US Markets, New Eurozone Crisis & Global Monetary Reset

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- George Soros, Speech in Europe, May 29, 2018

"2019 is setting up to be a dangerous period for the economy, as the fiscal stimulus rolls off while the impact of the Fed's tightening well be peaking"

- Ray Dalio, Bridgewater Associates, [US Largest Hedge Fund]

"The only way to stop the menace of boom-bust cycles is for the central bank to stop the tampering with financial markets."

- Frank Shostak, The von Mises Institute

"Right now, everything seems pretty tranquil. The seas are placid. But we are in the calm before the storm."

- Peter Schiff, Vancouver Investment Conference

"It doesn't matter how, they just will. They'll make the debt disappear via something like an Old Testament Jubilee."

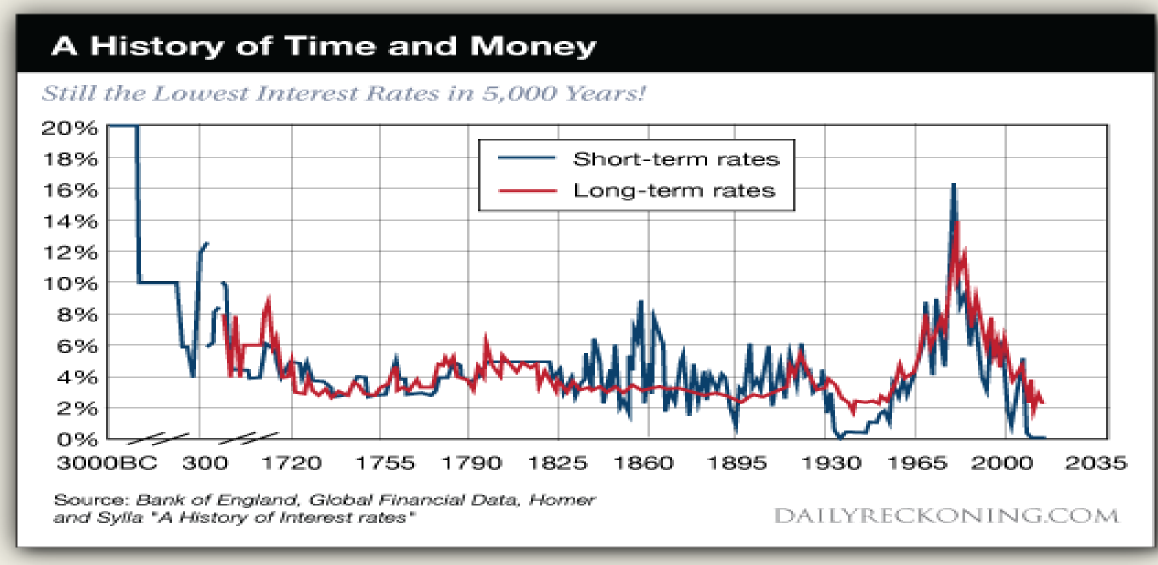
- John Mauldin, (On Monetary Reset)

"This is a prosperity era." - **Larry Kudlow, June 1, 2018**

Greetings to All,

Lately, I have been using the quote that things work, **until they don't.** That pretty well sums up the **post-Bretton Woods** monetary system we have today. **Central banks** have contrived a dangerous mechanism to create **perpetual debt**, inflation and worthless fiat currency that cannot be sustained for much longer. While I am **tempted** to jump into the culture wars, beltway politics, tweets, discontent and acrimony that has seized our **daily news cycle** (Left & Right), we must focus on the important issues. **Here**, I want to share what concerns me the most. **Central planning** will fail spectacularly, **rigged markets** are a fraud, **wealth and prosperity** cannot be created by ***debt and spending***, the **US** will not remain a world leader, **gold and silver** is real money, and **God** is not mocked (Gal. 6:7).

Normalizing Rates & *Pension Fund Insolvency!*



Above is a 5,000 year chart of historic interest rates. I didn't even know they kept records this old? While we may not be so sure of **rates in antiquity**, we sure do know that they have fallen to **Great Depression** levels (see chart). **US** interest rates (created by the Fed) hit **21%** in **1980**...and since that period it has all been downhill. Since the "Great Recession" in **2008** (as we politely call it), the **central planners** have launched ***$22 trillion*** in fiat liquidation, and now comes talk of "normalizing" things. So, let's be clear. **The banksters** are trapped and they know it. They are trying to lift things back to **normal**, but why? Are they admitting that things have been a bit "abnormal" since **2008**? Yes, indeed things have been **abnormal**, and **Martin Armstrong** recently pointed out the **real reason** they are trying to raise interest rates in the **US**, and it has nothing to do with jobs, inflation or MAGA:

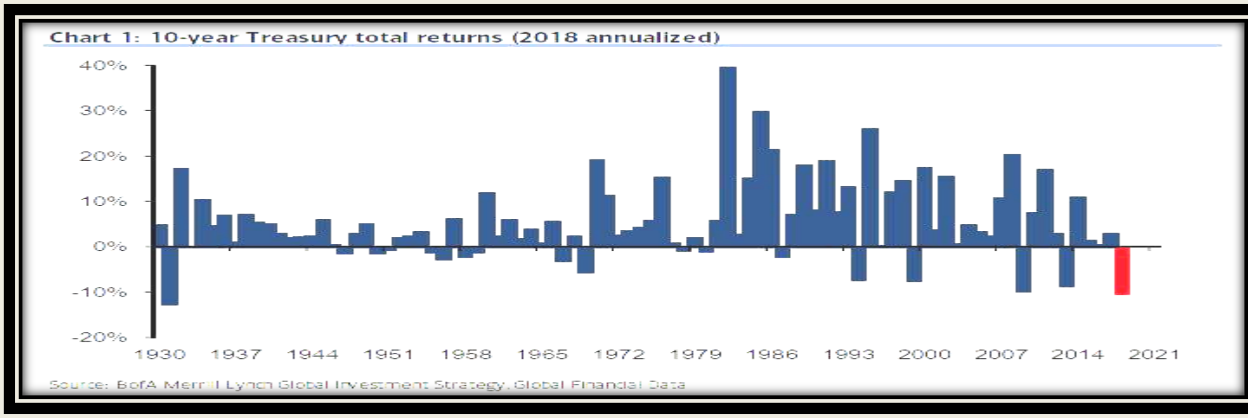
> *"The Fed is clearly using code words like **"normalize"** interest rates **BECAUSE** they see the crisis brewing in **PENSIONS.** They are **BY NO MEANS** raising interest rates because of inflation or expansion in the economy that risks a bubble. The Fed understands the crisis that has resulted from the manipulated low-interest rate policies. They cannot come out and explain the reason rates are rising because we have a **pension crisis**. So forget inflation and the usual scenarios attributed to central bank policy. We are facing a **pension crisis** and the Fed understands that much so they are trying to **"normalize"** interest rates and that has nothing to do with jobs or inflation."*

What is this talk about a pension fund crisis? As I have said in past newsletters and interviews, the **public pension funds** are underfunded to the tune of ***$6 trillion with a T!*** **Why has this happened?** The banksters imposed **zero rates**, so state union managers have gone into the **Wall Street Casino** to find (risky) yield. Sure, the banksters need to calibrate rates to fight **the next crisis**, but they know that trillions are at stake on **the state level**. **The Fed** (PPT) has been goosing the **S&P 500 Index**, but that is coming to an end and public pensions will desperately need higher interest rates as noted, which I think will all fail fantastically with **Chapter 9** defaults. Analyst **John Mauldin** adds this same insight:

> *"**Some public pension systems will be in deep trouble when the next recession hits.... Almost everyone involved is in deep denial about this**. They think a miracle will save them, apparently. I don't rule out anything, **but I think bankruptcy and/or default is the more likely outcome in many cases**."*

This is a serious read at THIS LINK. **In the above chart**, the **Babyboomers peak earning years** were from **1980 to 2008** - exactly the same trajectory for bond yields and boom times. **Not anymore**.

The Fed is trying to raise rates into economic weakness, and not into ***economic strength*** despite all of the rhetoric - **500** days *does not* fix **500** months of America's debt binge (41 years). I voted for **Trump** to block another Clinton administration, ***not*** because he is a Constitutionalist or a fiscal conservative (which he is neither). This notion of raising interest rates at the same time we are increasing the national debt is crazy! It is all unservicable already! **Jeff Gundlach**, CEO of DoubleLine Capital said this, "We are doing something that almost **seems like a suicide mission**: We're increasing the federal deficit while raising interest rates?" Like **Peter Schiff**, this guy also predicted the **Crisis of 2008**.



I present the above chart for only one reason - I don't *fully understand it*, but it ***does not look good*** for the **US** bond market! At THIS LINK, the conclusion is that the ***return*** on the **10YR Bond** is "the *worst* since the **Great Depression**." And this does not sound particularly encouraging.

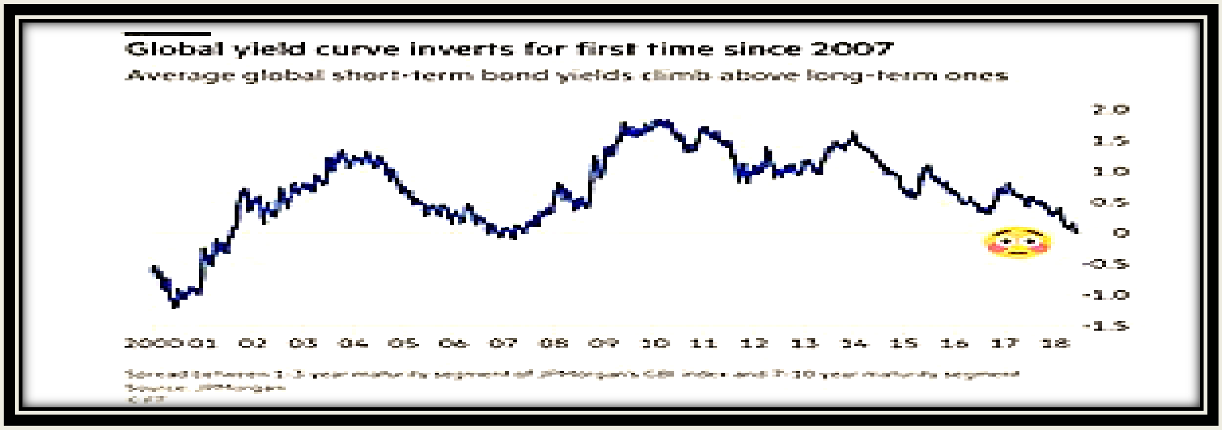
Now, below is a chart that we can all understand clearly! What is **this historical chart** telling us about the **Fed** raising interest rates in the past? When the **Fed** has artificially raised interest rates for the past **60 years**, it has ***ALWAYS*** led to a sharp recession and killed economic activity! I draw your attention to **my arrow below**. **The cause** of the **Financial Crisis in 2008** was due to the **Fed** raising rates in late **2007** (and mark-to-market issue)! Will history repeat? **A resounding YES**.

