



Financial Survivalist Letter

Wayne Peterson

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Choppy waters ahead. Big waves were nowhere in sight yesterday: elephants snuck in a couple of additional Senators and donkeys supported enough women to take control of the House. We're now facing two years of divided government ... which I personally used to savor because very little new government "progress" resulted.

This time around however seems to be different: we have a President who has actually [accomplished things](#) that are helpful to average Americans (economic growth, employment, reduced taxes, conservative judges, improved trade deals, deregulation, stronger military, and a little more border security).

Looking ahead, what's almost guaranteed to go begging is meaningful action to enhance civil liberties, reduce our national debt (now spiraling from much of the above "benefits"), or unwind foreign entanglements. But we may get to watch Trump spar with the Federal Reserve... Here's a list of additional [expectations](#) from Goldman Sachs, with the bottom line being **gridlock**.

The outcome was no surprise for Martin Armstrong's *Socrates* computer program, which has been predicting increased chaos regardless of the election's outcome. As its Economic Confidence Model illustrates here, the economy is slated to resume its downward trajectory eleven days from now—and continue deteriorating until early 2020.

Establishment media is already embellishing remarks from Democratic lunatics like ex-bartender Ocasio-Lopez, threatening to make Trump's life a "living hell." The Donald countered by threatening Senate investigations of House Democrats for classified information leaks. And away we go...

Armstrong: "The computer was correct. There was no Blue Wave. While the Democrats won the House, they have continued their downtrend with a lower high... Democrats cannot reverse their declining trend since peaking with FDR, and the Republicans cannot deliver the final death blow to put them out of their Marxist misery."

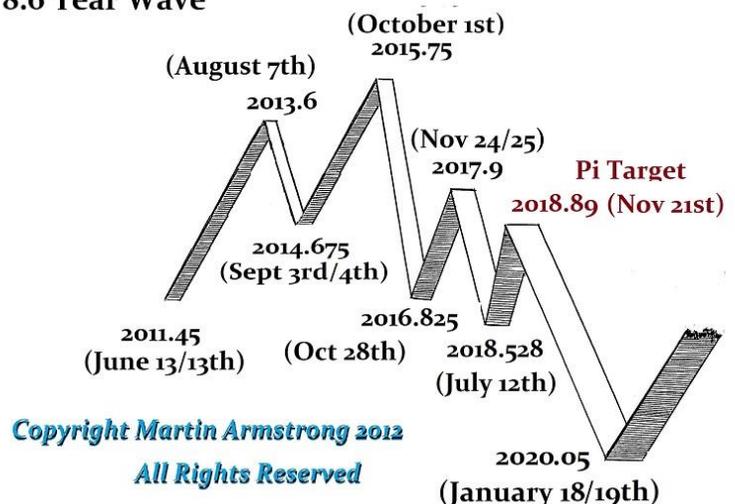
Democratic obstruction will have little or no practical effect on events going forward, but will serve to "make the 2020 Presidential elections far worse than any in the past... Running the government is no longer a priority. This is going to be a grudge match from here on out and that is what the model has been projecting."

We appear to have **at least** a two year window to prepare for what may turn into an eventual economic collapse of the United States. Quite a few historians have written about its coming, including [Jim Kunstler](#), [Doug Casey](#) and [Strauss & Howe](#).

Good luck to us all!

Economic Confidence Model™

8.6 Year Wave



U.S. ECONOMIC HEALTH

The **U.S. regained top spot** in World Economic Forum rankings for the first time since 2008 ... even as the University of Michigan [sentiment index](#) unexpectedly dipped to 99, from September's 100.1.

Jobs. [October payrolls](#) surged by 250,000, bringing the average monthly jobs gain over the past three months to 218K—while also absorbing the impact of two hurricanes. Labor force participation rose to 62.9% and weekly [unemployment](#) claims fell to 214,000, the lowest level since 1973.

The only significant economic downside seems to be that [small businesses](#) are having a hard time filling open job positions.

Over half of the 25 [highest-paying jobs](#) in America are in the technology sector, according to Glassdoor's annual report.

