. as infections reach more than 100,000 per day—and could be as high as 600,000 according to the Centers for Disease Control and Production.

And while the media and the CDC are selling “fear” and “cases,” as of 13 July, the seven-day death rate in the U.S. is 433 per day compared to 432 seven day average death rate in 13 July 2021.

The variant is considered the most transmissible ever and evades the Operation Warp Speed jab sold to the public by Pfizer and governments across the globe that had a 96 percent efficacy rate. Studies now show those vaccinated are re-infected a month after getting the variant.

Yet, despite the low efficacy rate of the COVID Jab, the CDC said the most effective way an individual over 50 can stay out of the hospital is to have received their second booster shot.

The agency said only about 28 percent of those who took their first booster have received their second. *The Wall Street Journal*, citing CDC data, said about 34 percent of those 65 and older have had their second booster jab.

TRENDPOST: *The **Trends Journal** has long reported on how the COVID-19 vaccines, which were praised as medical marvels when first introduced to the public, have, unfortunately for the world, failed to live up to the hype.*

The Lancet reported in February 2021 that the mRNA-based Pfizer and Moderna vaccines were up to 95 percent effective in preventing symptomatic COVID infection. Those considered "fully vaxxed" were considered 20 times less likely than the control group in trials to come down with infection.

Brianne Barker, a virologist at Drew University in New Jersey, told LiveScience at the time that the vaccine is "one of the most effective vaccines that we have."

All viruses mutate and "breakthrough cases" are no longer worth mentioning.

The BA.5 subvariant is considered to be "hyper contagious," and is four times more resistant to mRNA vaccines, according to a new study published in Nature.

"Let me make a clear, clear point here that's a little tough to hear: Whether you've been vaccinated, whether you've been previously infected, whether you've been previously infected and vaccinated, you have very little protection against BA.5 in terms of getting infected or having mild to moderate infection. You have good protection against dying, being hospitalized or ending up on a ventilator," Dr. Gregory Poland, head of Mayo Clinic's Vaccine Research Group, said.

Poland said he recommends wearing a KN-94 or N95 mask when indoors or outside in crowded areas.

Vax Don't Protect?

Dr. Anthony Fauci, the White House chief medical adviser who has been fully vaxxed and double boosted and still got the virus twice in one month, said in an interview on Fox last Tuesday that the virus has a "high degree of transmissibility" and vaccines "don't protect overly well, as it were, against infection."

While the CDC said Saturday that there are more than 16,600 people hospitalized with COVID and about 5,000 people are being admitted each day, the number is tiny when compared to being 160,000 hospitalized at the peak of the Omicron surge.

NATURAL IMMUNITY CLEARLY BETTER, SAYS DATA FROM COVID GENE THERAPY CAPITOL OF THE WORLD

Some call them vaccines.

The controversial mRNA and DNA COVID technologies that have been routinely likened to traditional vaccines despite radical differences, have been conclusively shown inferior to natural immunity in Qatar.

Why is that so significant?

Because that Middle Eastern country has had one of the highest rates of uptake of COVID vaccines of any nation on earth.

Two studies, published respectively at medRXiv, the preprint server for Health Sciences, and in *The New England Journal of Medicine*, tell the story. Taken together, they show:

1. Natural immunity provides indefinite protection to serious COVID reinfection outcomes; and

2. COVID experimental “vaccines” and boosters provided only temporary protection which has waned in efficacy with new variants;

The medRXiv posted study specifically found that although natural immunity waned in effectiveness at warding off subsequent COVID infections, it conferred virtually unchanged 90+ percent protection against serious effects of reinfection by any variant.

The study’s conclusion noted:

> *“Protection of natural infection against reinfection wanes and may diminish within a few years. Viral immune evasion accelerates this waning. Protection against severe reinfection remains very strong, with no evidence for waning, irrespective of variant, for over 14 months after primary infection.”*

The study at medRXiv looked at the duration of protection afforded by natural infection in Qatar, from a period between February 28, 2020 and June 5, 2022.

The study notably considered data from the Qatari National digital-health information platform, which covers the country’s entire population. Though it has not yet been peer reviewed, it aligns with what many medical experts have been saying about natural immunity.

In the U.S., even CDC professionals have been more vocal of late in decrying that agency’s willful suppression of the benefits of natural immunity against serious COVID outcomes.

Last week a *New York Post* article detailed the frustration scientists at both the CDC and FDA are voicing: concern over those agencies' refusal to follow the actual science over important matters including natural immunity, lack of data to back giving COVID vaccines to young children, and ineffectiveness of masking children to prevent COVID spread.

The COVID Gene Therapy Fade

Meanwhile, a study published in NEJM and dated from December 2021, looked at vaccinations that occurred from January to September of that year.

According to the study's abstract, effectiveness of the Pfizer vaccine in preventing serious COVID outcomes peaked within six weeks of administering, and waned steadily from that point:

> *It increased to 36.8% (95% confidence interval [CI], 33.2 to 40.2) in the third week after the first dose and reached its peak at 77.5% (95% CI, 76.4 to 78.6) in the first month after the second dose. Effectiveness declined gradually thereafter, with the decline accelerating after the fourth month to reach approximately 20% in months 5 through 7 after the second dose. Effectiveness against symptomatic infection was higher than effectiveness against asymptomatic infection but waned similarly. Variant-specific effectiveness waned in the same pattern.*

Effectiveness never surpassed about 77 percent.

The study concluded:

> *"[Pfizer vaccine]-induced protection against SARS-CoV-2 infection appeared to wane rapidly following its peak after the second dose, but protection against hospitalization and death persisted at a robust level for 6 months after the second dose."*

The **Trends Journal** has been pointing to the evidence indicating the benefits of allowing natural immunity and herd immunity to protect the bulk of populations practically since COVID appeared on the world stage. See for instance:

- "CORONAVIRUS: THE SWEDEN SUCCESS STORY CONTINUES" (5 May 2020)
- "DON'T LOCK DOWN, DOCS DEMAND" (20 Oct 2020)
- "ANTHONY FAUCI'S UNSCIENTIFIC MANIFESTO" (10 Aug 2021)

- "SOUTH AMERICA: JAB OR NATURAL IMMUNITY SLOWING COVID SURGE" (21 Sep 2021)
- "NO GOOD REASON FOR VAXXING KIDS" (14 Dec 2021)

COVID HURTING WOMEN, PERIOD!

It's old news to **Trends Journal** subscribers and those who follow Dr. Joseph Mercola and RFJ, Jr, but now that the information has hit the mainstream media, it is no longer a conspiracy theory... it's "official." About half of the women who took part in a recent study published Friday in the journal *Science Advances* reported heavier-than-normal periods after they received the COVID-19 vaccine.

The study was conducted by researchers at the University of Illinois at Urbana-Champaign and Washington University School of Medicine in St. Louis. They analyzed data from about 40,000 women and transwomen and found 44 percent of the respondents reported heavier bleeding after taking the jab, *The New York Times* reported. About 44 percent said they did not experience a change and 14 percent reported lighter periods, the report said.

The researchers said women should not be concerned and that the data hopes to dispel misinformation about the vaccine's impact on reproductive health.