Date Start	Int. Rate Low	Date End	Int. Rate Peak	Total % Chg.	S&P 500 Peak	S&P 500 Trough	S&P 500 Return	Recession / Crisis
2/1/1957	3.3	10/1/1957	4.0	18.86%	7/1/1957	4/1/1958	-12.72%	Recession / During
5/1/1958	2.9	9/1/1959	4.7	60.27%	8/1/1959	3/1/1960	-7.37%	Recession / 2 Mo. Later
7/1/1965	4.2	9/1/1966	5.2	23.33%	1/1/1966	10/1/1966	-17.35%	Vietnam Starts
3/1/1967	4.5	5/1/1968	5.9	29.30%	9/1/1967	3/1/1968	-7.01%	Recession
8/1/1968	5.4	5/1/1970	7.9	45.94%	12/1/1968	7/1/1970	-28.89%	Recession / [illegible]
11/1/1971	5.8	8/1/1973	7.4	27.37%	1/1/1973	12/1/1974	-43.36%	Recession [illegible]
11/1/1973	6.7	8/1/1975	8.4	24.81%				
12/1/1976	6.9	3/1/1980	12.8	85.59%	9/1/1976	3/1/1978	-15.79%	Oil Cris[illegible]
6/1/1980	9.8	9/1/1981	15.3	56.65%	11/1/1980	7/1/1982	-19.37%	Recessi[illegible]
5/1/1983	10.4	6/1/1984	13.6	30.64%	10/1/1983	7/1/1984	-9.88%	Recessi[illegible]
1/1/1987	7.1	10/1/1987	9.5	34.46%	8/1/1987	12/1/1987	-26.84%	October 198[illegible]
12/1/1989	7.8	9/1/1990	8.9	13.39%	6/1/1990	10/1/1990	-14.78%	Rece[illegible]
9/1/1993	5.4	11/1/1994	8.0	48.51%	1/1/1994	4/1/1994	-5.45%	Asian Con[illegible]
10/1/1998	4.5	1/1/2000	6.7	47.02%	8/1/2000	10/1/2002	-42.47%	Recession / Tec[illegible]ust
6/1/2003	3.3	5/1/2006	5.1	53.45%	7/1/2007	3/1/2009	-50.21%	Recession / Financial Crisis
12/1/2008	2.4	4/1/2010	3.9	59.09%	4/1/2010	7/1/2010	-9.82%	Euro Crisis
10/1/2010	2.5	2/1/2011	3.6	40.94%	2/1/2011	9/1/2011	-11.15%	Debt Ceiling Debate
7/1/2012	1.5	1/1/2014	2.9	89.54%	7/1/2015	2/1/2016	-9.70%	Brexit/Taper Tantrum
7/1/2016	1.5	2/1/2018	2.9	93.33%	2/1/2018	???	???	Trade Wars
Mean				43.84%			-20.15%	
Median				43.44%			-15.29%	

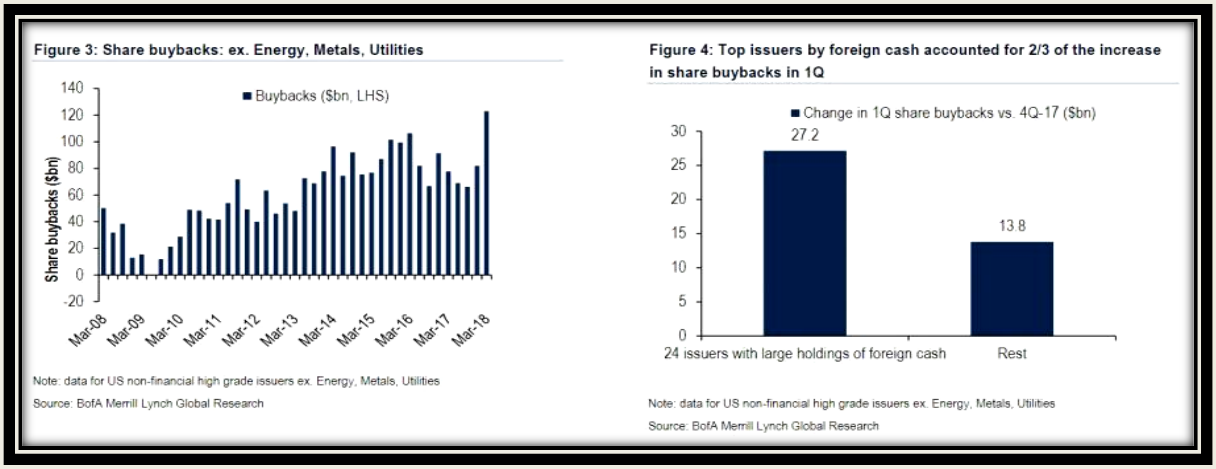
The Central Planners at the Fed (**Monetary Politburo** as **Stockman** derides) have **raised rates 18 times,** and according to the folks at THIS LINK, the **19th time** will be ***the worst ever***, as follows:

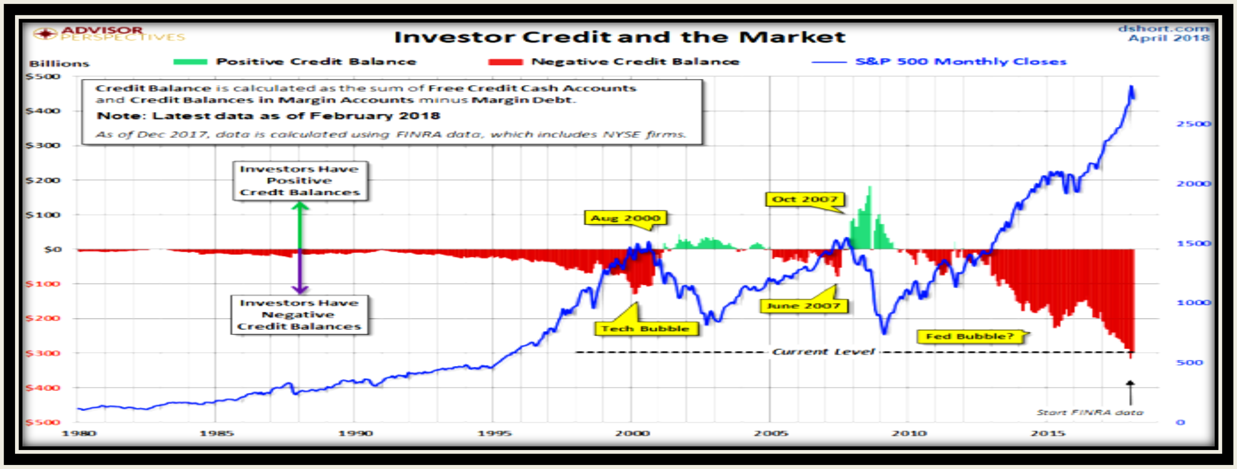
*"**Unless you believe** that the Fed's extreme interference in the markets, it's use of enormous amounts of debt, has somehow solved the boom-bust debt problem it created in the first place so many years ago, **there is only one logical conclusion to be drawn: We're headed for 19 out of 19, only this time, the correction is going to mirror the extent of the Fed's meddling, and be more severe than ever before**."*

Let that last line sink in real good. Where **we are heading now** is going to be ***more severe*** than ever before! As in a **financial reckoning day** I write about. At this **same time**, we also have an **inverted yield curve**, (**see below**) and I will let the **Marten's** **explain this**. "**An inverted yield curve**, where short-term interest rates on Treasuries are higher than long-term rates, is typically **a precursor to a recession**. We saw this phenomenon ahead of the 2001 recession and in 2**006-2007 ahead of the epic financial downturn in 2008-2009**." We are heading into recession folks. **The Fed** raised rates this month as everyone knows, and they also bragged about **4% GDP growth** this year. **Former Fed Chairman Alan Greenspan** countered with this comment on **CNBC**: "The presumption that we are going up from here - I think is wishful thinking." Oh, if he was just so candid in the good old days! "The only way to stop the menace of boom-bust cycles, says **Frank Shostak** at the von Mises Institute, "is for the central bank to stop the tampering with financial markets." I could not agree more.



The above is actually a global inverted bond yield since the last crisis. Shouldn't we be hearing more about **this metric** than the bubble levels of the **S&P 500 and Dow Index**? Just sayin. As **indicated below**, the stock frenzy is all about **stock buy-backs** courtesy of Trump and the Fed.