Major American companies which [no longer require](#) employees to have a college degree now include Google, Apple and IBM. They're more interested in hands-on experience.

Housing market headwinds are keeping American homeowners in their properties for the [longest periods](#) on record—double that of 2000.

[Pending](#) home sales slumped for the 5th straight month and [existing](#) home sales dropped for the 7th straight month—principally it seems due to mortgage rates, which topped 5.0% last month, resulting in [mortgage applications](#) collapsing to the lowest level since 2000.

2.2 million homeowners are still underwater on their mortgages and [renters are struggling](#) to keep up with rent increases.

Loan delinquency is approaching [crisis levels](#), with auto debt up 52% and the student loan bubble at \$1.5 trillion and threatening to pop. [Auto sales](#) are languishing and American finances haven't improved; [one estimate](#) concluded that only 28% of Americans should be considered financially healthy... The IMF warned of the impact of rising interest rates on soaring global debt; countries who borrowed in dollars also face a second threat, as the greenback strengthens.

Texas is being invaded by people leaving Los Angeles, Chicago, New York, Miami, D.C. and San Jose—in search of locations with [cheaper housing](#).

Inflation is coming. Airlines, Coca-Cola, Apple, PPG, McDonalds and Clorox are among a host of companies that are [increasing prices](#), due to rising costs—also being pressured by trade tariffs.



“Are you better off than you were two years ago?”

Changes in economic data and market levels since the 2016 election

	Pre-election (Oct. 2016)	Now (Sep. 2018)	Change
Employment			
Total non-farm employees (millions)	145.1	149.5	4.4
Unemployment rate	4.9%	3.7%	(1.2)pp
Labor force participation rate	62.8%	62.7%	(0.1)pp
Average hourly earnings	\$25.88	\$27.24	5%
Surveys			
Consumer Confidence	101	138	38
NFIB Small Business Optimism	95	108	13
ISM Manufacturing	52	60	8
Government			
Statutory Federal corporate tax rate	35%	21%	(14)pp
Federal budget deficit (% of GDP)	(2.9)%	(12.5)%	(9.6)pp
Federal debt outstanding (billions)	\$19,806	\$21,516	9%
Assets held by Fed (billions)	\$4,516	\$4,224	(6)%
Markets			
US Equity			
S&P 500	2126	2810	32%
S&P 500 LTM EPS	\$117	\$140	19%
S&P 500 forward P/E	17.0x	16.3x	(0.7)x
NASDAQ 100	4861	7178	48%
Rates			
Fed funds rate	0.3%	2.2%	187 bp
10-year US Treasury yield	1.8%	3.1%	121 bp

STOCKS and BONDS

U.S. stocks: the Dow Industrial and S&P 500 Indexes plunged 5.6% and 6.8% respectively during October, closing the month at 25300 and 2727. Martin Armstrong wrote that “even a Democratic win in the House would only prevent any reform so we will still see the flight of capital from Public to Private asset classes perhaps even pick up steam.” His *Socrates* program predicted the Dow Industrial's plateau at 26,000 and—following the ongoing [consolidation](#) (“as people try to figure out if this is the big crash or not”)—a renewed rise to 40,000+.

Treasury bonds continued falling, as interest rates rose: 10-year and 30-year T-bond yields climbed 10 and 19 basis points to 3.15% and 3.39%, respectively. Short-term Treasuries are still being purchased, although gingerly, to capture short-term rate adjustments ... but when the debt crisis shifts into [full gear](#), holding Treasury securities will become a death wish. High yield bonds are already in retreat, experiencing one of their [3 worst years](#) in recent times. DoubleLine CEO Jeff [Gundlach](#) is telling investors to get out of corporate bonds ... NOW.

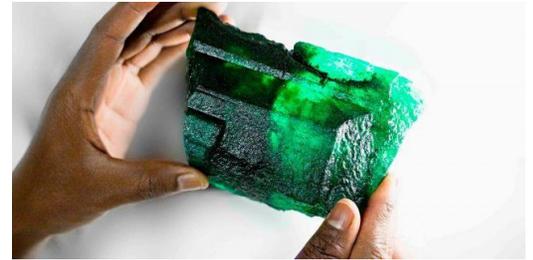
The dollar (USD Index) shot 2.4% higher to 96.90... Sweden's Riksbank became the first central bank in the 21st century to take concrete measures to ensure that [cash](#) as a means of payment does NOT disappear.