TRENDPOST: *The* ***Trends Journal*** *has reported on studies that have shown the vaccine's deleterious effects on the body. (See "COVID-19 VACCINES: TRACKING ADVERSE HEALTH EFFECTS" (Jan 2021), "CONFLICTING ADVICE, MORE REVERSALS" (Feb 2021), "VACCINE MISCARRIAGES DRAW SCRUTINY" (Mar 2021), "COVID VACCINE SKEWS MAMMOGRAMS" (Feb 2021) and "ISRAELI STUDY: GET THE COVID JAB, GET CARDIAC" (June 2022).*

Social media users voiced outrage after the study was released and asked why women were not informed that their menstrual cycles could change—even temporarily. UC Davis issued a press release in January 2021 that dispelled any suggestion that the vaccine could impact periods.

“While many women have noted changes in their menstrual cycle after receiving the COVID vaccine, there is no evidence that the COVID-19 vaccine has any direct effect on menstruation,” the statement said. “However, a woman’s ovulation and menstrual cycle can be affected by stress. Stress may be the reason for any effect on menstruation. We do not believe there is any physiologic reason why the vaccine itself would affect a woman’s menstrual cycle.”

According to the CDC’s own Vaccine Adverse Event Reporting system database (VAERS), the number of COVID vaccine deaths and serious adverse events and injuries surpasses all previous vaccines in the history of vaccinations combined.

Previously, if any vaccine released to the public resulted in even a fraction of the deaths and serious injuries that the COVID vaccines have caused, those vaccines were pulled, as was the case in the 1970’s with a swine flu vaccine. In that case, the swine flu vaccine program was discontinued after barely a hundred reported deaths.

The CDC released information about fourth doses for people considered to be immunocompromised over 12 years old. Out of 4,015 doses from January to March 2022, local injection site reactions were reported by 1,605 individuals. The most frequently reported adverse reactions after the fourth jab of either vaccine were injection site pain, fatigue, headache, and myalgia, the report said.

“In the week after dose 4 vaccination, 24.7 percent of Moderna vaccine recipients and 21.7 percent of Pfizer-BioNTech vaccine recipients reported they were unable to complete their daily activities, and approximately 9 percent of registrants reported they were unable to attend work or school,” the CDC said. Fewer than 2 percent of registrants reported receipt of medical care.

VAERS received 421 reports from persons who received a fourth dose. About 72 percent of these cases were female and most were “non serious events.” One nonserious, preliminary report of myocarditis remains under review, the report said.

There were 17 reports of serious adverse events. One report of death was received from a manufacturer regarding a patient with pulmonary fibrosis who developed respiratory failure; at the time of publication, no further information was available, and follow-up continues, the website said.

TRENDS FORECAST: *Now that Dr. Anthony Fauci came out and admitted that the vaccines are far less effective against COVID-19 transmission due to mutations, you would think that vaccine mandates would disappear as quickly as a booster’s efficacy.*

But that has not happened. The Biden administration still wants to enforce vaccine mandates in the military and is fighting tooth and nail to require all federal employees to be vaxxed. (The case is playing out in a federal appeal court in New Orleans.)

Just before Halloween, the CDC will announce that Pfizer and Moderna came up with a vaccine tailored for the BA. 5 variant and others to follow. Other countries are already monitoring a BA.2.75 variant that has been nicknamed “Centaurus.”

The initial vaccine was rushed out in 2020 under Operation Warp Speed, so health officials continue to study the impact of these jabs on the general population, because they don’t know the short-term or long-term side effects of these experimental gene therapy jabs... the first of the kind ever injected into a human body.

TRENDS IN GEOPOLITICS

D.C. GANG: WE LOVE WAR AND WE LOVE WAR MACHINE

With America's outdated infrastructure rotting, as homeless fill the streets, as the plantation workers of Slavelandia can't make ends meet, live paycheck-to-paycheck and are getting bashed by inflation, their "Representatives" voted in mass to further enrich their masters of war.

The House of Representatives voted on Thursday in favor of an $850.3 billion national security budget that members say will help the U.S. respond to continued threats and surging inflation.

The Senate will take a vote on its own National Defense Authorization Act and the two bodies will eventually hash out a bill that can be sent to President Joe Biden's desk for his signature. It should be noted that the Senate's bill costs $8.2 billion more than the House's.

The House voted 329-101 in favor of the bill, which includes $100 million to provide training to Ukrainian pilots and ground crews on how to work with American aircraft, *Air Force* magazine reported. The report said the Biden administration has thus far refused Ukrainian requests for F-16s.

The bill calls for another $1 billion to arm Ukraine. The U.S. has already sent Ukraine $54 billion in military, economic, and humanitarian aid. The Pentagon has sent the country an additional $7 billion worth of weapons from its own stockpile.

Rep. Adam Smith, D-Wash., issued a press release after the vote praising his colleagues for their "thoughtful contributions" and support of the bill.

"There's a lot to be proud of in this bill, and the stakes for our country's national security could not be higher," he wrote.

The **Trends Journal** has reported for years how the U.S. spends more money on its military than the next nine nations, many of whom are allies. (See "MILITARY SPENDING INCREASES AS ECONOMIES DECLINE," "BUILDING UP THE MILITARY AS THE PEOPLE GO BROKE" and "WARMONGERS INC: WHILE 61 PERCENT OF AMERICANS LIVE PAYCHECK TO PAYCHECK, CONGRESS SENDS $13.6 BILLION FOR UKRAINE WAR.")

The House passed the bill in a 329-101 vote. The "no" votes included 62 Republicans and 39 Democrats. The bill calls for 13 new battle force ships, which is five more than the Navy requested. *USNI News* reported that the bill also authorizes the purchase of 64 F-35 Lightning II Joint Strike Fighters for the Air Force, Marines, and Navy. It also calls for eight additional Boeing F/A-18E/F Super Hornets. About $45 million will be earmarked for a new, nuclear-capable cruise missile that is capable of being launched from submarines or ships.

Politico said there were some disagreements between the body and Biden about what projects deserve priority. The bill, as it stands, would prevent Biden from sending Turkey new F-16s unless the administration can prove that the transfers are in the U.S.'s national interest, *The Wall Street Journal* reported.

Reps. Ted Lieu and Ro Khanna, both California Democrats, forced a Saudi amendment that calls on a probe into the arms that the U.S. provided Riyadh during its conflict with Yemen.

AntiWar.com, citing Amnesty International, reported that the Saudi coalition used a U.S.-made precision-guided missile to strike a migrant detention center earlier this year that resulted in 91 deaths.

TRENDPOST: *Rep. Andy Biggs, R-Ariz., took to Twitter after the vote and listed three key reasons he voted against the massive bill. He said it spends "$850 billion" that the U.S. does not have, "prioritizes radical 'woke ideology' over combat readiness," and "terminates service members for not getting the COVID-19 jab."*

The bill does not mention Biden's current COVID-19 vaccine mandate and does not address the border crisis with Mexico, the House Freedom Caucus said.

"This bill does nothing to end Biden's vaccine mandate, which is an intentional purge of thousands of our best and bravest troops. As the NDAA refuses to protect our troops from Biden's vaxx mandate, it also further entrenches our nation in unwise foreign policy blunders," Rep. Dan Bishop, R-N.C., tweeted.