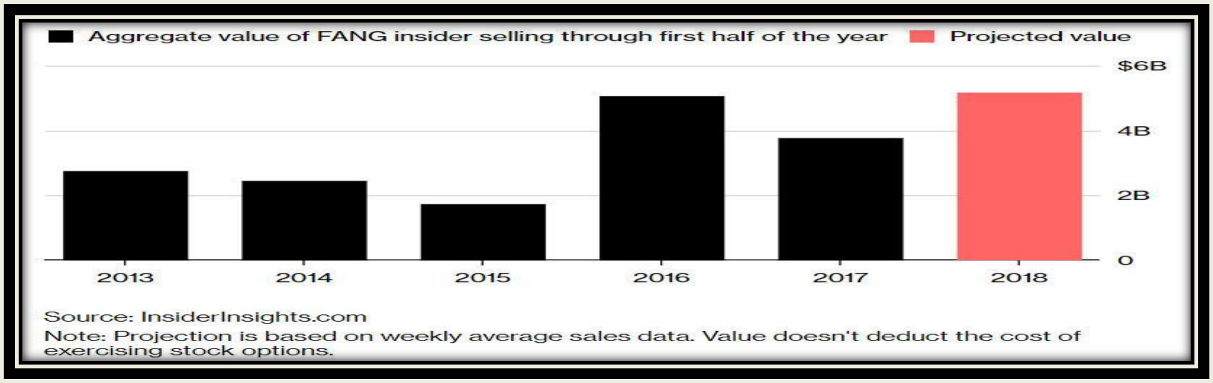




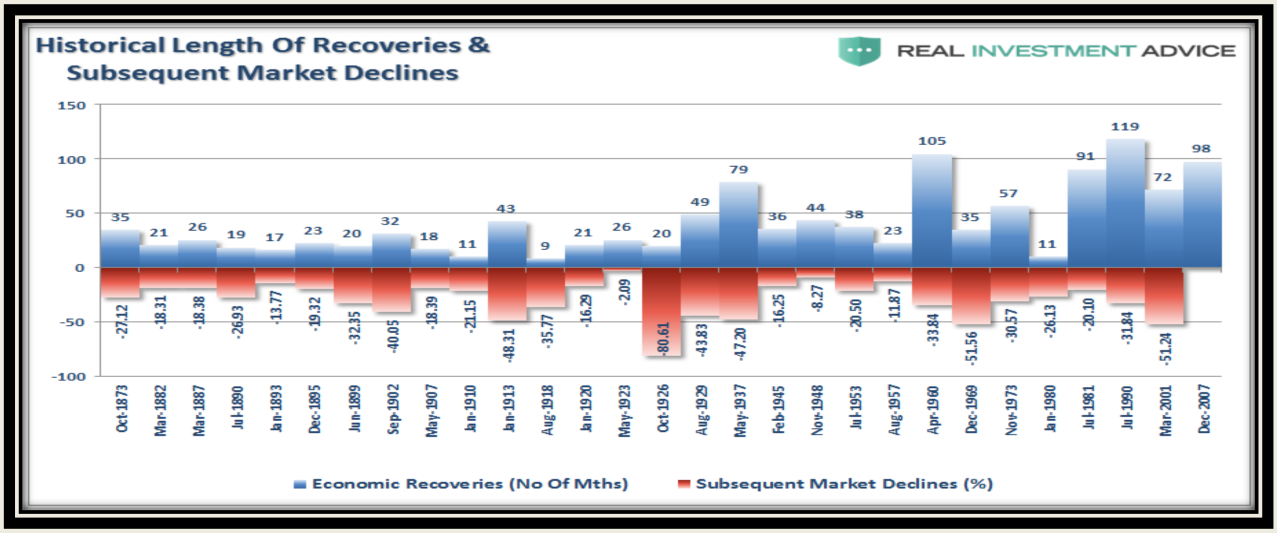
[The worst part about stock-buy backs is that it is done with margin/debt accounts.](#) This amount has risen to **$6 trillion**, and is more than **[three times](#)** what it was in **2008**. In his [book](#), *Killing the Host*, by **Michael Hudson**, he compares **US corp managers** to **"parasites"** looting their firms (greed):

> *"In nature, **parasites tend to kill hosts that are dying**, using their substance as food for the intruder's own progeny. The economic analogy takes hold when financial managers use depreciation allowances for stock buybacks or to pay out as dividends instead of replenishing and updating their plant and equipment. **Tangible capital investment, research and development and employment are cut back to provide purely financial returns**."*

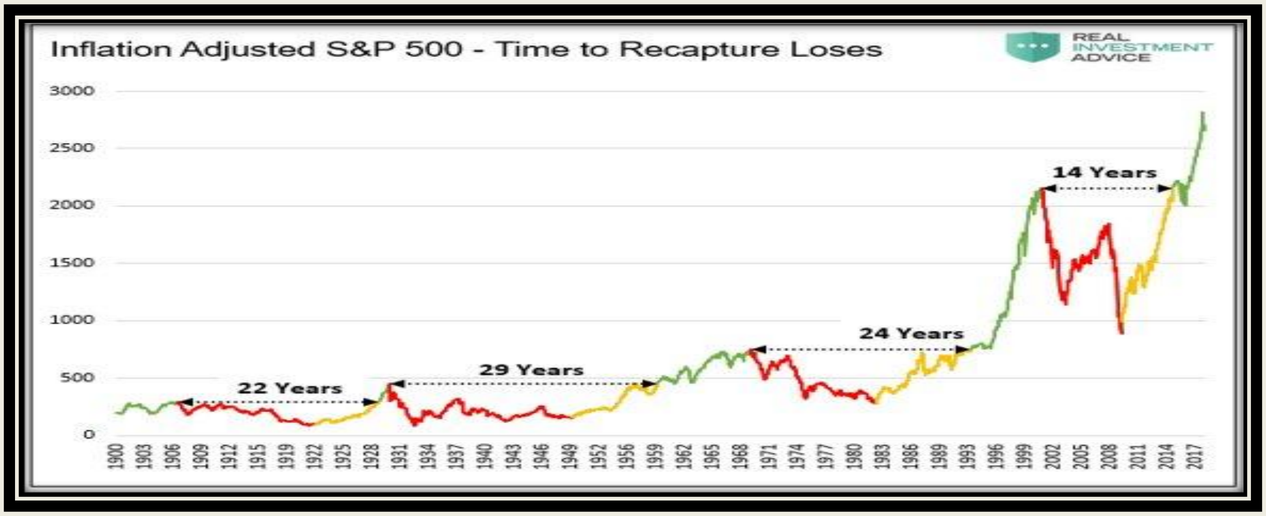
The last line here points to the myth that a rising stock market and tax breaks lead to jobs in the US. Trump either does, or does not, know this. *Which is it?* **Larry Kudlow** brags that we are in an "era of prosperity" but the following **two charts** indicate otherwise. **Just in 2018**, the corp insiders are ***selling off***, and the **Smart Money Flow Chart at bottom** has collapsed, and is the ***lowest*** since **2011!**



<u>What is a Smart Money Flow Index</u>? The **SMFI** tracks what corp insiders, hedge funds and traders are doing. As noted HERE, "The **SMFI** is a leading-indicator in markets. That means when the **SMFI drops sharply**, usually the equity markets are right behind it." The **equity markets are rigged** with dark pools, front-running, algorithm-trading and good old fashion greed, corruption and deception. **The above chart** is screaming to get out now! Will the **sheeple** get out in time? Usually never.

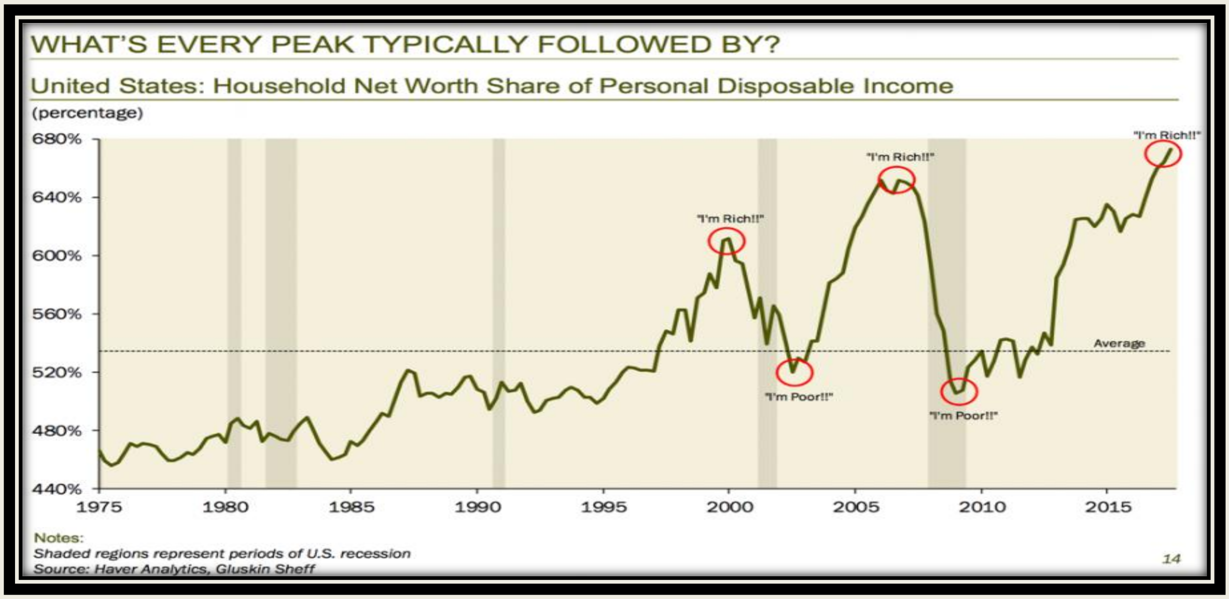


<u>The mantra on Wall Street is always to buy-and-hold for the long-term</u>. <u>Is this really wise</u>? Look at **this chart above.** According to a recent study, **"**Since **1895**, the Dow, using daily data, has spent ***<u>just 4.32%</u>*** <u>of its time at **"*new highs*.**</u>**"** The rest of the time, investors were simply making up previous losses." The **red lines** are the drops, and the **blue lines** are the months of recovery. Stated another way, here is **a chart** indicating the **amount of years** to make a recovery from market drops:



<u>The equity markets are poised for a 30-50% drop</u>. **Lance Roberts** makes this comment; "While it is absolutely true that given enough time a ***"buy and hold"*** investor will indeed make money**,** it will just be **far short** of the financial goals they planned on....Don't confuse the math. **<u>A 30-50% decline</u>** <u>from any level in the market is destructive, not only to your current principal value both also your financial goals particularly as it relates to you investing time horizon.</u> **Time is the one commodity we can't get back.**" **The Babyboomers** got hammered in **2000 and 2008**, and now comes another......

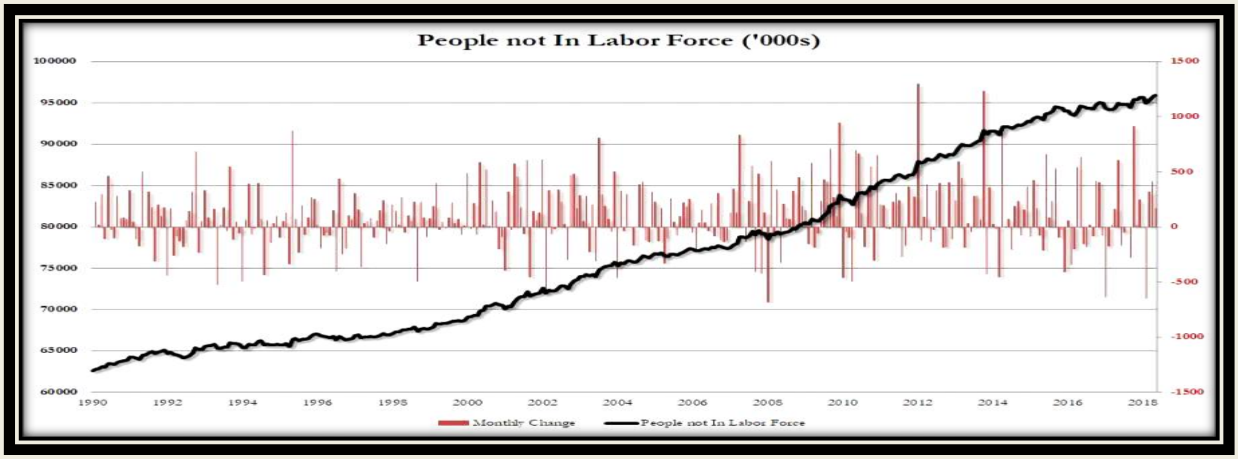
Market Peaks, *Wealth Effects & Delusions!*



Investor psychology is driven by emotion, and these times are no different. Inflated asset values have created a **wealth effect**, and particularly among the **top 10%**. Even though **wages** are flat while the **cost of living** keeps rising faster, people are upbeat and last month the **consumer confidence index** hit a **17-year high.** These "**opinion polls"** are about as worthless as the old Jaywalking segments with **Jay Leno**, or even better, the **Mark Dice** videos! **Robert Shiller** opines that the current stock market bubble is a result of **Trump** "lifting our spirits" and is based on "his self-confidence" he added. Forget the sea of red margin debt to assist corporate parasites in the **Wall St. Casino**. "Another debt-deflation **bubble bursting episode** is coming up," says **Mish Shedlock**, "All it takes is an economic slowdown or a ***change in attitudes*** of **greater fools** willing to chase the market higher and higher." **And Peter Schiff** sets the record straight in his usual manner in this **recent clip** from the **Vancouver Conference**.