REAL ASSETS

Precious metals. Political uncertainty helped gold, which rose \$24 in October to 1215. Silver declined 41-cents to 14.28, pushing the gold-to-silver ratio above 86—the highest I can remember seeing it. We expect gold to resume its decline after the election, before taking off again a few years from now. Jim Rogers reiterated his expectation to buy more gold, but below \$1000.

Mining stocks (measured by the XAU Index) climbed 2.2% to 66.97.

Commodities (GCC Index) also rose, up 2.1% to 18.42. Miners discovered a 5,655-carat [emerald crystal](#) with a "golden green hue," at the world's largest emerald mine in Zambia.



Energy. Crude oil (WTIC Index) plunged \$7.90/barrel to 65.31, reflecting [storm clouds](#) gathering over the global economy. Output from OPEC, Russia and the U.S. continues to rise, even as global demand weakens.

[Longer range](#) and over time, a large portion of hydrocarbon demand is going to be REPLACED by clean energy, affecting among others the U.S. [shale oil](#) industry—which continues to pile up debt.

CRYPTOCURRENCIES

Bitcoin and other cryptocurrencies continued sliding, with BTC closing the month down 5.6% at 6234. Bitcoin volatility hit a 17-month low: we agree that this is most likely the calm before another major rally. That Bitcoin has become "[boring](#)" is a good thing, as it has tended to induce short-term players to desert the market for faster action... It's also a result of Wall Street and other major market players involvement.

The [2-day collapse](#) of Zimbabwe's private EcoCash currency network demonstrated the weakness of an electronic currency: take out the power grid and the currency could collapse overnight, taking the economy with it. This vulnerability also exists with the fiat currencies of major economies—where only about 4% of activity uses cash, with the rest in electronic transactions... Which doesn't mean that cryptos are at a dead end. Right now, they are an asset class—with technological challenges to be overcome.



Petrofied. Venezuelan dictator Maduro announced November 5 as the first date of "Petro" availability for public purchase—on [six exchanges](#) (none of which is listed among the top-100 crypto exchanges) using Bitcoin or 3 other coins. State-owned, controversial Petros are supposedly "backed" by national oil reserves (located in a hostile physical environment where development has not even begun).

Its first application has been determined by Venezuelan officials, who are requiring its use to [obtain a passport](#) (very practical, with 5000 people a day leaving the country due to its economic collapse). The world is watching this "[stunt](#)."

Crypto miners have become energy hunters, scouring the world for cheap electricity... Winnipeg City, previously a Canadian "ghost town" has become the new [crypto mining capital](#) of North America.

Privacy! Governments everywhere are trying to get a handle on cryptocurrencies. While some are building systems that compile transaction data and scraped private information into a single database, most have only begun moving in that direction. The actions of a number of privacy coins, Monero being the most prominent, are highly important. More on this in our next letter.

Blockchain technology (beyond cryptocurrencies) is being aggressively embraced by the largest banks, financial and insurance institutions, major industries, and governments worldwide. More and more social, business, academic and industrial sectors are realizing how secure and adaptable the technology is. More also on this in December.

Tether has been a "stable coin" crypto traders use to move between different alt coins. Last month, it broke below its \$1 peg and traded [as low as 85 cents](#) to the dollar, before recovering to .993 at month end. Attempts by the sponsor to rebuild confidence have been generally unsuccessful, and a logical next step would be to move your positions to an exchange that converts your uninvested positions into USD. Kraken is one and Bittrex uses the buck for selected states.

Voters in West Virginia were able to cast their ballots yesterday using mobile phones, supported by low-cost, fully reliable blockchain technology. Let's hope this idea takes off nationwide in time for 2020 elections. And while we're at it, not only do We The People want a direct say in the candidates we vote into office, but also on issues ranging from school budgets to war. These objectives are easily and securely achieved through the blockchain. Let's see if a politician sponsors such a change.

