



# Financial Survivalist Letter

Wayne Peterson

**AUGUST 2018**

**On July 12 the world took a deep breath** ... an important pause, according to *Socrates*, Martin Armstrong's highly-sophisticated and impressively accurate computer program. But a pause, according to *Socrates* [Economic Confidence Model](#), that will last only until November 24, two weeks after U.S. midterm elections. Thereafter, the ECM will resume its downward trajectory into early 2020.

What does this mean? Potentially, that adverse developments abroad will take a back seat to intensifying socialist attempts to take the U.S. into civil war prior to our November 6 general election. One unsurprising result of the socialistic handiwork would be a resounding defeat for Democratic candidates—as alarmed conservative voters come out in record numbers, preventing the Democratic party from gaining control of either the House or the Senate.

Trends Journal's Gerald Celente expressed some opinions that might tie into this scenario in [a 38-minute interview](#)—the highlight being a prediction that Trump is going to bring the military back home just before election day and put them to work rebuilding U.S. infrastructure (which has fallen behind China, now showcasing 15,500 miles of [high-speed rail](#) network).

A resulting program of peace will keep conservatives in control. Celente also believes the President is driving toward rebalancing our unbalanced economy and making it self-sustaining.

Following a conservative election sweep, we might look for

- Continuing Trump administration rollback of Deep State cancers woven into our society; and
- Rising U.S. stock markets and dollar, as U.S. strength attracts capital from around the world.

**Has Trump already gone too far?** Although he's been moving against "Deep State" interests at a measured pace, Trump may have already stepped over the line. [Rationale](#) for his ability to continue rolling

back globalist structures comes from Jerry Corsi: to wit, an entity calling itself "**Q Anon**" is actually a group of military officials who may have [recruited Trump](#) to run for President and now "have his back." As far-fetched as the story seems, Corsi is known as a straight-shooter... therefore, we might just have a shot at a favorable outcome.

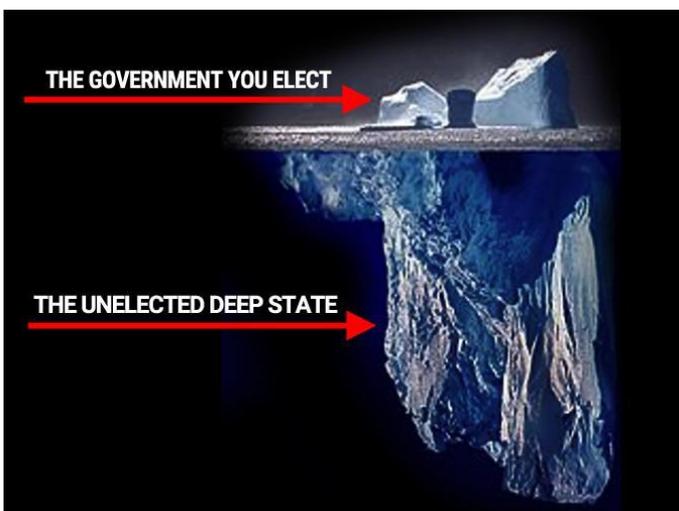
Adding credibility to this story was [an article](#) just published by the New York Times, addressing and attempting to debunk information about the Deep State being published by QAnon. The NYT is in my opinion one of the very best available sources of contrarian evidence.

Power players, Mainstream Media, Democrats and RINO's (Republicans in Name Only) are panicking that



## Putin's plan to destroy the USA:

- ✓Get Trump elected.
- ✓Secure borders.
- ✓Modernize and rebuild military.
- ✓Create booming economy.
- ✓US energy independence.
- ✓US manufacturing revival.
- ✓Fix and secure national infrastructure.