Peter Schiff: Enjoy the Calm Before the Storm!

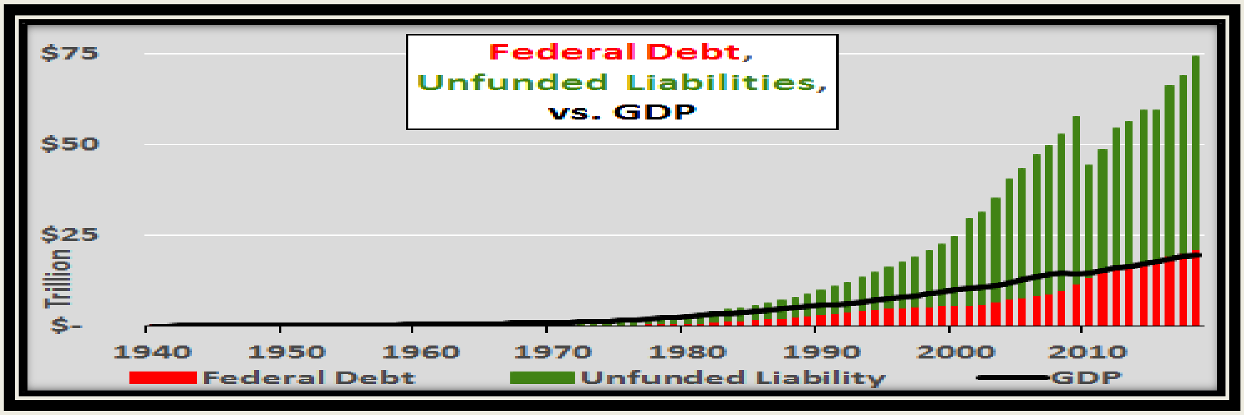
A storm is coming, and the **delusion** of **opinion polls** will slam into **the economic reality** of our times. How can **this chart** indicate *low unemployment, prosperity and a strong economy?*



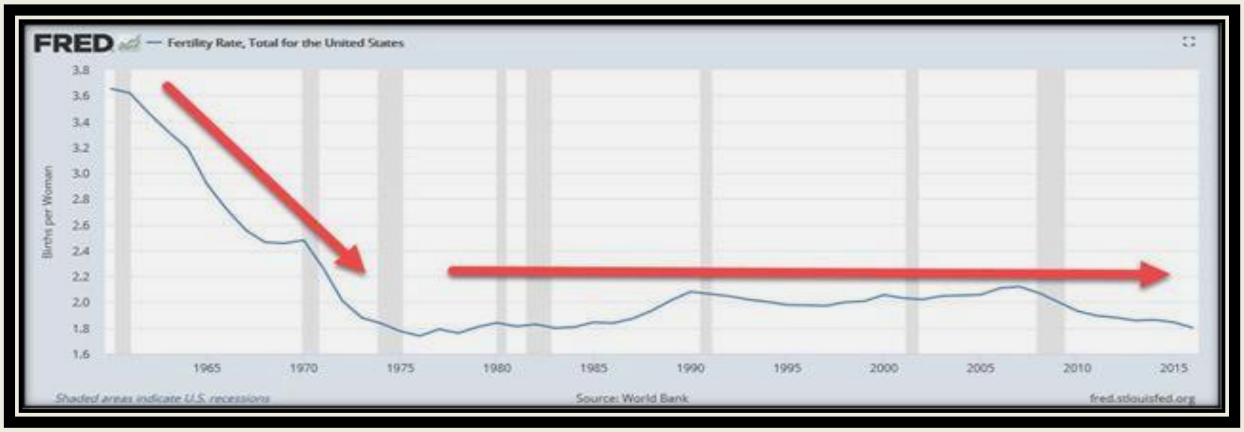
"This is a prosperity era. It's a strong economy. What you've got here is continued job growth, low unemployment, and participation rates pretty good." - **Larry Kudlow**

"There are three kinds of lies; lies, damn lies, and statistics." **- Mark Twain**

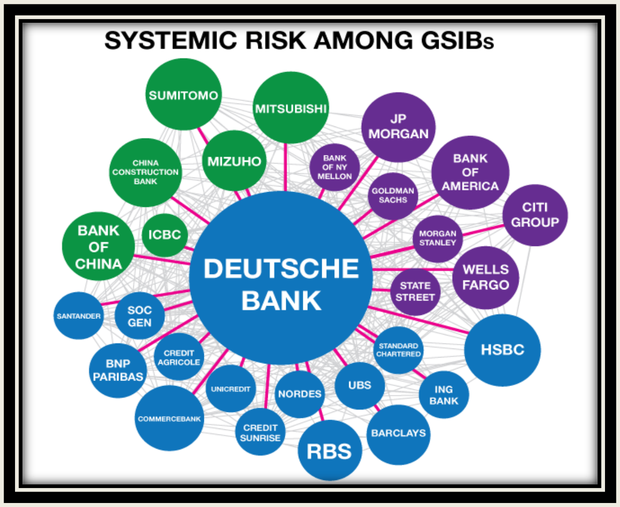
According to the BLS, there are **156 million** people employed., but we also have **95 million** not in the labor force. Government statistics say we have **6 million** unemployed. **Shadowstats** says closer to **36 million!** **Bloomberg** says we have **4.6 million** part-time jobs. Another report says **31 million**? Jobs added in **June** are (in this order) travel industry, leisure/hospitality, retail, temporary, summer construction and health. All this says is that people are traveling, college kids are picking up small jobs and a few guys are hammering. **A recent statistic** said that there are ***more job openings*** than unemployed workers, and this **REPORT** explains that "something about that number does not make sense" and easily **debunked it**. Isn't this maddening as hell?? This **REPORT** says that **78 million** people are "hustling for dimes" with side jobs like selling/swapping, housecleaning, babysitting, Uber drivers and so on - ***this is one half of the US labor force folks!*** **Larry Kudlow** is a damn liar, and **Mark Twain** is correct. And for the **Babyboomer** generation, I have some **bad demographic news** for you. Our **unfunded laibilities** are growing at an exponential rate ***higher than our national debt***:

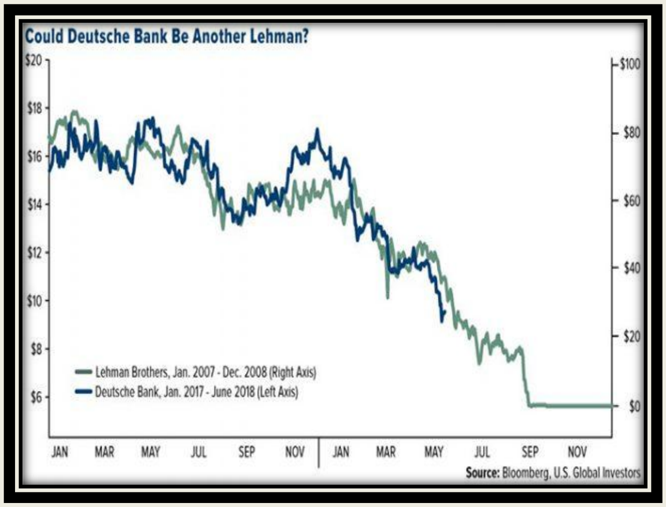


Our feckless Congress has seen this coming for years, and is one of the ***MAIN*** reasons I wrote my book. This trajectory is not only **unsustainable**, it is a **humanitarian crisis** like the world has never, ever seen - *Biblical proportions!* However, I found a recent **TD Ameritrade Survey** in which our young **Millenials** seem rather ***upbeat*** about our bubble economy, with **53%** saying they will become ***millionaires,*** and most saying they will retire comfortably **by the age of 56.** Talk about delusional thinking! You can read **THIS SURVEY** and the mocking commentary. **Below** is the reality about the **Babyboomer** generation and their clueless kids. **The fertility rate** among **Babyboomers** ***dropped sharply*** during the sexual revolution of the **1960s** (thanks to the pill). Less kids means less workers, and less workers means less revenue, and less revenue means all those **green lines above**. This is the unintended consequences of **social engineering**. In **Matthew 10:21** we read this; "**Children will rise up against parents** and cause them to be put to death." I can see **euthanasia** coming to the world.



Deutsche Bank: *The Next Global Lehman Event!*





*"**The collateral risks to Europe are large** – most notably to **ECB and to Germany**. In it's extreme it could mean **Italy** separates from the rest of the **EU**. To me, as I have written in the past, Deutsche Bank is particularly exposed. But, to this observer, who has consistently warned about **Deutsche Bank being the next Black Swan** and the imbalances in the European banking system (particularly in Italy), the risks of a possible negative multiplier effect on other European financial intermediaries and on the region's economic prospects is **profoundly real**."*

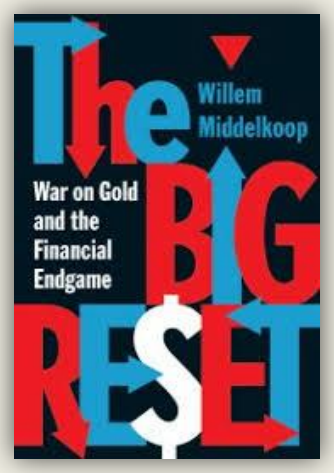
- Kyle Bass, Hayman Capital Management (predicted 2008 Crisis)

We now come to the Mother of all Lehman Events. Back in **June of 2016**, the **IMF** stated that **Deutsche Bank** (DB) was "the most important net contributor to systemic risks" in the world. Why is this? Mainly because **DB** only has **$18 billion** in equity, **$180 billion** in debts and a ***whopping $50 trillion or more*** in complex derivative exposure! **DB** is considered a "Global Systemically Important Bank" (**GSIB**) with the most counterparty risk as seen above. Their **2017 Annual Report** stated that credit exposure to the **US** is €242 billion, or almost half for all of the **EU** at €510 billion. As seen in this **chart below** (from 2016), this single German bank has far more risky derivatives than the **GDP** of Germany and the entire **EU! DB** has been downgraded by **Standard & Poors** and is very shaky.

This month, DB failed a "stress test" conducted by the Fed. The Germans are shrugging this off, but their COCO bonds have doubled and **credit default swap rates** are threatening the **GSIBs** (this is what brought down **AIG and Lehman** in **2008**). More than **50** banks in Europe are fully exposed!