In other developments:

- Yale University's endowment fund [invested](#) significantly in the \$400 million Paradigm crypto fund.
- JPMorgan launched Quorum, an Ethereum-based blockchain for [cross-border](#) payments.
- The U.S. [Federal Reserve](#) revealed plans to launch its own cryptocurrency system in 2020.
- The SEC temporarily suspended trading of Citigroup's "[Digital Asset Receipts](#)."
- The New York Stock Exchange appears to be [behind Bakkt](#), another crypto from the swamp.
- Following its Coinbase investing portal, [Fidelity began](#) institutional crypto custody and trading.
- Prague, Czech Republic is the world's leading [bitcoin-accepting](#) venue.
- Aon introduced [insurance](#) to protect cryptocurrency loss from theft and technology change.
- The U.S. DEA (drug agency) noted that [Bitcoin's role](#) in crimes dropped to just 10% of transactions
- \$750k in BTC was accepted as bail in a federal case involving a hack of a California game company.
- Maltese Prime Minister Muscat told the UN that cryptos are the "inevitable [future of money](#)."

Here's Alternative.me's current [Fear and Greed](#) Index reading—still registering "Fear." But better than early October's "Extreme Fear." Greed and fear are contrarian indicators: the more extreme they become, the better your potential chances for success by betting against the trend.

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. At present we remain 100% out of the market, still expecting lower prices.

WINDOWS into the FUTURE

Robotics. Swiss engineering firm ABB plans to build a \$150 million factory in Shanghai by 2020, where robots will [assemble other robots](#)... South Korea leads the world in [installed robotic](#) workers, with 631 per 10,000; the U.S. is in 6th place with 189.

An AI machine, pitted against 20 [corporate attorneys](#) and tasked with spotting mistakes in five Non-Disclosure Agreements (NDAs), was 94% accurate, compared to the lawyers 85% average score. The lawyers took an average of 92 minutes to complete the test, while the AI machine took 26 seconds.



At the World Robot Summit in Tokyo, the focus was on [down-to-earth robots](#) that can deliver mail, do the shopping, and build a house.

Transportation. The end is now in sight for gas-powered vehicles in much of the world. [Volkswagen](#) is going all-electric and their Asian market penetration is huge. Technologically it is already giving Tesla a run for its money.



Airbus' Zephyr HAPS broke another [endurance record](#) staying aloft for 26 days, powered only by sunlight...

Next year Terrafugia's two-passenger Transition aircraft-automobile will go on sale—for \$400,000 apiece.

Energy. NantEnergy introduced a rechargeable [zinc-air battery](#) capable of storing power at far less cost than lithium-ion counterparts—and without vulnerability to fires and explosions. Nant's systems have helped power villages in Africa and Asia and are now ready to be considered for wide application in powering electric cars and storing energy generated by solar panels and wind turbines.

Social media alternative sites are emerging, and with hundreds of accounts at Facebook and Twitter having been deleted, and [more to come](#), now seems a good time to consider making a change. Gab.ai is a Twitter rival which gained notoriety after being taken down due to Pittsburg killer Richard Bowers use as a site to post his warnings. You might also [take a look](#) at MeWe, Real.Video, Mastadon, and Diaspora ... or even The Survival & Self-Reliance Forum.

Google alternatives include [DuckDuckGo](#), which handles 30 million searches a day, and my personal choice, [StartPage](#). Neither reveals your search identity or activity.