"The bill allocates an additional $1 billion to Ukraine with no accountability measures and offers Congressional support for permanently stationing troops in Poland," he said. "With inflation skyrocketing to 9.1% at home, and ICE quite literally running out of money to defend our southern border, we should not be spending additional taxpayer money to further involve ourselves with foreign misadventures."

TREND FORECAST: *The more the U.S. and its NATO allies ramp up their war with Russia, as we have reported, so too are the military budgets. The* ***Trends Journal*** *has reported for years how the U.S. spends more money on its military than the next nine nations, many of whom are allies. (See "MILITARY SPENDING INCREASES AS ECONOMIES DECLINE," "BUILDING UP THE MILITARY AS THE PEOPLE GO BROKE" and "WARMONGERS INC: WHILE 61 PERCENT OF AMERICANS LIVE PAYCHECK TO PAYCHECK, CONGRESS SENDS $13.6 BILLION FOR UKRAINE WAR.")*

U.S. RAMPING UP CONFRONTATION WITH CHINA

Ask any American what a Tonga and Kiribati are and they would probably guess two rookie baseball players.

Or, if they think it's a country, ask them to find it on the map.

But for the servants owned U.S. military industrial complex running Washington DC, it's important for America to have a presence 6,500 miles from its homeland.

The U.S. admitted last week that it has not paid enough attention to Oceania countries in the past decade, and is now looking to buy some new friends in hopes to counter China, which has been making inroads in the region.

Washington announced last Wednesday that it plans to open two new embassies there, one in Tonga and the other in Kiribati, to show its renewed commitment.

Vice President Kamala Harris addressed the Pacific Island Forum (PIF) in a video conference and said the U.S. did not always pay enough attention to these countries, which span the Eastern and Western hemispheres. But she promised that the U.S. plans to change that and will "significantly deepen our presence in the Pacific region."

Part of the new attention—you guessed it!—will come in the form of cold-hard cash. The U.S. aims to provide about $60 million in aid each year over the next decade, which Al Jazeera noted will triple the current assistance to the region. The money is intended to combat illegal fishing (by the Chinese), enhance maritime security, and deal with climate change.

"Pacific island nations are on the front lines of the climate and ocean crises," Monica Medina, the assistant Secretary of State, said, according to the *Financial Times.*

The BBC pointed out that China, not to be outdone, was hosting a separate "political dialogue" with these Pacific Island countries. These countries included Tonga, Niue, Vanuatu, Papua New Guinea, Micronesia, and Kiribati, the report said.

Kiribati has been inching closer to China since 2019, when it cut diplomatic ties with Taiwan. There have been disputes between Kiribati and other countries over a vote in 2021 that gave Henry Puna, the former prime minister of the Cook Islands, the top post of the PIF.

Japan Today said Puna's selection violated a "gentleman's agreement" that it was Micronesia's turn to represent the top post. Kiribati did not attend the meeting.

The decision raised further concerns that Kiribati is getting closer to China.

"I know they are cooking something with China," Anote Tong, the former Kiribati president, said in an interview with RNZ.co.nz*.*

Biden told workers at the Pentagon in February 2021, less than a month in office, that the U.S. will "meet the China challenge" by taking a "whole-of-government effort, bipartisan cooperation in Congress, and strong alliances and partnerships."

The **Trends Journal** has noted that the relationship between China and its neighbors has been strained in the past few years, and Beijing blames much of the tension on the U.S. The U.S. is part of the AUKUS agreement that will deliver nuclear-powered submarines to Australia. South Korea and Japan were also part of NATO discussions in Madrid earlier this month, which illustrates the budding relationship that has been criticized as adversarial by China.

Australia has raised concerns about Beijing's new security agreement with the Solomon Islands. (See "AUSTRALIA LOOKS TO QUANTUM SCIENCE TO COUNTER CHINA" and "U.S. LAUNCHES COLD WAR 2.0: CHINA LAMBASTS 'COLD-WAR MENTALITY.'")

Australia announced in March that it will spend about 30 percent more on its military over the next two decades—its largest boost in spending since the Vietnam War. Canberra will use some of its new personnel to operate the nuclear-powered submarines it will receive under the AUKUS partnership.

Manasseh Sogavare, the prime minister of Solomon Islands, has tried to assure Canberra that the agreement with China is purely economical and there will never be a Chinese military base on the island. He said Australia is the “security partner of choice” for the island.

“Let me assure you all again, there is no military base, nor any other military facility, or institutions in the agreement,” he told *The Guardian* last week. “And I think that's a very important point that we continue to reiterate to the family in the region.”

The U.S. announced earlier this year that it will reopen its embassy in the Solomon Islands, which was closed in 1993.

TRENDPOST: *Part of the reason these countries are more dependent on larger countries like the U.S. and China to come to their aid is due to their dire financial crises due to COVID-19 lockdowns.*

Tong told the New Zealand outlet that the Kiribati government is under serious financial stress and the "escalating budget which is not sustainable."

Tonga's economy is also facing problems after COVID-19 and border restrictions. The island was also devastated by the Hunga volcano eruption and tsunami earlier this year. The country's finance minister warned that its economy will continue to shrink to levels not seen.

Tessie Lambourne, Kiribati's opposition leader, told the Guardian that she was "*shocked and extremely disappointed" by the decision not to attend the conference.*

"I'm embarrassed because what we are saying is that we are not in the fold … we are outside," she said. "And why are we outside? I think it's us who keep ourselves out … because we are not engaged or engaging."

*The **Trends Journal** has long reported that Biden sees China as the biggest threat to the U.S. dominance in the world. (See “SPOTLIGHT CHINA: EAST VS. WEST,” “BIDEN RAMPS UP PRESSURE ON CHINA,” “U.S. LAUNCHES COLD WAR 2.0: CHINA LAMBASTS ‘COLD-WAR MENTALITY’” and “CHINA TASK FOCE: U.S. APPROACH TO BEIJING.”)*

U.S. DRONE MURDERS: GOD BLESS AMERICA?

The United States launched a successful drone strike in Syria against an individual Washington has identified as one of ISIS's top leaders.

President Joe Biden praised the killing and said it was “a powerful message to all terrorists who threaten our homeland and our interests around the world.”

***TRENDPOST:** The **Trends Journal** is completely opposed to Russia’s invasion of Ukraine, but it is remarkable how the U.S. can conduct drone strikes in sovereign countries based on allegations someone is a terror leader. What if Syria wanted to kill someone in the U.S. and did so with a drone strike... while occupying parts of the nation?*

No court, no jury, no explanation to the public…just an armed MQ-9 Reaper buzzing over Syria, likely being controlled from a stateside U.S. base.

When Russian President Vladimir Putin claims that he is looking to “denazify” Ukraine, the media calls the comment blatant Russian propaganda. But when the U.S. labels *someone a terrorist, there are never questions, and the killings are often celebrated as though the raids are sporting events.*

Who Blew Up?

Maher al-Agal, who was located in the Syrian town of Jindayris at the time of the strike, was considered to be the top leader of ISIS in the country, *The Wall Street Journal* reported. The senior official in a terror group, the U.S. said.