Deutsche Bank stock has been crashing lately (again). This same stress has spread to Germany's second largest bank. **Commerzbank** has cut **20%** of their workforce, merging units and they have suspended dividend payments. **DB** just announced that they are eliminating **10,000 jobs** and there is much talk about **financial contagion** being triggered by this one bank. I have been warning about this possibility since the **IMF Report** in my past newsletters (8/16, 10/16). I have also written plenty on the coming global monetary crisis that will require **massive defaults and debt restructuring** - **a reset**.

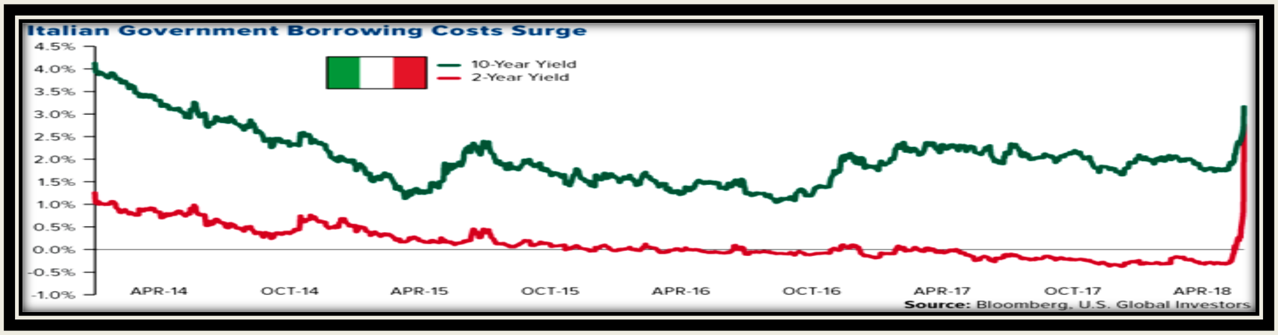
Financial Contagion & Global Monetary Reset



*"**2019** is setting up to be a dangerous period for the economy, as the fiscal stimulus rolls off while the impact of the Fed's tightening well be peaking."*
- Ray Dalio, Bridgewater Associates, Largest Hedge Fund in the World

The world is inching closer and closer to a reckoning day. Willem Middlekoop has written on this topic. **Central banks** and **monetary authorities** are anticipating another crisis (along with hedge funds). **John Mauldin** says things are being "planned in secret" and will be "announced suddenly" during the next crisis. ***Global sovereign debt is so unsustainable that it can never be repaid***. This is *the fatal flaw* of fractional reserve banking and fiat currencies! A **debt jubilee** is coming**.** **"**It doesn't matter how, they just will," says **Mauldin**. "They'll make the debt disappear via something like an **Old Testament Jubilee**." This is a reference to **Leviticus 25:8-13**, or ***shmita*** noted HERE.

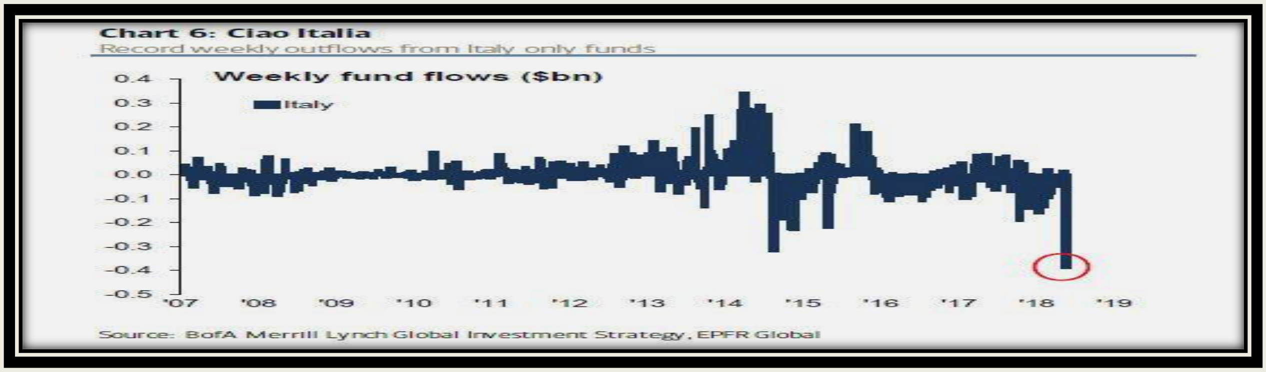
Italian Bank Failures & *New Eurozone Crisis!*



*"<u>The **EU** is in an existential crisis</u>. Everything that could go wrong has gone wrong. <u>To escape the crisis, it needs to reinvent itself.</u>....It is no longer a figure of speech to say that Europe is in existential danger; it is the harsh reality."*
- George Soros, Speech, May 29, 2018

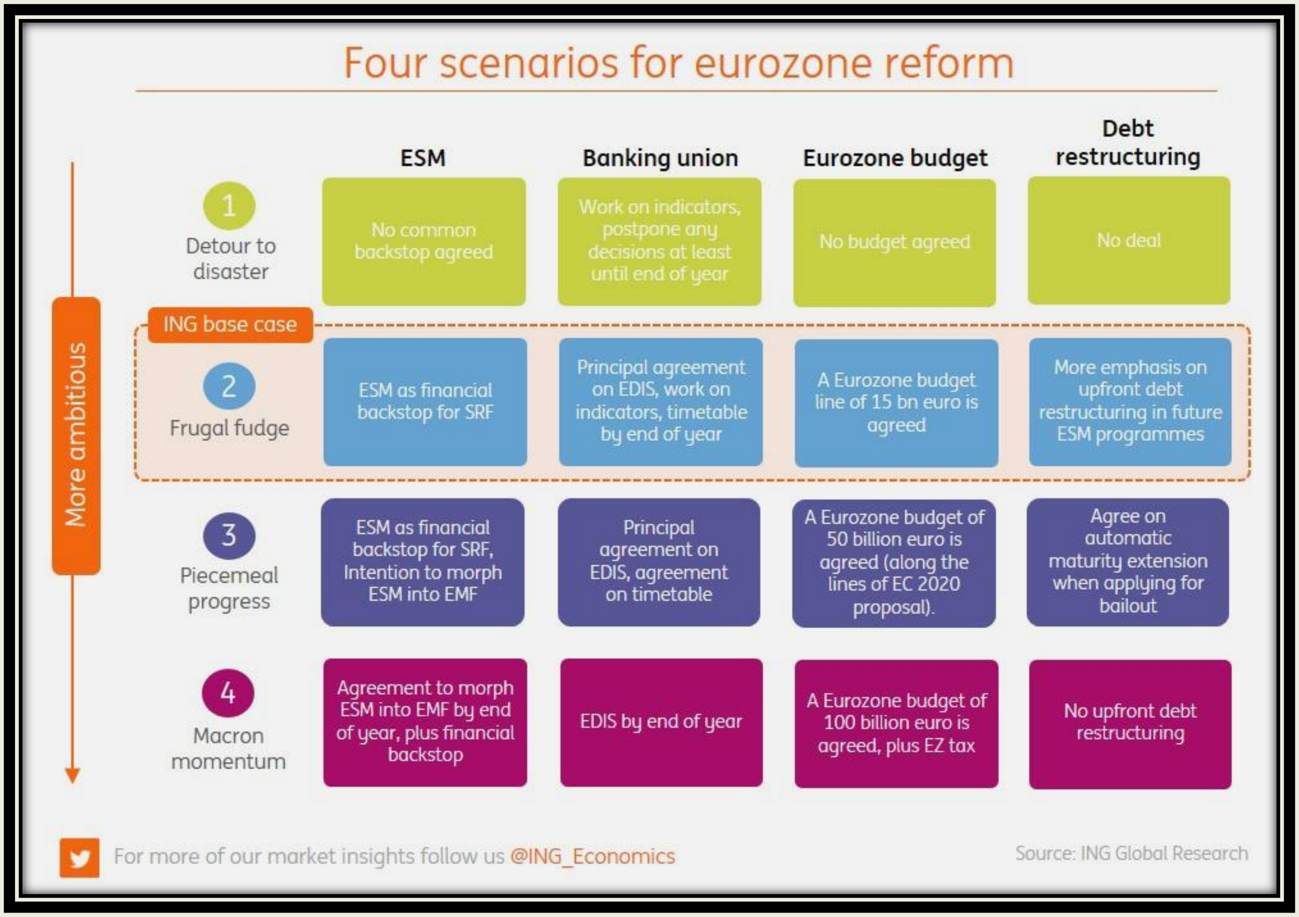
<u>Can the European Union reinvent itself</u>? Just as sure as a **global monetary reset** is coming, the **EU** <u>must</u> *reinvent itself* - and to be more specific, the **Eurozone** (more in a moment). This information is so vital, <u>I can't stress it enough</u>, so listen up. **Italy** is the **9th** largest economy in the world and their debt to **GDP** is currently **132%** with nearly **$400 billion** in non-performing loans (NPL). They are the **third largest economy** in the **Eurozone** (10 times Greece) and they have **€2.7 trillion** in debt!!! One writer says that, "should Italy default on its billions of dollars in loans, a chain reaction could quickly spread to **financial markets** all over the world." <u>And we think **Deutsche Bank** is a systemic risk!</u>

<u>Folks, this is getting serious</u>. Very recently, a few banks in **Italy** have been near collapse and this has caused the **Italian bond market** to price in the risk to their bond market (see above). The three banks are **Monte Dei Paschi** (*the oldest bank in the world since 1472*), **UBI Banca** and **Medio Banca**. The oldest bank here has the bulk of Italian bank debt load. **This chart** shows the recent panic......