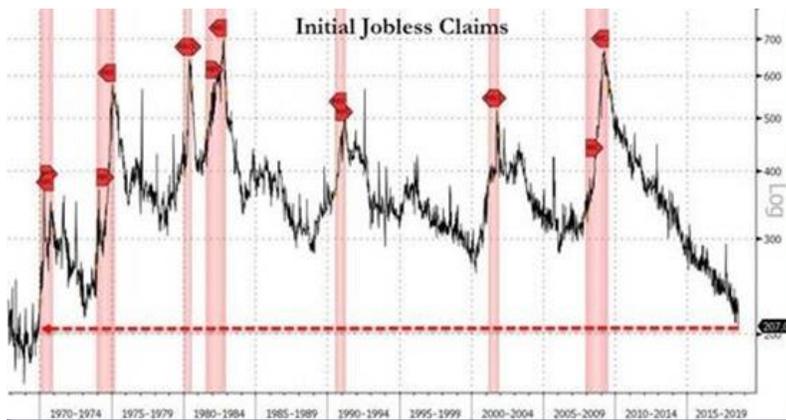


Russia and America may be working together against the New World Order and the Deep State. If the U.S. military is behind him, Trump has a lot more operating room... There is even some speculation that before he's done, Trump might go for broke and scrap or take direct control of the [Federal Reserve](#).

George Soros agrees that Trump is succeeding, [telling the Washington Post](#) that "because he was living in his own bubble, he failed to foresee Trump's meteoric rise, and that everything that could go wrong has gone wrong." To Soros, Trump is "destroying the world." That's a five-star endorsement!

## ***U.S. ECONOMIC HEALTH***

**Jobs, jobs, jobs!** The administration recorded its tenth record in June as [employment](#) reached 155.576 million; the Department of Labor reported the creation of an additional [213,000 jobs](#). In July, the economy added [another 157,000 jobs](#), taking the percentage of the 25- to 54-year old population with jobs to 79.5%--the highest level since May of 2008. The official unemployment rate ticked down to 3.9%, near the 18-year low hit in May.



Initial jobless claims in the last week tumbled to 207,000, the lowest since the 1960's. Which would indicate that few desiring work are unemployed...

Yet, [ShadowStats is reporting](#) that REAL unemployment (including those who have given up looking for work), while down a smidgen, is still at **21.5%**.

**GDP growth turned "great again."** The U.S. economy expanded at an estimated 4.8% annualized rate in the second quarter.

No surprise then that the Consumer Confidence Board reported a rise in U.S. [consumer confidence](#), to a 17-year high. According to a [Heritage Foundation report](#), every congressional district will benefit from tax reform... [Small business](#) owners remain highly optimistic... And American workers at small businesses are benefitting strongly with [increased wages](#), as Trump clamps down on immigration.

**Trade wars?** China's monthly [trade surplus](#) with the U.S. hit an all time high 42 billion in June, at the same time that the Trump administration began to act against trading partners who consistently run surpluses against the U.S. What Trump is trying to do is neutralize the advantage trade creditors are gaining from subsidies provided to their manufacturers.

The result has been a series of tariffs levied against U.S. trading partners. Trump realizes that tariff wars hurt everyone, but he is negotiating ... and has already scored a win with the European Union, which offered a [limited free trade agreement](#) between the U.S. and EU on industrial goods, which Trump accepted.

Even though the Chinese are better poker players than the Europeans, they too need to trade with the U.S., and will also have to come to the table and offer a fairer deal. To which end, Trump is threatening to [up the ante](#): tariffs on ALL Chinese imports.



This development is apparently no surprise to the Chinese, who have been [preparing](#) for a trade war for over a decade. Their initial [countermove](#) has been to let the value of the yuan slide against the dollar—five months and running—dampening the effect of any tariffs. At the same time they expressed [admiration](#) for the "skill as a strategist and tactician" the U.S. has displayed in dealings with China.

**Housing** starts, building permits and new and existing home sales all [dropped sharply](#) in June, as affordability constrained would-be buyers. As a result, inventory is building and seller motivation is increasing—which should help to [bring down prices](#). Bloomberg noted that "the U.S. housing market—

particularly in cutthroat areas like Seattle, Silicon Valley and Austin, Texas—appears headed for the [broadest slowdown](#) in years."

**Car sales** tumbled, as automakers [slashed discounts](#) for the first time in years—ostensibly due to the anticipated effect of tariffs on steel and aluminum.