"[Al-Agal's] death in Syria takes a key terrorist off the field and significantly degrades the ability of ISIS to plan, resource, and conduct their operations in the region," Biden told reporters. The U.S. military said there were no civilian casualties.

The Associated Press noted in its story that the U.S.'s claim was not possible to immediately confirm.

U.S. Central Command said in a statement that al-Agal was responsible for developing ISIS networks outside of Iraq and Syria.

U.S. troops have been in Syria since 2015 with the mandate to assist local forces in the fight against ISIS. The report said there are about 900 troops still in the country. There have been instances that the Pentagon has been in communication with Israel before strikes so there is no confusion in the campaign against ISIS fighters in the country.

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.

We reported in February about another U.S. night operation in the country targeting a suspected terrorist in Syria's Idlib province that resulted in the death of a U.S. terror target and 12 others, including six children. (See "PRESIDENT BIDEN ON WAR PATH: WOMEN CHILDREN KILLED IN SYRIA.")

Abu Ibrahim al-Hashimi al-Qurayshi, the target of that raid, took over ISIS after Abu Bakr al-Baghdadi was killed by U.S. forces. He had been tasked with leading the group's "remnants as they regrouped following the downfall of their caliphate and shifted underground to wage an insurgency in Iraq and Syria," according to NPR at the time.

Biden said al-Qurayshi, who was killed about nine miles from al-Baghdadi, blew himself up on the third floor of the home and killed his own family members. The raid lasted for two hours and had been in the works for months.

Syria on the Brink?

The situation in Syria is tenuous with several countries committed militarily there, including Iran, Russia, the U.S., and Israel. The U.S. has been trying to dissuade Turkey from launching new attacks against the People's Protection Units (YPG), which has support from the U.S.

Dana Stroul, the Pentagon's top Middle East policy official said Wednesday, that ISIS would stand to benefit from such a destabilizing campaign, Al-Monitor reported.

"There are currently more than 10,000 ISIS fighters currently held in makeshift detention facilities across northeast Syria," Stroul said in Washington, at an event hosted by the Middle East Institute. "These facilities are overpopulated, insecure and guarded by our partner force, the SDF, [which is] under significant pressure from multiple armed adversaries, a deteriorating economy inflamed by historic drought and a potential Turkish operation in northern Syria," Stroul explained.

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.

SPANISH FARMERS JOIN THE RALLY

Spanish farmers took part in protests last week in support of their Dutch peers who claim to face poverty if the Netherlands enforces its green climate agenda that targets agriculture.

These farmers have protested in solidarity with farmers in the Netherlands who have been protesting government plans to cut harmful emissions by 2030 that they say will essentially eliminate any chance that they have of making a living.

At issue are the projected effects of climate legislation which by 2030 would force Dutch firms to cut national nitrogen emissions by 50 percent and by up to 95 percent in certain areas. Cows and fertilizers have both been targeted as main sources of emissions being effectively outlawed.

"The honest message ... is that not all farmers can continue their business," the government said. And those who don't want to sell the farm will have to approach their jobs differently.

The Dutch protests have been seen as a rallying cry for farmers around the world who imagine their governments imposing similar restrictions on them. Protests have taken place in Poland, Italy, Germany, Canada, Argentina, and Switzerland. Some of the protesters have also lashed out at soaring energy prices.

"We are not slaves, we are farmers," said Italian farmers, who blocked traffic in Milan, ZeroHedge.com reported.

Dutch farmers announced that 23 July will be the Day of International Demonstrations to protest these policies. (See "FARMERS ACROSS EUROPE FIGHT AGAINST GREEN REGULATIONS THAT THREATEN LIVELIHOODS.")

Ralph Schoellhammer, an assistant professor in economics and political science at Webster University, Vienna, wrote in *Newsweek* that the Netherlands, a country of just about 17 million residents, is the world's second-largest agricultural exporter after the U.S.

"Given global food shortages and rising prices, the role of Dutch farmers in the global food chain has never been more important," he wrote. "But if you thought the Dutch government was going to take that into account and ensure that people can put food on the table, you would be wrong; when offered the choice between food security and acting against "climate change," the Dutch government decided to pursue the latter."

The Spanish farmers took to the streets in Albacete, Granada, and Badajoz to criticize Madrid over the lack of gasoline and food in the country.

TRENDS FORECAST: *Farmers across the EU have seen what happens when the government thinks that it can dictate to businesses when and how they can operate during the COVID-19 outbreak, and look at the result.*

The unionization trend is surging across the world because the job market is so tight. These farmers are seeking to maximize their strikes while the Ukraine War continues because what they produce is a human necessity of life. Online video showed empty shelves inside grocery stores throughout the Netherlands. There was a saying that emerged on social media, "The world can live without politicians, but not without farmers."

YELLEN YELLED AT RUSSIA OFFICIALS AT G20 MEETING

Pot meet kettle.

Janet Yellen, the U.S. Treasury secretary, on Friday called out Russia's representatives at the Group 20 meeting in Indonesia and blamed them for sharing in the responsibility for the economic toll that the Ukraine War has taken on the world.

Yellen told Anton Siluanov, Russia's foreign minister, and Timur Maksimov, the deputy finance minister, that their actions have resulted in innocent lives lost, and "the ongoing human and economic toll that the war is causing around the world."

"Those most directly impacted are the poorest households in the poorest countries," she said, according to *The Wall Street Journal.*

She endorsed the proposed plan to put price caps on Russian oil and Ukraine called on the group to impose tougher sanctions on Russia.

Yellen's tough talk against Russia may have been overshadowed by Chrystia Freeland, the Canadian finance minister, who tweeted that the presence of Russia at the conference was akin to having "an arsonist joining firefighters." She said the war in Ukraine does not only include generals on the battlefield but economic technocrats.

The International Monetary Fund issued a report last week that said 2022 will be "tough," and 2023 will possibly be "even tougher," with an "increased risk of recession." The report said the situation is "increasingly grave for economies in or near debt distress, including 30 percent of emerging market countries and 60 percent of low-income nations."

The two-day meeting in Bali was contentious and Sri Mulyani, the Indonesian finance minister, said the disagreements over Russia were "quite overwhelming."

The initial hope of the meeting was to discuss a path forward given the realities in Ukraine, but the meeting was challenging due to "geopolitical tension."

Al Jazeera reported that a source from the French Finance Ministry told another news outlet that the group's "capacity to act" was "strongly hindered by the war in Ukraine, which one of the G20 members is fully responsible for."

Yellen continued, "Russia is solely responsible for negative spillovers to the global economy, particularly higher commodity prices."

TRENDPOST: *As this meeting was about economy and not military, U.S. Treasury Secretary Janet Yellen's public rebuke of these Russian officials at the G20 meeting comes across as off-trend and excessively petty...considering the United States long and ongoing warmongering murderous history.*

We have been opposed to the Ukraine War since the beginning, but have pointed out the history leading up to the conflict and the diplomatic blunders the U.S. has made. (See "BLINKEN MEETS WITH LAVROV: WAR HAWKS SCREAMING," "KREMLIN BLAMES UKRAINE FOR STOKING TENSIONS AT BORDER" and "BIDEN AGREES TO MEET WITH PUTIN 'IN PRINCIPLE' FOR HIGH-RISK SUMMIT.")