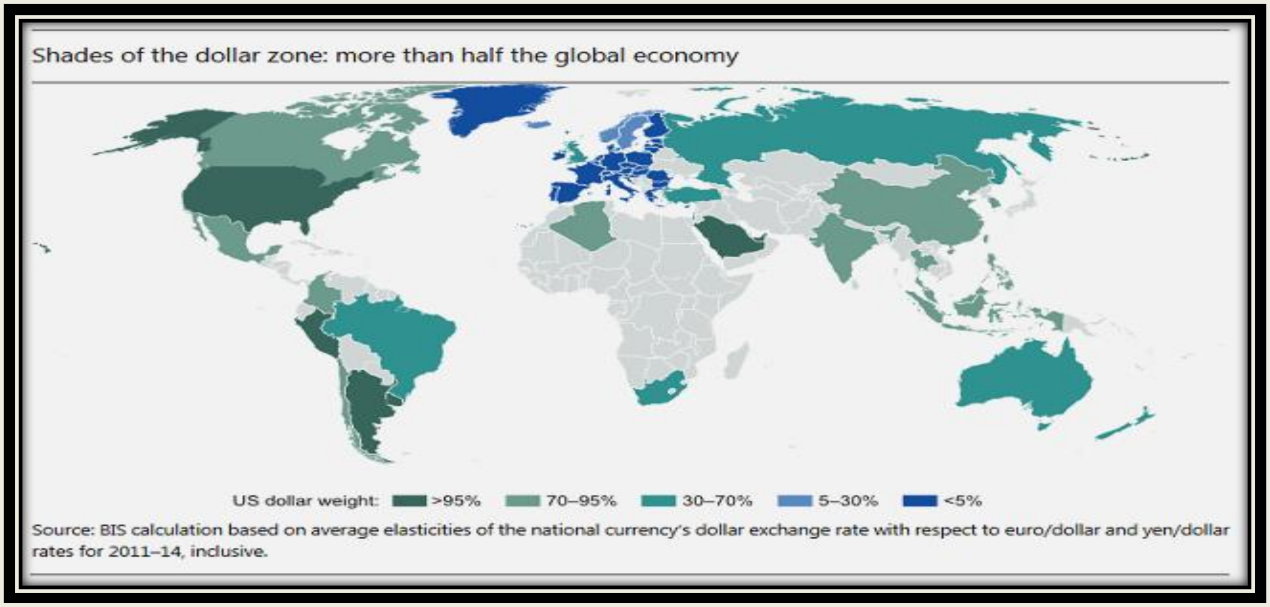


<u>It appears that the European Central Bank</u> (ECB), purposely has not offered help to pressure their new political leadership in **Italy** to stay in the **Eurozone**. On **June 1st,** a new populist leader became the Prime Minister to help rescue **Italy**. A former law professor, **Giuseppe Conte** has talked about leaving the **Eurozone**, reproachment with **Russia** and stopping **Islamic immigration**, among other things. He has no political experience (like the US and Canada these days), and all of this recent turmoil has dominated the scheduled **EU Summit** this month from **June 28-29th** in Brussels. One senior **EU** official dubbed this summit (planned for over a year) as the "Mother of all Summits." Why did he say this? This summit was called by **Donald Tusk**, current **EU President**, to address a new banking union, creating a **European Monetary Fund** (EMF), ...**<u>and reforming the Euro</u>**.

<u>From all of my research, reorganizing/reforming the Eurozone/Euro was the real issue</u>. The Italians and other members may not like the direction toward a "fiscal union" in the **Eurozone**, but that is exactly what needs to happen! <u>In a recent speech</u>, **Globalist George Soros** said "that Europe must acknowledge and address the **flaws of the euro system**. Perhaps the most glaring of which is that the euro created an **entrenched two-tiered system** of debtors and creditors." We are talking the **<u>PIIGS</u>** (Portugal, Italy, Ireland, Greece and Spain), and he is right on this. **Alan Greenspan** says the **Eurozone** needs to create a ***smaller inner-core*** of members, perhaps down to **ten nations**. At this summit, **Eurogroup President Mario Centeno** said this: "The question is no longer if, or how we will complete the economic and monetary union. ***<u>The question is when</u>?***" **The chart below** is an **exclusive overview** that I had to search for, and you can see that it is all about reforming **the Euro**:



<u>Let me explain this chart</u>. **This 2018 Summit** was addressing a **banking union** (with depositor guarantees like FDIC - ha!), **budget issues** and **restructuring debt**. But the most important issue was converting the **European Stability Mechanism** (ESM) into a new **<u>European Monetary Fund</u>** (EMF). The Europeans *love* switching and inventing new things! As seen on the left side, the **ESM** "morphs" into the **EMF** (their term). Why do this? The **ESM** was created in **2012** after the **2008 Crisis** with **€500 billion** to assist **Eurozone** members (Greece). The **EMF** is a direct challenge to the **IMF** in **NY**. The Europeans want an **EMF** to offer **5-30 year loans** to members in the **Eurozone**, as suggested by **<u>Angela Merkel</u>** from Germany. She went on to say that the **ECB** should forgive €250 billion in Italian debt and push for closer integration of the **Eurozone** to protect the **Euro** currency and get away from the **IMF**. In **1999**, the **Euro** was created to challenge the **US** dollar. It was launched in **2002**. The **UK Brexit** is coming in **March 2019**. The **EU** Parliament elections are coming in **May 2019**. Events are coming to a head very soon..........and it is all **very prophetic** in the scheme of things.



As you can see here, the US dollar has been the main reserve currency since 1944. But this is all about to change my friends. In the coming **debt-overload fiscal/monetary crisis-reset**, we are going to see the **US** in severe decline, and the **EU/Euro** ascend. In the crisis scenario coming, the Europeans are collectively in better shape to survive, and will forge a **fiscal/monetary union**. Establishment economist, **C. Fred Bergsten** (TC/CFR) said, "**The Euro** will become a full competitor [with the USD] whenever the **Eurozone** countries adopt *a more common fiscal policy*." **The Bible** predicts the rise of the **EU** with **ten nations** supporting their economic influence in the world soon (Dan. 2:1-45). This is all in **my book**, and I encourage you to buy/request a copy. Even Establishment economist **William Buiter**, Chief Economist at **CitiGroup**, Professor at **Yale**, **London School of Economics** and a full list including the **Fed** and **US Treasury**, had this to say recently about the **Euro** importance:

*"**Even if the breakup does not destroy the EU completely**, and does not represent a prelude to a return to the intra-European national and regional hostilities, including civil wars and wars, that were the bread and butter of European history between the fall of the Roman empire and the gradual emergence of the **European Union** from the ashes of two made-in-Europe world wars, **the case for keeping the euro area show on the road would seem to be a strong one: financially, economically, and politically, including geopolitically**."*

I suspect that Mr. Buiter is totally ignorant about Bible prophecy. He is also at the forefront for a ***cashless society*** (along with Kenneth Rogoff, *The Curse of Cash*), but he is **very correct** about the **Eurozone's** importance **financially, economically, politically and geopolitically.**

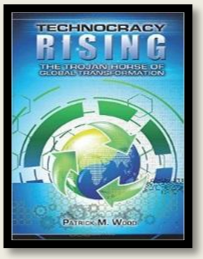
My friend, Michael Snyder (in a recent blog this month) has made a similar observation regarding the events in the **EU**: "The mainstream media in the United States almost entirely ignores **Europe**, but I believe that what is going on over there is the key right now. The can has been kicked down the road several times before on the Italian crisis, but now we are getting to the point where it simply won't be able to be kicked down the road any further. And once things start unraveling over in **Europe,** we will be deeply affected in the **United States** as well. The global financial system is more interconnected than ever before, and at this point we are even more vulnerable than we were just prior to the crisis of **2008**. **When this thing breaks loose, it won't matter who is in the White House,** who is in Congress or who is running the Federal Reserve. **When this bubble bursts there is nothing that anyone will be able to do to stop it**."

<u>In the months ahead we can expect more risk in capital markets and the global banking system</u>. **US** trade policies under **Trump** could trigger some very bad outcomes. **Peter Schiff** has commented, **"**By infuriating our NAFTA partners, the Europeans, and the Chinese simultaneously, Trump is increasing the likelihood that when our **day of reckoning comes**, there may be no one there to break our fall." **Schiff** adds, "Like Italy, we have debt that is spiraling out of control and, like Italy, we have absolutely no plan to confront it." At some point the US is going to find itself isolated, and bankrupt. The **US** has sanctions against **Russia** and Russia's Finance Minister **Anton Siluanov** said at the St. Petersburg International Economic Forum that **"**settlements in US currency could be dropped by Russia *in favor of the euro*." They will do this if the **EU** also stands against the **US**. The world is shifting into **three spheres** of influence and this is part of a globalist design. **Pat Wood** has written the foreward to my book, and this is an excerpt from my **May 2015 newsletter**:

Global End Game: *Progressive Regionalization*

"The dark horse of the New World Order is not Communism, Socialism or Fascism. It's Technocracy"


Patrick Wood, Author

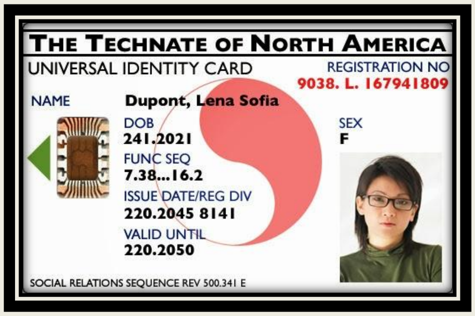


Pat has been researching and writing on the **TC** for almost four decades and his latest book is entitled *Technocracy Rising* that perfectly "connects the dots" on the *real end game* of these social engineers! The **CFR** has been around since **1921** influencing domestic and foreign affairs, but the literal "task force" for globalism has been the smaller **TC** formed in **1973**. In 1968, **Zbigniew Brzezinski** wrote *Between Two Ages: America's Role in the Technetronic Era* that has been the inspiration for the **TC**. The **TC** likes to describe itself as sort of a think tank "to bring together members in the private sector" in North America, Europe and Asia (www.trilateral.org). **Barry Goldwater** was a long-time critic and said, "what the **Trilaterals** truly intend is the creation of a worldwide economic power superior to the political governments of the nation-states involved." <u>**Brzezinski** would later describe this goal as "**progressive regionalization**" to create *three regional trading blocs* as seen on their **TC** logo</u>.

As a professor at Columbia University, **Zbig** taught that mankind had developed through *three ages* starting with a narrow focus on religious ideas, and then nationalism and finally Marxism that stressed the collective vs individualism. The fourth, and final, stage was described as a **Technetronic Era** that celebrated the "ideal of rational humanism on a global scale." Sounds great huh? Thus, we are *Between Two Ages* and the nation-state is becoming obsolete as this New Age "involves the gradual appearance of a <u>more controlled and directed society</u>." As **Pat** outlines in his book the **TC** agenda is really about **Technocracy**, which has its intellectual roots in the 1930s and helped inspire the Third Reich – a sort of scientific dictatorship. Technocracy is about organizing humanity in a manner that efficiently uses sustainable development for environmental equilibrium (ecology) and use of energy forms (entropy). This "sustainable development" has come to be known variously as cap and trade, green economy, energy credits, smart grid, common core and so on. In 1972, Professor Brzezinski was contacted by **David Rockefeller** who used his considerable influence and wealth to take Zbig's vision of "rational humanism" into a trilateral scheme for the planet, <u>as depicted here by **George Orwell**</u>.

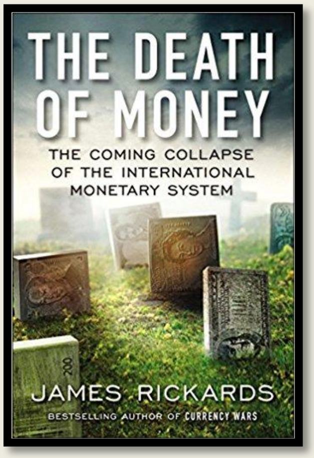
In **George Orwell's** dystopian novel *1984*, he described "three superstates" as Oceania, Eurasia and Eastasia in which the ruling class used conflict as an "emotional basis for a hierarchical society" and "to keep the structure of society intact." The **Trilateral Commission** is using its New International Economic Order to structure trade agreements in favor of the ruling corporate elite on three continents and imposing regulations for "a more controlled and directed society" that will be consistent with the goals of technocracy and *world governance* – a term that is more *politically correct* these days. For more on the rise of technocracy I recommend you get **Pat's** new book at www.technocracyrising.com.