Online **retail** sales are being increasingly dominated by [Amazon](#), which will account for 49% of ALL online retail sales this year.

**College** admission standards began moving back towards [race-blind](#) when the Trump administration reversed Obama-era policies that encouraged the use of race in college admissions ("to promote diverse educational settings").

**Municipal financial woes** are on the rise. [Illinois property taxes](#) chased a village mayor and his family to Alabama... Philadelphia is attempting to close its multi-billion dollar public pension gap by [filing liens](#) over individual properties with unpaid gas bills of as little as \$300... New Jersey is proposing to [tax tap water](#)...

**BROKE  
IN PHILLY**

[High-income Californians](#) began leaving the state in 2012, following the largest state tax hike seen anywhere in the U.S. in three decades. Federal tax deductibility rule changes passed in 2017 exacerbated the irritation, promising to increase the exodus of high-net worth individuals—many of whom are business owners.

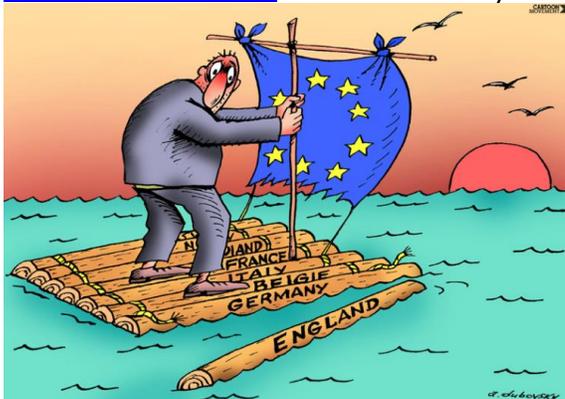
**Illegal aliens** are beginning to impact America: Congress just received the following information on laws broken by illegal aliens in 2017-18. There were more than 80,000 DUIs, 48,000 assaults, 11,000 weapons violations, 15,000 sexual assaults, 2,000 kidnappings, 1,800 homicides, 4,818 arrests for gang activity, 8067 pounds of heroin seized and 98,000 narcotics violations.

## **STOCK and BOND MARKETS**

**U.S. stocks** gained ground in July: the Dow Industrial and S&P 500 Indexes closed the month at 25463 and 2840, up 4.9% and 4.5% respectively. The Dow is trading neutral in a range between 24078 and 25587 and a breakout of this range will confirm the next direction. Critical support lies at 22416. The S&P ETF hasn't closed below its 200-day moving average in 526 trading days, making it the [longest run](#) in history.

One reason for the market's flat/down performance this year is because fund managers have been pulling back from equities due to their concern about rising rates from the Federal Reserve, and now because of their fear of a trade war. [Socrates predicted](#) this development ... and when the selling subsides, we should see another major market advance.

**Treasury yields** moved higher: the 10-year T-bond yield finished up 10 basis points at 2.95% and the 30-year yield rose 11 bp to 3.09%. Going forward, 2.95% should be support indefinitely and [3.25% should be resistance](#)—until it is finally broken. Common sense says that if you must hold government bonds in the current environment, it should be in [T-bills or agency paper](#) no more than 90 days from maturity.



Gerald Celente explained in the interview linked in the Big Picture section (above) why the U.S. cannot handle higher interest rates. Martin Armstrong went him one better, writing that Draghi will likely not be able to hold the EU together beyond the first quarter of 2019; also that in 2019 [interest expenditures](#) on the U.S. debt will exceed military spending.

**The dollar** (USD) eased 0.6% higher to 94.96. New [Fed chair Powell](#) told the Senate Banking Committee that it intends to "keep gradually raising the federal funds rate."

## PRECIOUS METALS and COMMODITIES

**Precious metals** continued falling in July. Gold closed at 1223.20.ounce, down 32, and silver finished 74 cents lower at 15.46/oz. Gold has been consolidating within 2017's trading range and needs now to close above 1281 to show signs of reversing its current weakness.