TRENDPOST: *Again as we have noted, it is hypocritical to hear Yellen criticize another country for engaging in needless conflicts because the U.S. wrote the book.*

Gerald Celente has made it clear that he is opposed to Putin's war in Ukraine, but has pointed out that Russia is a minor war-mongering nation compared to the U.S. track record of killing millions and stealing trillions from its taxpayers to wage war.

Brown University's Watson Institute said over 929,000 people were killed "directly in the violence of the wars in Afghanistan, Pakistan, Iraq, Syria, Yemen and elsewhere." Several times as many civilians have died due to the reverberating effects of these wars.

One needs to look no further than the dismal economic condition in Afghanistan after the U.S.'s withdrawal last summer. The U.S. has frozen billions in the country's assets due to Taliban rule and inflation hit 15.5 percent in April. The Wall Street Journal reported that the country's banking system is "barely functioning."

The country's GDP is expected to decline by about 34 percent this year compared to 2020, the report said, citing the World Bank. About 90 percent of the country is not eating sufficiently and about half of the population is facing acute hunger.

"The current humanitarian crisis could kill far more Afghans than the past 20 years of war," the International Rescue Committee told the Journal.

We won't hold our breath for the next time a finance minister from the West presses Yellen on these numbers.

BIDEN: IRAN 'CANNOT GET A NUCLEAR WEAPON' WILL GO WAR TO STOP THEM.

President Joe Biden on Wednesday reaffirmed the U.S. position that Iran cannot obtain a nuclear weapon during a high-profile meeting with Yair Lapid, the former soap opera star and ad pitchman now playing the role as Israeli Prime Minister.

The meeting resulted in the U.S. signing a joint declaration with Israel that both countries would use all their power to prevent Iran from joining the nuclear-armed club, which includes the U.S., Russia, India, Israel, Pakistan, the U.K., China, and France. There are about 19,000 nuclear weapons in the world.

The declaration reads in part that the U.S. will never “allow Iran to acquire a nuclear weapon and that it is prepared to use all elements of its national power to ensure that outcome.”

Biden also confirmed that the U.S. would use force to stop Iran’s nuclear ambition, but he insisted that the move would be after all diplomatic efforts have been exhausted.

Biden has tried to revive the 2015 Joint Comprehensive Plan of Action after his predecessor, Donald Trump, withdrew from the agreement in 2018. Trump called the nuke deal a complete failure. Barack Obama tried to present the deal, which included seven countries, as a diplomatic coup.

Trump’s decision to pull out meant that the U.S. would re-impose sanctions against Tehran. The Biden administration’s 15-month effort to revive the deal has been unsuccessful.

The Associated Press confirmed that a 9th round of discussions took place last month and “no progress was made.”

Ali Vaez, the Iran Project director at the International Crisis Group and former senior political affairs officer at the UN, told the news wire that he believes the process is “increasingly hopeless.”

“The meeting in Doha was a major setback, because it was an absolute dead end,” he said.

Lapid and Biden Disagree on Approach

Israel’s most important ally is the U.S., and the differences between Jerusalem and Washington are seldom aired publicly.

Lapid told reporters on Sunday that the U.S. and Israel did not “necessarily agree” on presenting Iran with a credible military threat.

"We came and asked to introduce a credible military threat during President Biden's visit," Lapid said during the closed-door portion of Sunday's cabinet meeting, Channel 13 news reported.

"We want the basis [for world power's negotiations with Iran] to be a credible military threat," he said. "We didn't necessarily agree on this with the Americans."

Lapid held a joint press conference with the president last week and told reporters that words alone will not stop Iran.

"Diplomacy will not stop them. The only thing that will stop Iran is knowing that if they continue to develop their nuclear program, the free world will use force. The only way to stop them is to put a credible military threat on the table," he said.

AntiWar.com reported that part of the declaration included a portion that reaffirmed U.S.'s continued yearly injection of $3.8 billion in military aid. The report also noted that Iran has signed on to the Non-Proliferation Treaty, which Israel has not because its nuclear program is secret.

The Times of Israel noted that Lapid told his cabinet that he told Biden that his administration "opposes the nuclear deal and maintains complete freedom to act, diplomatically and operationally, in the face of the Iranian nuclear program."

TRENDPOST: *The* ***Trends Journal*** *has long reported on the clandestine war between Israel and Iran that seems to be picking up pace after a massive Israeli drill over the Mediterranean earlier this year. (See "SPOTLIGHT ON ISRAEL," "ISRAEL HOLDS MILITARY EXERCISE TO STRIKE IRAN," "IRAN NUKE DEAL: U.S. VS. ISRAEL" and "IRAN'S MISSILES STRIKE 'RETALIATORY,' HITS ISRAEL TARGET.")*

Biden Meets Bibi

No trip to Israel is complete for a U.S. president without a meeting with Benjamin Netanyahu, the former prime minister who stepped aside for the new coalition government last year. He is the leading opposition figure in the country and could take back his old seat

The Jerusalem Post, citing a poll conducted by Panels Politics, found that Netanyahu's Likud Party will receive 61 seats in the country's next election, which would hand him victory.

Lapid is seen as a centrist, and Netanyahu is an Iran hawk. The next vote could be held as soon as 25 October.

Netanyahu promised to hurt Neftali Bennett's premiership and, in his last speech in front of the Knesset, which was supposed to last 15 minutes, went on for over a half-hour. He said Iran celebrated his defeat because they "understand that starting today there will be a weak and unstable government that will align with the dictates of the international community."

Netanyahu, holding true to form, told reporters after the meeting with Biden that "with no credible military option, Iran won't be stopped. If Iran isn't deterred, that military option has to be used."

He continued, "We've been friends for 40 years, but to ensure the next 40 years, we must deal with the Iranian threat."

TRENDPOST: *The threat of all-out war between Iran and Israel is growing by the day and Iran's influence in the region is growing. Prior to the Biden-Lapid meeting, Jake Sullivan essentially accused Iran of doing its best impression of the U.S.*

He told reporters that Iran plans to send hundreds of drones to Russia to employ in the Ukraine conflict…and even offered to train Russians on how to fly them. Washington believes that the U.S. is the only country that can support an ally. We have said the longer the Ukraine War drags on, the closer the world inches to WWIII.

Biden's 15-minute meeting with Netanyahu indicates that he believes there are second acts in Israeli politics. Netanyahu is on trial for allegations of bribery, fraud, and breach of trust. But selling fear works and reminding Israelis that they face a nuclear threat from a neighbor is a good pitch.

TRENDS-EYE VIEW

BILLIONAIRE'S BOY GETS DADDY'S MONEY TO RUN FOR SENATE

The 34-year-old son of a billionaire Wall Street hedge fund tycoon—with no political experience—has already donated millions to his own campaign in an effort to unseat Sen. Ron Johnson, a Republican from the state.

Alex Lasry, who is running as a Democrat, must have shaken old birthday cards because he donated $5.8 million to his campaign, *The Wall Street Journal* reported, citing the Federal Election Commission. He will face other Democrats in a primary next month and then Johnson in November, the paper said.