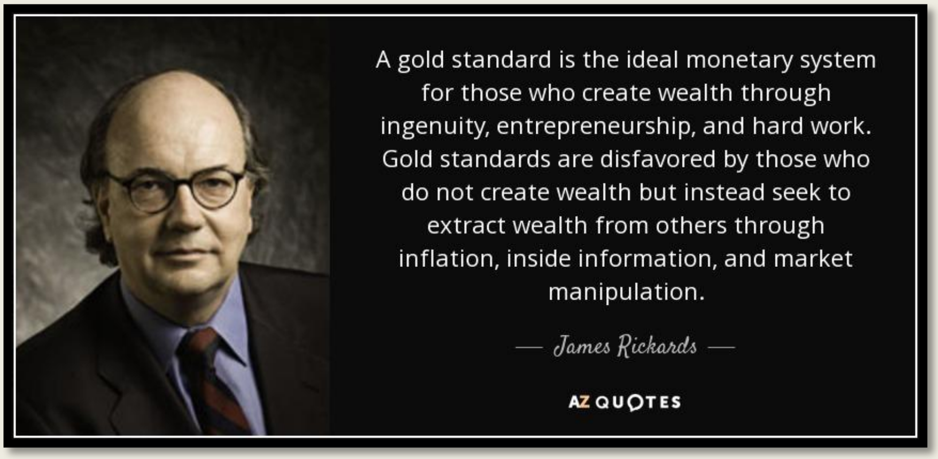
In 1992, the UN's **Earth Summit** in Rio gave us **Agenda 21** and the globalists have been using this agenda to unite us into their New International Economic Order. In 1991, **Alexander King**, co-founder of the **Club of Rome**, issued a report, *The First Global Revolution*, in which he admitted, "In searching for a new enemy to unite us, we came up with the idea that pollution, the threat of global warming, water shortages, famine and the like would fit the bill." Does this sound like real science? Hardly, but the goals of **Agenda 21** and technocracy are very similar. As seen earlier the secretive **Trilateral** trade deals include mandates relating to climate change and the green economy. In his book *Technocracy Rising*, **Pat** explains the concept of "energy credits" utilized in a modern technate society. Money could become "carbon currency" in which energy credits will be allocated for a specific accounting period. These credits expire and must be renewed to prevent the accumulation of wealth. In this way energy is used "as the fundamental measure of price, cost and value" as outlined at this recent conference, http://teslaconference.com/. By rationing energy there would be equilibrium as seen in this **energy credit card** with the well-known Yin Yang symbol for balance. This concept would also include smart meters/grids and even into food and water meters [end of excerpt].



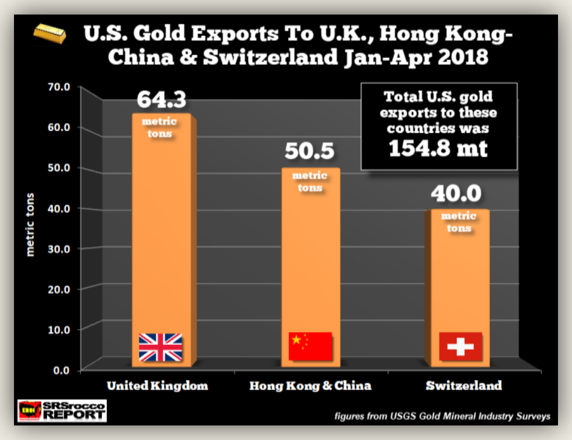
Both Kenneth Rogoff (Harvard, CFR) and William Buiter are promoting a cashless society, and the **Bible** speaks very clearly about this coming in **Rev. 13:11-18** (666). In **Orwell's** novel ***1984***, the INGSOC Party maintained power through a system of surveillance and brutality designed to monitor and control every aspect of society. This is the kind of society envisioned by the **global technocrats** and elitists. According to THIS LINK, the **Swedish people** are "flocking" to get chip implants as a means of convenience for positive identification, banking, credit card information, train tickets, keys and so on. What could possibly go wrong? In the future, **financial privacy** will become almost impossible, and the best way to avoid the corrupt global banking system is to have monetary assets *outside the system*, as in **gold and silver**, which have stood the test of time.

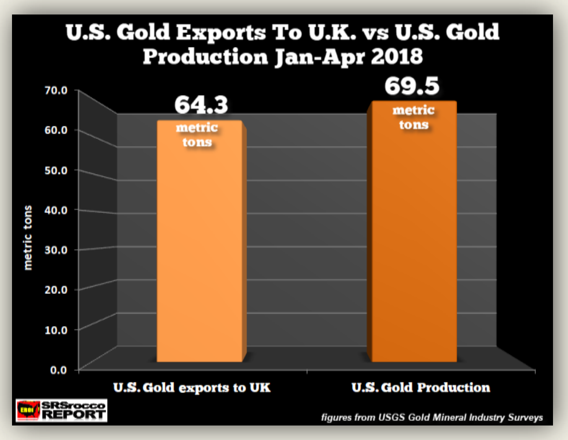
The Death of Money & Need for Precious Metals





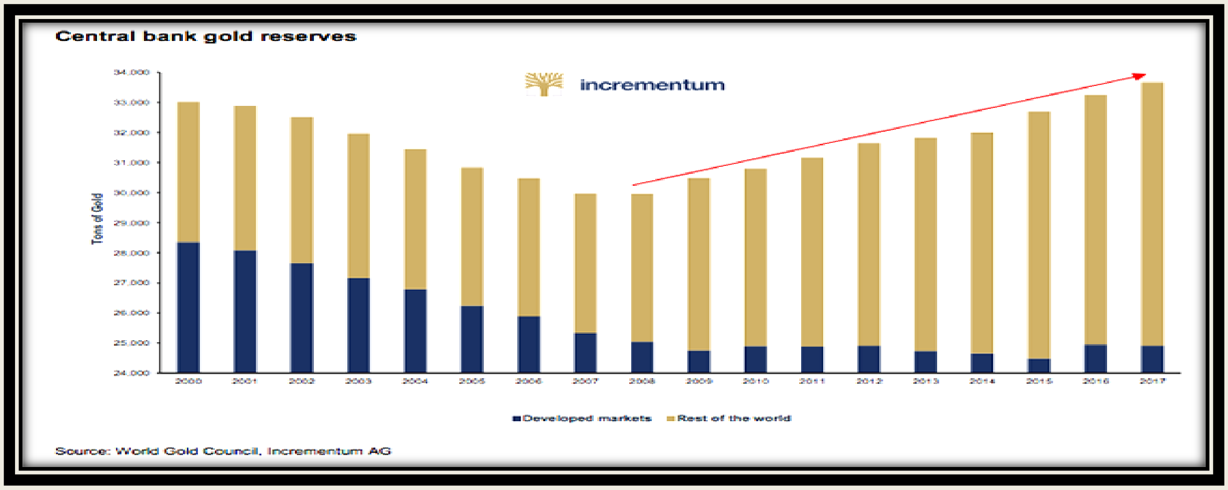
Jim Rickards has written numerous books, including this one on the coming collapse of the international monetary system. In this book, **Rickards** explains some monetary background and what a reset will look like. Central banks have abandoned a classic gold standard, but **to restore confidence** in a new system **gold** will be reintroduced. Most likely is the **Special Drawing Right** (SDR) at the **IMF** for global commerce. The five national currencies in the **SDR** are US, EU, UK, Japan and China and this would eliminate the US dollar as the sole reserve currency, and **Triffin's Dilemma** would finally be solved. There are also proposals to add a gold component and **Rickards** suggest that gold will be repriced to ***$20,000/oz****. or more*, just like **FDR** repriced gold in **1933**. This price is necessary for nation's to use gold reserves as collateral to restructure sovereign debt, etc. For the past decade or so, the **East** (China) has been importing gold from the **West**. **As seen here**, *so far this year*, the **US** has shipped gold to China and Switzerland, and ***ALL*** of our production has gone to **the UK** alone!





<u>Have the British people suddenly gotten wise to the huge upside potential of physical gold</u>? Hardly. These gold shipments are on their way to the **East**, and in the case of **Switzerland** and **Hong Kong**, it is gold to be refined and then shipped. <u>Speaking of the **Swiss**</u>, I have to point out that they just had an <u>historic referendum</u> on adopting sound money and the people rejected it by ***76%*** on **June 10th!!** In **2014**, the Monetary Modernisation Association wanted to *abolish* the **Swiss National Bank** (since 1891) and give the *rightful authority for money creation* to the **Swiss Confederation** (26 cantons). Opposing this idea was the **Swiss National Bank** (of course) and **Deutsche Bank** (of course). <u>This is just shows how absolutely ignorant and stupid people are about sound money</u>! I was watching this closely since the **Swiss** are legendary (paper) money managers, but there you have it. We have the same wholesale ignorance in the **US**, and there is **no** Constitutional authority for the **Federal Reserve System** as I cover in my book. **Gold and silver** is like **Kryptonite** to the evil banksters, yet they have gold reserves. In fact, since the last crisis they have been heavy buyers of gold as **seen here**:

Central Banks: *Net Buyers of Gold Since 2009!*



<u>What do they know that they don't want you to know?</u> They know that the system is going down hard and they simply do not want people to know, and **financial planners** will *rarely* ever mention diversifying into gold and silver. Since **2002**, the **Chinese** government has *encouraged* its citizens to accumulate **gold and silver** with state advertising and shops in malls. It is estimated that the public has ***20,000 tons*** of gold and the <u>same amount</u> in official reserves! Can you imagine this kind of ad campaign in the **US? Russia** now says they have more gold reserves than the Chinese, but the Chinese are not clearly stating what they have as **the #1 producer and importer of gold.**