Bearishness in gold is approaching levels that would normally signal a bottom is near; for example, (1) [gold shorts](#) are approaching a record high, and (2) Vanguard threw in the towel on its Metals and Mining Fund, [changing](#) it to the Global Capital Cycles Fund. However the earliest likely window for establishing a low and reversing its downward trend appears out in November (potentially if the election produces a Democratic/Socialistic Congress). That's the nearest window; since we suspect gold's reversal will NOT happen this year, our recommendation has been to hold only a hedge position (~10%) in gold.

China has taken [world leadership](#) of the gold bullion market; it's the largest gold producer, largest gold importer, and its Shanghai Gold Exchange is now the largest physical gold exchange in the world...

Closer to home, the [Texas Bullion Depository](#) was opened for business.

**Mining stocks** (measured by the XAU Index) plunged 6.7% to 76.09.

**Commodities** (GCC Index) dropped another 3.4% to 18.20.

**Energy.** Crude oil (WTIC Index) slid \$6 to close at \$68.49/barrel. Citigroup's commodities chief predicted that the bullish case for crude is based on faulty analysis and that it could [return to \\$45/barrel](#) within 12 months. His reasons could be tied to [new discoveries](#) around the planet and the fact that oil is abiotic and produced by the Earth in unlimited supply.



Shell demonstrated its new ["Starship" aerodynamic truck](#) on a coast-to-coast run.

To help eke out every last drop of fuel efficiency, Starship was built from carbon fiber to reduce weight, features a 5000-watt solar array to supplement power, adjusts airflow through its grill, and lots more.



## CRYPTOCURRENCIES

Reversing its tortuous decent from December of 2017, Bitcoin popped up in mid-July, rising through its 50-day and 100-day moving averages to close at 7510, up 11.2% for the month. But BTC has settled back down in August, ostensibly carving out a low—with key support at 6297.

Cryptocurrencies seem increasingly likely to be a part of our future, but they'll not be a candidate to replace paper currencies until power shifts from one generational group to the next—perhaps in 10-15 years... Possibly earlier if a global financial collapse forces TPTB to create a new financial system. Martin [Armstrong wrote](#) that "governments will probably adopt the blockchain technology or a derivative thereof and each country will end up with its own cryptocurrency."

Here's an article on Bitcoin's progress with the [Lightning Network](#), to allow it to compete with traditional banking and credit cards. Plus a video presentation on the [promise of EOS](#). And some observations on cryptocurrency [values](#).

## Applications

- Venezuela plans to use its crypto currency, the Petro, to [build housing](#) for the homeless.
- Iran says it will press ahead with a state-issued cryptocurrency to circumvent [U.S. sanctions](#).
- An EU committee “found” that central [bank-issued](#) currencies could compete with private cryptos.
- [Starbucks](#) announced that it will soon begin accepting Bitcoin.
- The [SEC rejected](#) an ETF proposed by the Winklevoss twins, due to the potential for manipulation.
- VanEck—which is a mainstream funds house—is also proposing a Bitcoin ETF.
- Allianz, Aon and Marsh & McLellan now offer [insurance](#) for cryptocurrency loss. Premiums are hefty.
- The Chinese crypto community suggested a blockchain adoption to assure [vaccine safety](#).
- The world’s first [floating city](#) will have its own government and cryptocurrency (“Varyon”) by 2022.



## Resistance

- UBS wrote that for Bitcoin to [replace the U.S. money supply](#) it would need to trade at \$213,000.

## Support – overt and contrarian

- The Guardian reported that the UK has the potential to be a blockchain and [crypto leader](#) by 2022.
- Billionaire [Steve Cohen](#) invested in one of 240 crypto funds through Autonomous Partners.
- BlackRock Capital reprised Cohen by [forming a team](#) to look into ways to benefit from cryptos.
- [Ganging up](#): Stiglitz, Roubini and Rogoff joined forces in an attempt to stigmatize Bitcoin.
- NYT’s Paul Krugman also went for the jugular, with an orchestrated [rant](#) about BTC’s shortcomings.
- [Fed boss Powell](#) told congressional lackeys that BTC was “great if you’re trying to launder money.”
- IMF blimp Augustin [Carstens cautioned](#) “young people” against “trying to create money.”
- Teeka Tiwari [identified here](#) why Warren Buffett is “out of his league” in knocking cryptos.