Like all rich political hopefuls, he insisted that his personal wealth means he will not be beholden to any big donor or business.

Lasry, a senior vice president for the Milwaukee Bucks, is the son of Marc Lasry, who is worth about $1.8 billion. His daddy co-founded Avenue Capital Group and is a co-owner of the team.

TRENDPOST: *The Milwaukee Journal-Sentinel ran an op-ed on the many privileges of Alex Lasry. The paper said he left his job for the team—one he obviously received because his father is the co-owner—but continues to use the team's championship to boost his campaign.*

He has also taken the NBA trophy to a variety of campaign, civic and business events over the past year. And—get this—he also had a replica trophy made that he lugged around to some public and private gatherings.

Tight Race?

The race against Johnson will be closely watched because Democrats see him as vulnerable. The paper said Lasry is trailing Mandela Barnes by a few points. Barnes is currently the state's lieutenant governor and can be the state's first black senator. The 35-year-old would be the second-youngest senator if elected.

Lasry vowed to continue to fund his campaign.

He faced criticism in January 2021, when COVID-19 vaccines were just released, when he managed to land a jab long before many in the elderly community or those at highest risk for infection.

He insisted that his family name had nothing to do with his jab.

"I just got lucky," he said, according to *The Milwaukee Journal Sentinel.*

He told the paper that his wife was pregnant at the time and when she refused to take the jab, he learned that the facility had extra shots and he did not want the jabs to go to waste.

The **Trends Journal** has reported on how politics in the U.S. is becoming a billionaires' playground. (See "U.S. ELECTIONS: A BILLIONAIRES' CIRCUS.")

JB Pritzker, an heir to the Hyatt hotel chain with an estimated personal net worth of $3.6 billion, is fighting for his political career in Illinois against Darren Bailey, himself a multi-millionaire who has been backed by former President Donald Trump and received millions from Richard Uihlein, a major Republican donor.

Uihlein also gave $8.1 million to another group that helped Bailey in the primary, *The Chicago Sun-Times* reported.

TREND FORECAST: *As we reported on 20 April 2021, the "WALL ST. GANG SPENT $3B ON 2020 ELECTION CAMPAIGNS." In this case, Republicans got 47 percent of the dough and Democrats, which play the "liberal" line, pulled in 53 percent of the money.*

Plain and simple, without big money behind a candidate running for office, the chances of beating one of the two party mobsters is slim and none. (See "POLS EMBRACE CRYPTO CAMPAIGN FUNDING" and "HOW BIG TECH MAINTAINS ITS MONOPOLY.")

WORRIED ABOUT COVID? CANCER CHEMICALS FOUND IN 80 PERCENT OF U.S. URINE

The Centers for Disease Control and Prevention announced test results that found glyphosate, the active ingredient in many weed-killers, present in urine samples from about 80 percent of Americans, including one-third of the participants from six to 18.

The survey took urine samples from 2,310 individuals who represented the population at large and found traces of the chemical in 1,885 samples.

"Glyphosate is the most widely used herbicide in the country, yet until now we had very little data on exposure," Alexis Temkin, a toxicologist at the Environmental Working Group, said in a statement, according to CBS News. "Children in the U.S. are regularly exposed to this cancer-causing weedkiller through the food they eat virtually every day."

TRENDPOST: *The* ***Trends Journal*** *continues to find it appalling that political leaders continue to scare the public when it comes to COVID-19, but ignore serious health issues far more serious and widespread.*

The Lancet Planetary Health determined earlier this year that pollution is directly responsible for about 9 million premature deaths each year around the world. Since the outbreak began, COVID-19 has caused 6.37 million deaths around the world.

We have also pointed out how politicians would never stress the importance of diet and exercise considering risks for heart disease and certain cancers. Just fill up on drugs and it will all be alright.

Roundup Health Risks

The report said glyphosate is the active ingredient in Roundup, which is owned by the German company Bayer. The company is having a banner year in 2022 due to the increase in demand by countries for pesticides since Russia's invasion of Ukraine. Bayer acquired Roundup from Monsanto for $63 billion in 2018.

The claim that glyphosate is a direct link to cancer has been challenged in court. President Donald Trump's Environmental Protection Agency claimed in 2020 that the chemical does not pose a health risk and is "not likely" to cause cancer in people. A federal court in California told the agency that it needs to reexamine its findings.

The World Health Organization's International Agency for Research on Cancer said the chemical is "probably carcinogenic," and Bayer is facing thousands of lawsuits claiming Roundup causes cancer. Bayer says, under CDC guidelines, the product is safe and has called on the Supreme Court to end the lawsuits.

Lianne Sheppard, study co-author and professor at the University of Washington's department of environmental and occupational health sciences, said in a statement that she expects most people to find it “disturbing” that they have traces of the active chemical of weed-killers in their urine.

“Many people will be thinking about whether that includes them," she said.

TRENDPOST: *The* ***Trends Journal*** *has reported on the health risks that can be found in everyday products most people would not think twice to use. (See “EPA LOWERS WHAT IT CONSIDERS TO BE SAFE LEVELS OF ‘FOREVER CHEMICALS’ IN DRINKING WATER,” “HEALTHY INDIVIDUALS COULD DEVELOP LIVER DISEASE DUE TO ‘FOREVER CHEMICALS’ FOUND IN NON-STICK PANS, TAKEOUT CONTAINERS” and “EPA ‘PROTECTION’: A JOKER’S JOKE.”)*

TOP TREND ON THE RISE: UNIONIZATION REACHES HIGHEST LEVEL IN YEARS IN U.S.

The COVID-19 outbreak has changed the face of employment in the U.S., with more workers looking for stability, career advancement, and respect at many jobs that were once considered to be mundane positions at the very bottom of the corporate ladder.

The Wall Street Journal analyzed federal data and found that workers at 1,411 workplaces filed a petition with the National Labor Relations Board. The paper said the number represents a nearly 70 percent jump since 2021 and the biggest jump since 2015.

The paper said of the over 1,400 applications, 311 are from Starbucks stores.

The **Trends Journal** has been reporting extensively on the push for unionizations among workers who are stuck in menial, low-paid jobs with no room for career growth, while the companies they work for pull in record profits. (See “STARBUCKS STORE TO UNIONIZE, A TOP TREND FOR 2022?” “ACTIVISION STUDIO GROUP WILL FORM A UNION, SOLIDIFYING TRENDS JOURNAL FORECAST,” “POLITICO JOURNALISTS FORM UNION. A TREND OF THE TIMES” and “REI: UNIONIZATION TREND EXPANDS AS FORECAST.”)

The tight labor market in the U.S. seems to give workers more leverage. *The New York Times* reported last week that New York City is a good example of the seismic shift and is “facing an exodus of city workers” in health care, parks, police officers, and child protective service. The report, citing the Citizens Budget Commission, said the city’s overall job vacancy rate was 7.7 percent as of March.

We have reported on union pushes within Amazon and Apple. Recode, citing an internal memo, reported that Amazon burns through so many employees, that the Seattle-based company could run out of people to hire in the U.S.