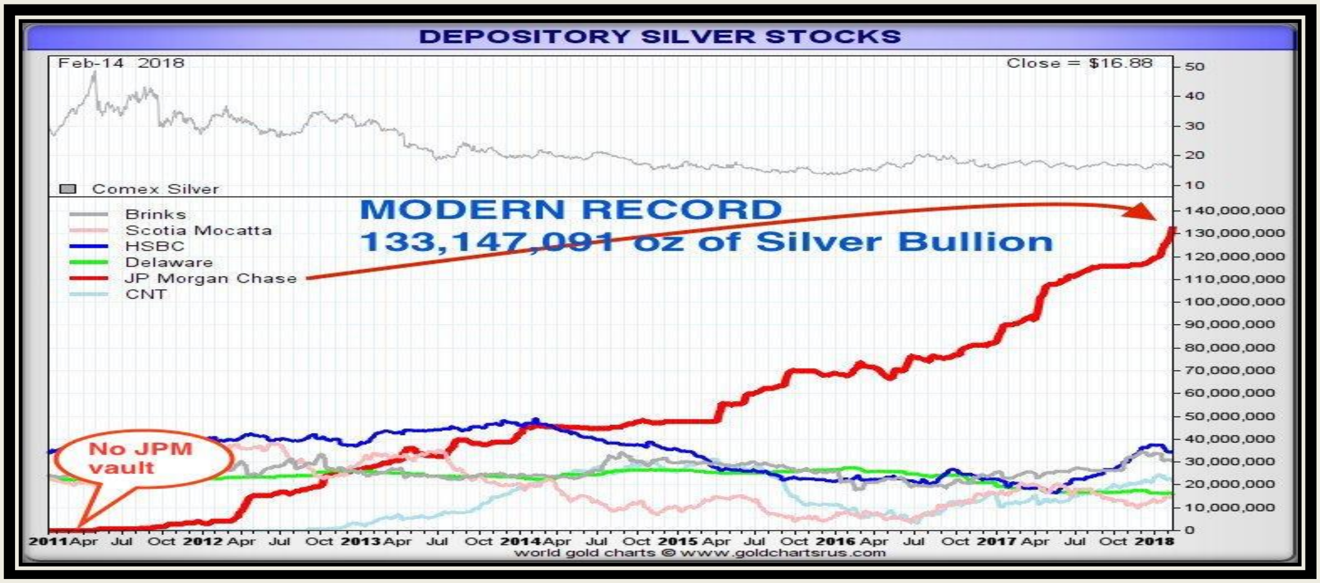
<u>Willem Middlekoop: The Big Reset & Gold Prediction</u>

<u>In the above clip</u> (16 minutes), **Middlekoop** is basically saying what I have been saying, along with **Rickards** and others. Something awful is about to happen, and like **Mike Snyder** says, it will not matter who is in charge of things. Very few people are prepared for this, **and only gold and silver is real money**. Recently, the folks at the **von Mises Institute** confronted the hostility that **Warren Buffet** has for **gold** (and silver). <u>They point out</u> that since **1972**, the US dollar has lost **84%** of its "value" and the purchasing power of **gold** has risen **by 394%.** They conclude, "Unlike fiat money, gold cannot be *devalued* by central bank monetary policy. It is immune against the printing of ever greater amounts of money. Furthermore, gold does not carry a *risk of default*, or a *counterparty risk*: Bank deposits and short-term debt securities may be destroyed by bankruptcies or debt relief. *However, none of this applies to gold: <u>its market value cannot drop to zero</u>*." **All good points.**

SILVER: *The World's Most Undervalued Asset!*

As most of you know, I am bullish on silver. Why am I bullish on **silver?** Because it is the *MOST* undervalued "monetary" asset in the world! Period. If **gold** is going into *the thousands* - **silve**r is going into *the hundreds*. Simple as that. The current silver /gold ratio is **80:1**. Normal is **15;1** and historical is **9:1**. In **this chart**, **Kimble Research** is noting that in the **past 20 years**, whenever the silver/gold ratio has tested an **80:1 ratio**, it is usually screaming for a breakout to the upside.

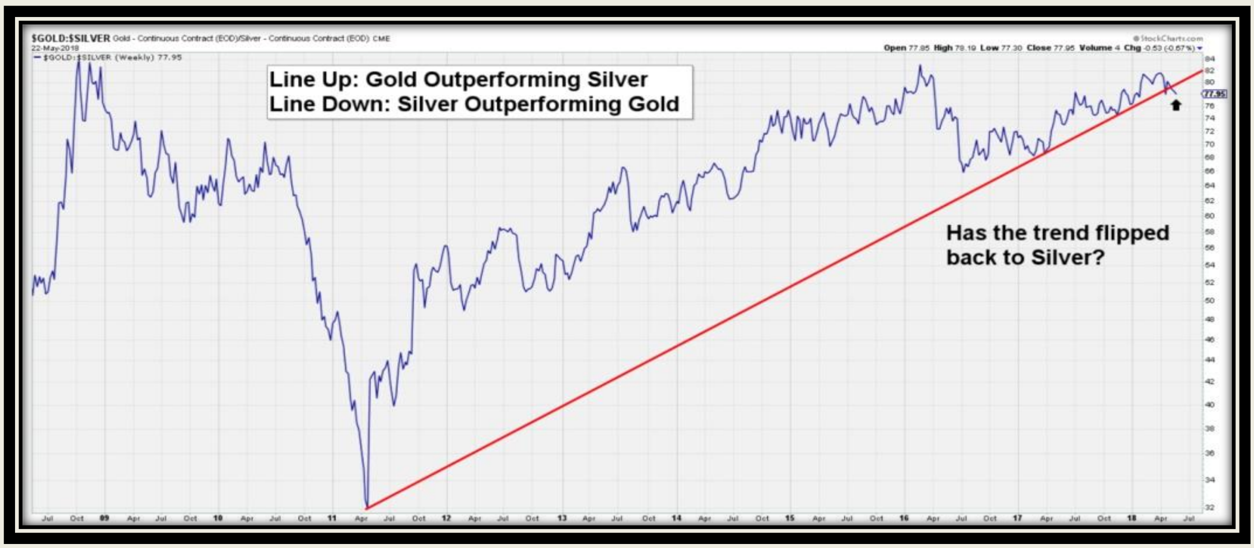
Just how undervalued is silver? In recent days, crude oil is up 44%, coal 39%, wool 27%, wheat 21%, copper 20%, cotton 15%, rice 13%, steel 10% and iron 5%. Where is gold and silver? **Gold** is up **3.5%** and **silver** is **-2%**!!! Is this normal or market-driven? Only if you understand that the **evil banksters** are *suppressing metals, and especially silver*. **Look at this chart**. In **2011, JP Morgan Chase** had *NO* physical silver. Since that day, they now have the largest physical silver hoard on the planet with over **700,000,000 ounces of silver?!** This chart *ONLY* reflects their holdings at **Comex** (Crimex as we call it). What is this telling us? **JP Morgan Chase** is betting on a huge increase.



[I recently saw a snippet of news] that **JP Morgan Chase** is now "bullish" on **gold.**...well how about **__silver__?** I think they are keeping that **secret** for a very good reason. In fact, someone once said that the current monetary system has so successfully driven **silver** out of the public's mind that when **silver hits $300-500/oz**. and is on the cover of *Time* and *Newsweek Magazines*, __it is the time to sell__!

__And this is the great challenge that I have as a broker in the silver market__. If you are a current client of **IDP Consulting Group** with physical silver holdings, depository account or an **IRA** account, I am going to do my level best to help us call the top in this crazy **debt-overloaded fiscal/monetary crisis-reset** that I see coming. As I say in **my book** (p. 302), being a **contrarian investor** is very hard and requires nerves of steel. People might be tempted to stay in the current **Wall Street Casino**, but **contrarian investor** **Tom Lewis** has this to say, "Being very, very right about a bubble's collapse means allocating your investments in a way that makes it seem like you're **very, very wrong at first**. There's no way around it. Trying have your cake and eat it too, *to ride the risk asset bubble to its exact peak before exiting at the very top*, and **reallocating to gold and silver in an instant** is to suggest you can predictably forecast the trajectory of **mania**."

Well said. And that is why we have a saying here in the **high country**, you do not buy fire insurance *after* your house is on fire! We know darn well that the evil banksters are desperately/criminally manipulating the metals. They will lose in the end. This is maddening, but **Craig Hemke** says this. "Knowing the manipulation and the manipulators allows us insight and perspective *that few others possess*. So, to that end, we *KNOW* that an opportunity is soon to be presented to us, whether we are aggressive traders or passive stackers. This is the *ONLY* way to manage and address the ongoing **price manipulation and suppression**. All other reactions—fear, anger, despair, etc.—are useless." He is right. Keep stacking people. We are going to see **silver outperform gold**, as it always does.



I conclude with a thought from metals analyst **Michael Ballanger**, "In a nutshell, what we have in place now for the precious metals is **a perfect storm** of oversold technicals, compelling fundamentals, geopolitical drivers, and absolutely abysmal sentiment going into **the month of July**, which typically marks the onset of the positive gold-silver seasonality period that extends through to **November**. There is also one other condition that is **overwhelmingly bullish** and it is that the precious metals are the unequivocal recipients of a *MASSIVE* serving of total and abject **investor APATHY**...... we are at a major inflection point in global trends. **It might be the singular most important inflection point in history**." I invite you to **READ** his short summary and how ignorant the wealthy class is....

Summary & Conclusion. As noted earlier, **gold and silver** have no counter-party risk and can never go to *zero*. You will not get this kind of advice from your broker. In these risky times we must be **contrarian** and be tough to buy and hold the only assets that will survive the days to come. If I can assist you or friends give me a call. The banksters are secretly planning a **reset** that will catch most people off guard, and this is also a very prophetic issue that will result in a new political paradigm shift to the **EU**, and a spiritual paradigm shift that will unfold the events spoken of in Scripture. A technocratic era that will produce a "more controlled and directed society" as **Pat Wood** has shared in his book.

In our current environment, the central banksters are literally trapped in their **confidence game** to keep the system going. The ultimate "stress test" will be when this confidence game slams into the **economic reality** that nothing has been fixed since **2008**, and now all that remains is a financial reckoning day. This is the calm before the storm, as **Peter Schiff** said in his speech. This view is supported by legendary macro-trader **Tudor Jones**. "The next recession is really frightening because we don't have any stabilizers." In other words, they are out of bullets. **The Fed** is *suicidally* raising rates into weakness, and a recession is coming along with collateral damage in stocks, bonds, pension funds and more. **Ray Dalio** says that **2019** "is setting up to be a dangerous period" for the economy. It could be sooner.

Finally, I do want to address the **culture wars**, discontent and acrimony in our nation - and especially as we go into **July 4th**. What kind of nation have we become? According to the American Psychological Association, **70%** of Americans are stressed and "emotionally exhausted" by the daily news cycle, and this is supported by the Pew Research Center. Thanks to an army of progressives, Marxists and Alinskyites we have become a **divided nation**, "and a divided nation cannot stand" **Jesus** said (Mt. 12:25). In **1789, John Adams** gave a speech to the Militia and said this, "Our **Constitution** was made only for a **moral and religious people**. It is *wholly inadequate* to the government of any other." Our nation has become that "other" and the **US** will not be "great again" anytime soon. Our **moral decline** is *more shocking* than our fiscal decline. "They sow to the wind," said the prophet Hosea, "and they shall inherit a whirlwind" (Hos 8:7). In these stressful times, remember "**God** is our refuge and strength, a very present help in trouble. Therefore we will not fear" (Ps. 46:1-2). Put your trust in the Lord and be strong. This newsletter was a bit late, but I have been busier since I revised my book. Let me know if you want a copy, and have a **meaningful 4th of July** everyone.

Until Next Time, Your Messenger from Pinetop

www.idpconsultinggroup.com