## Exchanges

- A massive wrong-way bet at [OKEx](#) dented confidence in the Hong-Kong based exchange.

**Alerts** are published whenever we make allocation changes, and occasionally on important news. To be added to our **Alert email list**, send an email to [wayne@waynepeterson.net](mailto:wayne@waynepeterson.net).

**Handbook.** We plan to release an update to our Crypto Handbook in late August.

## **WINDOWS into the FUTURE**

*The world into which we’re rapidly moving*

**Robotics/AI.** Rio Tinto employed the first fully [autonomous train](#), which some are calling the world’s largest robot, to deliver 28,000 tons of iron ore after its 280 km maiden trip in Australia.



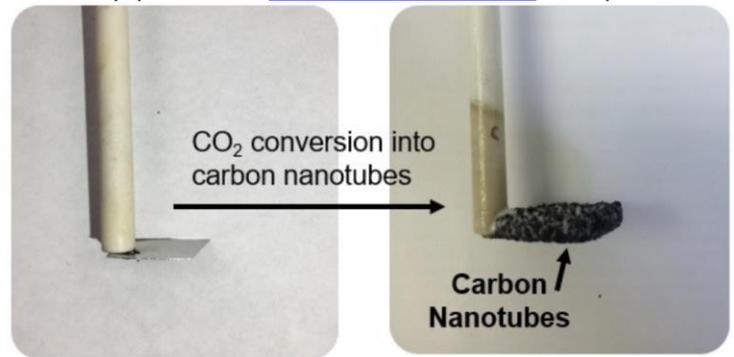
Boston Dynamics upgraded its [humanoid robot](#) and is on schedule to produce [1,000 robot dogs](#) per year by mid-2019.

Robots are beginning to be deployed as [security guards](#)... Amazon has begun automating [white-collar](#) jobs.

An [iceberg trial run](#) is being planned in 2019 by National Advisor Bureau Ltd. It will test the feasibility of towing leviathan icebergs 12,000 miles from the South Pole to the UAE, there to be melted into pure, polar ice water for humanitarian and commercial distribution. The trial run will float a smaller iceberg to Australia or the southern coast of South Africa.

**High-quality carbon nanotubes** have been cost-effectively produced [from carbon dioxide](#) in a process patented by Vanderbilt University. Researchers there electro-chemically converted carbon dioxide from the air into a type of nanotube that they say is “more valuable than any other material ever made.”

Carbon nanotubes are super-materials that can be stronger than steel and more conductive than copper. [SkyNano](#) Technologies, a spinoff, has begun production work with support from Oak Ridge National Laboratory.



**Data storage** is heading for a 5<sup>th</sup> dimension. UK scientists created a new data format that encodes information in [tiny nanostructures in glass](#). A standard-sized disc could store around 360 terabytes of data, with an estimated lifespan of up to 13.8 billion years at temperatures of up to 190 degrees C.

**3D printing applications** now include an entire bike frame, and [guns](#). Cody Wilson founded the “Wikiweapon” project, which allows anyone with a 3D printer to create an untraceable gun in the privacy of their own home. The Justice Department recognized that sharing instructions on how to make guns with 3D printers counts as [constitutionally protected](#) speech and is allowing their sale.

The 2<sup>nd</sup> Amendment allows good people to be armed and able to defend themselves against bad people, who WILL obtain firearms, by illegal means. Statists who want to take away guns from the citizenry should pause to reflect on gun-controlled Chicago—where [74 people were shot](#) last weekend. Then contrast that with Titusville, FL, where a good guy licensed to carry [took down](#) a bad guy.



**A “model”** for replacing college education? [French “compagnons”](#) are master craftsmen who, since the Middle Ages, have become the country’s greatest tradespeople. They develop and hone their skills in one of five materials: stone, wood, metal, leather and textiles.