The *Times* cited data from Georgia State University, Trinity University, and the Urban Institute that showed a yearslong decline of unionization in the U.S. The research said about 10.3 percent of American workers were union members last year, compared to 29.3 percent in 1964.

Dan Bowling, a labor lawyer now teaching at Duke University, who spent much of his career at Coca-Cola opposing unions, told *The Atlanta Journal-Constitution* that companies, like Starbucks, can damage their reputations when they work to reject the effort by employees to unionize.

“I find it ironic, but the organizations that had presented themselves as progressive, faced with an organizing campaign, hire high-priced legal and consulting talent to fight it,” he told the paper.

TREND FORECAST: *Unionization will continue to be a Top Trend; the more limited the supply of workers made worse by "No Jab, No Job" mandates; (see “WANT TO KEEP*

YOUR JOB? GET THE JAB!" and "NO JAB, NO JOB. VACCINE MANDATES 'WORKING'"), the more powerful the trend toward unionization will be.

And, as inflation continues to rise faster than wages, corporations that wish to incentivize their workforce to do and give the best they can, will raise the pay scale to levels higher than inflation rates. In doing so, they will create atmospheres of mutual appreciation.

It is worth noting that the unionization trend is not limited to factories and grocery stores. Performers at Medieval Times also voted to join the American Guild of Variety Artists, the Times reported.

"A huge point of the union is just basic respect," Monica Garza, 25, one of several actresses who plays the queen at the performances. "People will always exploit you when it's something you love, because they know you'll do it for nothing."

***TREND FORECAST:** Among the reasons there is a shortage of workers is that they no longer want to work for poverty level wages, and after being locked down and having the time to reflect on their lives, many assessed the worthlessness of their jobs in their personal development.*

As Gerald Celente has long said, "When people lose everything and have nothing left to lose, they lose it." Therefore, as socioeconomic conditions continue to deteriorate, "NEW WORLD DISORDER," one of our 2020 Top Trends, will escalate as billions take to the streets, demonstrating against the lack of basic living standards, crime, violence, and government corruption.

And now, after it was disrupted when the COVID War began in 2020 and governments forbade people from protesting, the demonstrators are now back on the streets.

LEGACY ADMISSIONS AT COLLEGES COME UNDER FIRE

As the great George Carlin noted, "It's one big club and you ain't in it."

Looks like Chadwick Chesterton III may have to actually study to get into Harvard.

Chesterton is a fictitious name meant to identify one of those preppy college students who seemed to know exactly which Ivy League school he'd be attending since before he could spell Trust Fund.

But a recent report indicated that so-called "legacy admissions," the good, old-fashioned Last Name Lottery, could be coming to an end.

The New York Times reported last week that about 14 percent of Yale's incoming class included offspring of school alumni, which meant rich, white, and well-connected. The paper identified the trend as "legacy admissions."

The paper reported that the U.S. Supreme Court could make "legacy admissions" more challenging for schools.

Students for Fair Admissions sued Yale, the University of North Carolina, and Harvard over their "race-conscious" admission programs.

The *Times* pointed out that the court has moved sharply to the right, and could overturn four decades of affirmative action precedent. The paper said Justice Clarence Thomas has already spoken out against affirmative action and legacy preference at these schools.

"If the Supreme Court outlaws affirmative action, legacy preferences will not be long for this world," Justin Driver, a professor at Yale Law told the paper. He called legacy preferences a "little like rooting for Elon Musk to purchase a winning lottery ticket."

The *Times* reported that legacy preference took hold back in the 1920s when Protestants became concerned that Catholics and Jews were taking up too many seats at these institutions of higher learning.

About 42 percent of private schools still use the procedure. Using legacy preference could be a gold mine for schools.

“I think that a lot of elite and exclusive schools feel that they have to use the legacy preferences piece as a fund-raising mechanism from alumni,” Andrew Gounardes, a state senator in Brooklyn, told the paper. He sponsored a bill that would have ended the system.

The argument in favor of the preference is that schools form a bond with families over time. Advocates say when a student is selected, the school has to consider the entire person, not just test scores.

But the tradition has come under new scrutiny and is seen as an unfair barrier for first-generation college students, many of whom are minorities.

The ACLU has called on legacy admissions to end, and noted that Harvard, to use as an example, has an average legacy admissions rate of 33 percent, which is more than five times higher than non-legacy admission rates, “while Black students comprise 16 percent of the admitted class of 2025.”

TRENDPOST: *There is a famous movie scene in Rushmore (1998) when Bill Murray’s character, Herman Blume, the dry, wealthy father of sons at the exclusive Rushmore Academy, addresses the student body.*

“You guys have it real easy,” he says. “I never had it like this where I grew up. But I send my kids here because the fact is you go to one of the best schools in the country: Rushmore. Now, for some of you it doesn't matter. You were born rich and you're going to stay rich. But here's my advice to the rest of you: Take dead aim on the rich boys. Get them in the crosshairs and take them down. Just remember, they can buy anything but they can't buy backbone. Don't let them forget it. Thank you.”

Depriving young people of losing out to Chadwick Chesterton III is a disservice because they will be forced to confront the uber-privileged at some point in their work careers, and understanding how the "world works" at a young age is not a bad thing.

Because as long as Morgan Stanley, JP Morgan, Goldman Sachs, and thousands of other companies give preferential hiring treatment to children of the rich and powerful, it's a valuable lesson on how difficult it is to compete with the privileged class.

And on the broad scope of the college legacy scale, as Gerald Celente has noted: Harvard, Princeton, Yale... Bullets, Bombs and Banks.

TRENDS IN HI-TECH SCIENCE

By Ben Daviss

AUTOMATED TOOTH-BRUSHING—WITHOUT THE BRUSH

Brush. Floss. Rinse. Repeat. Every day. At least twice. For the rest of your life.

Or not, if an invention by a multidisciplinary team at the University of Pennsylvania works out.

The group has created nanoparticles mainly made of iron oxide—the stuff of rust—that can swarm teeth in your mouth, clean them more effectively than a toothbrush, and floss between them as well.

Using a magnetic field, the researchers can form the magnetic particles into bristle-like structures that scour teeth surfaces, then transform them into thin strings that can thread their way between teeth like dental floss.

The structures are firm enough to clean teeth, but tests show they remain soft enough to avoid damaging gums and other tissues inside the mouth.

The microscopic bits also catalyze a reaction that creates hydrogen peroxide, a common mouthwash ingredient that kills harmful bacteria in the mouth.

In tests on a variety of human teeth, the nanoparticles almost entirely erased sticky biofilms that can cause cavities and gum disease.

The microbots also were able to work their way in between overlapping teeth and other hard-to-reach places.

The teeth-cleaning technology also can be programmed to do its tasks automatically, without the user needing to steer the process.

The FDA already has approved iron oxide nanoparticles for other uses inside the body and the inventors are developing a device that fits inside the mouth to operate the needed magnetic field.

TRENDPOST: *The programmable, magnetic teeth-cleaning technology will be useful not only for people with disabilities that make conventional brushing difficult, but also for anyone tempted to skip the multi-step tedium of daily dental hygiene.*

WHAT TOMORROW'S ELECTRICITY GENERATING PLANT LOOKS LIKE

On 22 June, electric car maker Tesla invited 25,000 California households that have installed its Powerwall home electricity storage device to become part of the world's largest virtual power plant—in effect, a distributed battery.