Living in boarding houses across the country, they spend six months in one place before moving on to another French town and new hostel to learn more skills under a new master. They sustain this journey for at least five years, finishing their apprenticeship with a piece that demonstrates their mastery.

With the **wealth advantage** that a college education used to provide [shrinking](#), and with U.S. universities providing little more than a huge bill to today’s graduates—perhaps its time to consider something like the compagnon system.

Here’s a start: the President signed an executive order in July authorizing a workforce initiative to establish [apprenticeships with U.S. companies](#) and on-the-job training for American workers. 23 companies and associations have already signed on

to the new apprenticeship program.

### **Important developments you may have missed**

- A new study based on high-quality data suggests there’s no known upper limit to [human longevity](#).
- Discovery of 14,000-year-old toast suggests bread can be added to a [Paleo Diet](#).
- Merchants are having success repelling sidewalk loiterers by [piping Bach](#) and Mozart outdoors.
- Country Time lemonade will pay government fines and licenses for [kids’ lemonade stands](#).
- Actor [Gary Sinise](#) helped a double amputee Marine vet move into a special new smart home in PA.
- Here are 15 little-known ways that [WD-40](#) can make your life easier.
- And a website that lists [transmitting towers](#) and antennas near you.
- [Using Snopes](#) as a trusted authority is dangerous; it’s finally been exposed as a CIA operation.
- Tiny microphones are moving us to a world where [all gadgets](#) can respond to a voice command.

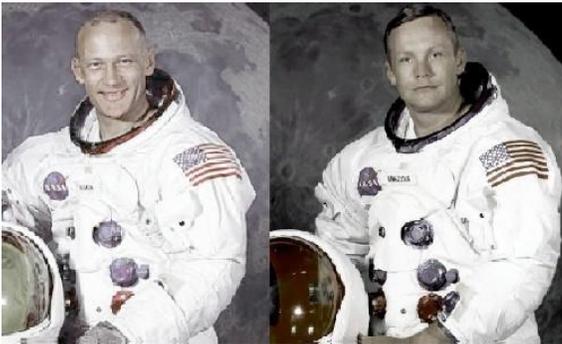
- A university study proves that your smart phone is [sending screen shots](#) to third parties.
- Here's what [Google may know](#) about you and what you can do about it.
- Here's an article describing five things you can do to control your public [Amazon profile](#).
- Apple vows [iPhones](#) don't listen in on users – but its apps are another story.
- From Mike Krieger: "Stop complaining and just [delete Facebook](#)."
- The DHS plans to [compile a list](#) of all bloggers, journalists and "Social Media Influencers."
- "[Quiet Skies](#)" is a new secret TSA program set up to monitor U.S. citizen air travelers.
- But the Supreme Court just ruled that law enforcement [needs a warrant](#) to track your phone.
- California made the vending of plastic straws illegal – and [Starbucks replaced](#) their straws with a sippy top that uses three times more plastic!



## **OUTSIDE THE BOX**

*Relating information of a wider/grander nature – subjects to contemplate, investigate...*

This [fascinating 2016 video](#) presentation provides very convincing details that the physically-damaged ocean liner Olympic was transformed into its sister ship, the **Titanic**, and it was that ship which sank in 1912, taking down with it three principal opponents to the implementation of the Federal Reserve—in a conspiracy masterminded by J.P. Morgan.



This National UFO Center weekly [issue recalls](#) live reports from Neil Armstrong and Buzz Aldrin from the Moon that their 1969 **landing was observed** by "enormous other spacecraft lined up on the far side of the edge of the crater" in which they landed Apollo 11.

**Thriving.** Foster Gamble is at it again—working on "Thrive II: This is What it Takes!" If you haven't seen the ground-breaking original Thrive movie (~2 hours), [here it is](#), free and now available in 27 languages.

**Gobekli Tepe** is a newly-discovered, sophisticated [archeological site](#) that predates Stonehenge and the Giza pyramids by thousands of years. There are many other internet reports on this site... If that's not enough for you, listen to the first 20 minutes or so of [this disclosure](#) by Linda Howe (one of the original reporters on Gobekli Tepe) on what's going on in Antarctica.

***"What lies behind us and what lies before us are tiny matters compared to what lies within us."***  
– Ralph Waldo Emerson

## **FUNNIES**

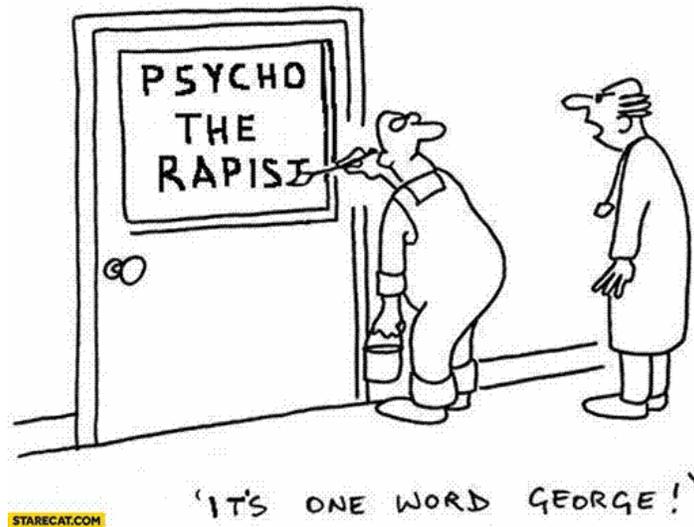
### **Simply Genius**

I took down my Rebel flag (which you can't buy on EBAY any more) and peeled the NRA sticker off my front window. I disconnected my home alarm system and quit the candy-ass Neighborhood Watch.

I bought two Pakistani flags and put one at each corner of the front yard. Then I purchased the black flag of ISIS (which you CAN Buy on EBAY) and ran it up the flag pole.

Now the local police, sheriff, FBI, CIA, NSA, Homeland Security, Secret Service and other agencies are all watching my house 24/7. I've NEVER felt safer and I'm saving \$69.95 a month that ADT used to charge me.

Plus, I bought burkas to wear when I shop or travel. Everyone moves out of the way, and security can't pat me down. If they say I'm a male wearing a burka, I just say I'm feeling like a woman today.



### The Bathtub Test

During a visit to my doctor, I asked him, "How do you determine whether or not an older person should be put in a Nursing Home?"

"Well," he said, "we fill up a bathtub, then we offer a Teaspoon, a teacup and a bucket to the person and tell them to empty the bathtub".

"Oh, I understand," I said. "A normal person would use the Bucket because it is bigger than the spoon or the teacup."

"No" he said. "A normal person would pull the plug."

Do you want a bed near the window?"



### RABBIT AND THE BLONDE

A man is driving along a highway and sees a rabbit jump out across the middle of the road. He swerves to avoid hitting it, but unfortunately the rabbit jumps right in front of the car.

The driver, a sensitive man as well as an animal lover, pulls over and gets out to see what has become of the rabbit. Much to his dismay, the rabbit is dead.

The driver feels so awful that he begins to cry.

A beautiful blonde woman driving down the highway sees a man crying on the side of the road and pulls over. She steps out of the car and asks the man what's wrong.

"I feel terrible," he explains, "I accidentally hit this rabbit and killed it."

The blonde says, "Don't worry." She runs to her car and pulls out a spray can. She walks over to the limp, dead rabbit, bends down, and sprays the contents onto the rabbit. The rabbit jumps up, waves its paw at the two of them and hops off down the road.

Ten feet away the rabbit stops, turns around and waves again.

He hops down the road another 10 feet, turns and waves; hops another ten feet, turns and waves. The rabbit repeats this again and again and again, until he hops out of sight.

The man is astonished. He runs over to the woman and demands, "What is in that can? What did you spray on that rabbit?"

The woman turns the can around so that the man can read the label. It says...

(Are you ready for this?)

(You know you could just click off and not read the punch line....)

(You can still delete it)

(OK, here it is)

The label says,

**"Hair Spray - Restores life to dead hair, adds permanent wave."**



**Thanks for reading. We wish you another happy, healthy and successful month!**

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