Powerwalls are batteries that store energy generated by solar panels.

Tesla's effort is part of the Emergency Load Reduction Program established by Pacific Gas and Electric Co., California's largest utility.

When electricity demand is high—at midafternoon in July, for example—an automated management system will snap into action.

First, the utility will send out a notice to participants when power is needed. Those who opt in will be paid $2 for every net kilowatt-hour of power they send into the grid.

Those who take part can use the same app on their phones to set a time to recharge their battery when the emergency has passed, usually in the middle of the night or on weekends when offices are typically closed.

In the two weeks since Tesla asked for volunteers, 1,500 households signed up and another 1,500 expressed interest.

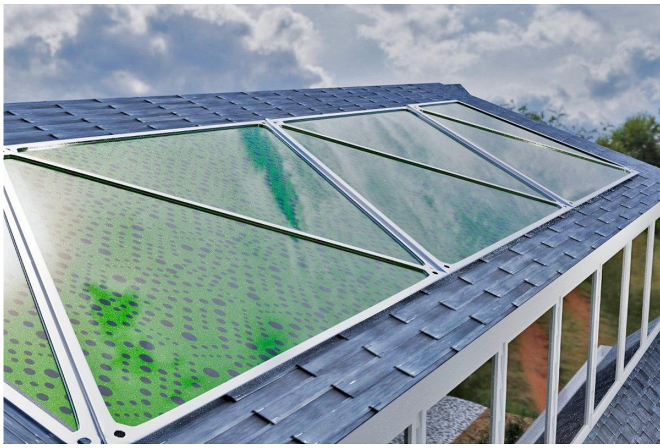
The program mimics a smaller pilot version begun in Vermont in 2021.

TRENDPOST: *Instead of spending billions to build a new, centralized generating station, the utility is tapping an electricity infrastructure that will define the future.*

The utility and its customers save money, no land is sacrificed for a generating plant that will burn pricey fossil fuels, air stays cleaner, and Powerwall owners make a little money on their investment.

With one of the country's largest utilities adopting the strategy in partnership with the premier maker of home power storage, other utilities will unveil similar programs over the next two years.

HOW TO MAKE SOLAR PANELS BETTER? ADD ALGAE.



Mexican startup Greenfluidics has turned algae farms into solar panels.

The company is expanding a concept introduced in Germany in 2013 by Splitterwerk Architects and building firm Arup.

The two put flat glass tanks, resembling solar panels, on the outside of a building. The tanks are filled with green algae.

The algae are fed carbon dioxide drawn from a nearby waste source, such as a smokestack. The algae then exhale oxygen while they grow and reproduce.

A portion of the algae is harvested periodically and turned into biomass fuel that then is burned to power the building's water heaters. Heat from the panels is captured by a heat exchanger and also is channeled to water heaters.

The panels cut the building's hot water cost by about a third.

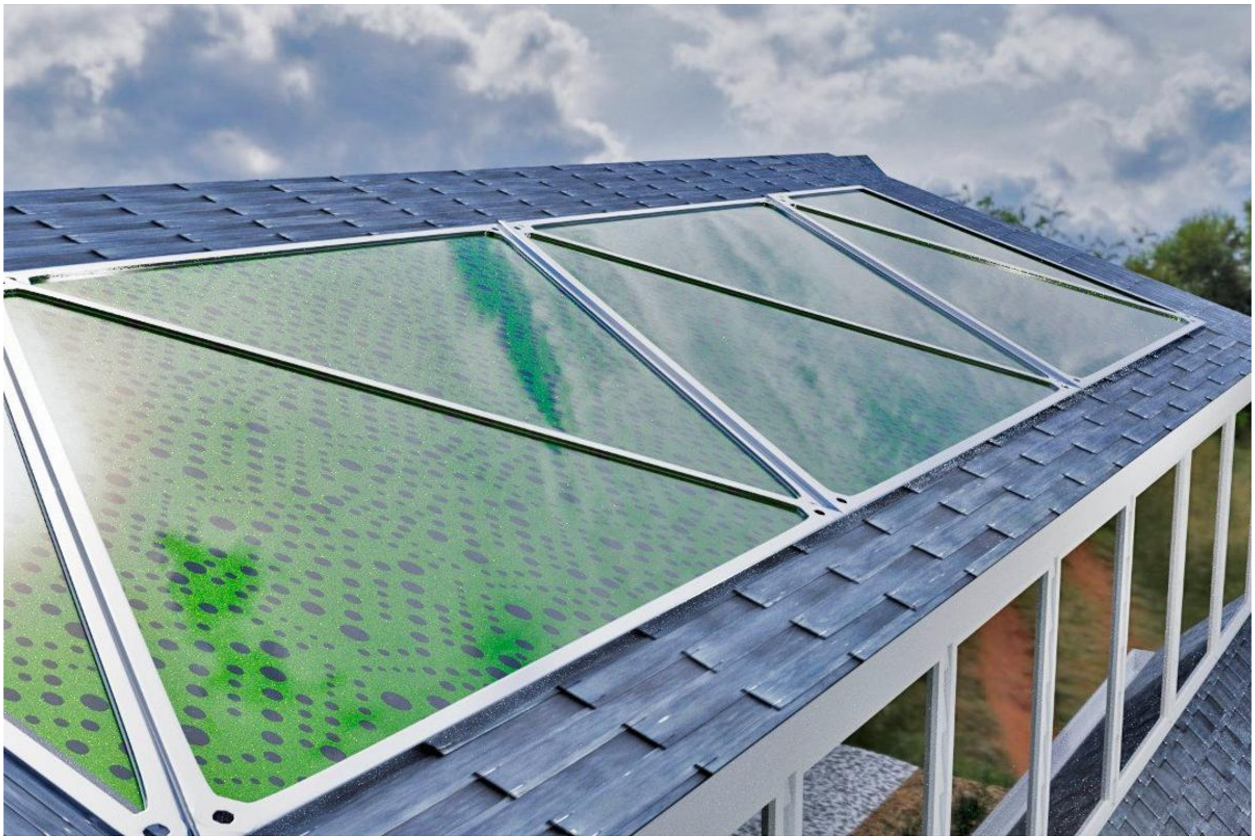
Good so far. But Greenfluidics has made it better.

The company has added carbon nanoparticles to the tanks' water, boosting the panels' ability to capture heat. The heat is drawn off the undersides of the panels and turned directly into electricity using a thermoelectric generator, meeting a portion of the building's overall power needs.

A slew of questions remain, though, including how often the glass-topped algae tanks need to be cleaned, the cost of harvesting and reprocessing the algae for other uses, and whether the energy efficiencies and production Greenfluidics reports are verifiable; critics have expressed skepticism.

TRENDPOST: *Whether this innovation will ever be ready for prime time remains to be seen.*

However, at the least, it can inspire other innovators to ponder ways to combine production of energy and biomass in a self-enhancing closed loop.



Greenfluidics' innovation would turn rooftop algae farms into energy harvesters.
Photo: Greenfluidics