Other items of possible interest

- A preliminary study suggests that tiny doses of "[magic mushrooms](#)" can unlock human creativity.
- Be careful what you eat. Radiation from [Fukushima](#) continues unabated, and is everywhere (video).
- Here's a list of the top six [preservatives](#) used to extend shelf life, while SHORTENING human life.
- If you want to [avoid insecticide](#) in your hamburgers, look for a Shake Shack, BurgerFI or Wendy's.
- The TSA announced plans to implement [facial recognition](#) for U.S. domestic flights.
- "5G" millimeter wave technology being rolled-out globally is also ideal for [controlling crowds](#).
- MasterCard agreed to provide Google with transaction data on its cardholders' purchases.
- Police are expanding use of "textalyzers," which analyze use while driving an automobile.
- Google and Facebook dominate the practice of "[shadow banning](#)" or masking posted information.
- Environmental nut balls now want to reduce [dog and cat ownership](#) to stop "global warming."
- China plans to launch a 6-50 mile diameter [artificial moon](#) in 2020.
- Trailblazer Firearms created a [4-round pistol](#) which can be carried in an average wallet.
- 20 South Africans and 20 Americans [swapped diets](#) for 2 weeks, producing "remarkable" results.
- A new study found that those who frequently ate [organic foods](#) lowered their overall risk of cancer.



TWILITE ZONE

Apollo 11, July 21, 1969: "These "Babies" are huge, Sir! Enormous! OH MY GOD! You wouldn't believe it! I'm telling you there are other spacecraft out there, lined up on the far side of the crater edge! They're on the Moon watching us!" – this was the alleged initial report from [Neil Armstrong and Buzz Aldrin](#), after becoming the first humans to touch down on the Moon.

The CIA was behind the censoring of these live comments from the public, but according to former NASA employee Otto Binder, unnamed radio hams with their own VHF receiving facilities that bypassed NASA's broadcasting outlets recorded the astronauts' report. Many other American astronauts also reported alien spacecraft, and Armstrong and others reported that humanity was warned to stay off the Moon—which was why the Apollo program was prematurely aborted (with two more fully funded missions ready to go).

Antarctic "hangar" or ? A new "discovery" on Google Earth shows what appears to be a 115 x 70 foot [entrance into Antarctica](#) (has been partially masked over the past two weeks), accompanied by a line of 18 "runway lights." See it for yourself on Google Earth at coordinates: 75deg, 00', 46.98" South; 0deg, 04', 52.71" East.

Following up on last month's story about the shutdown of the National Solar Observatory in Sunspot, NM: no new official story has been released, but here's a "[top 5" list](#) of independent theories. The top two: (1) site infiltration by foreign agents to spy on technology and military development programs at nearby White Sands Missile Range; and (2) discovery of definitive evidence of extraterrestrial life.



Immortality? Scientists at the University of California at Berkeley have developed a [revolutionary DNA tool](#) which could take humanity a step closer to eternal life. Using the new system, researchers can build DNA strands up to 10 times longer than allowed by current technology. This technique could help scientists working to reverse the ageing process by manipulating a key molecule called telomerase—thought to repair our DNA.

FUNNIES

A cowboy walks into a bar, orders three mugs of beer, and drinks them by taking sips out of each one in turn. When he orders three more, the bartender says: "You know, a mug goes flat after I draw it, and it would taste better if you bought one at a time."

The cowboy says: "I have two brothers. One is an Airborne Ranger, the other is a Navy Seal, both now serving overseas. When we all left home, we promised we'd drink this way to remember the days when we drank together. So I'm drinking one beer for each of my brothers and one for myself."

The cowboy becomes a regular in the bar and always drinks the same way, but one day he only orders two mugs. All the regulars fall silent, and the bartender says: "I don't want to intrude on your grief, but I just want to offer my condolences on your loss." The cowboy laughs and says: "No, it's not that. Everybody's fine. It's just that last Sunday my wife and I joined the First Baptist Church, and I had to quit drinking. Hasn't affected my brothers though."



Psychological test.

While attending her mother's funeral of her own mother, a girl met this guy whom she did not

know. She thought this guy was amazing, so much her dream guy she believed him to be, that she fell in love with him there and then...

A few days later the girl killed her own sister.

Question: What is her motive in killing her sister?

The answer is under the next picture, but DON'T Scroll down until you have decided on your answer.



*Answer: She was hoping that the guy would appear at the funeral again. If you answered this correctly, you think like a psychopath. This test was developed by an American psychologist and used to determine if one has the same mentality as a killer. Many arrested serial killers took part in the test and answered it correctly. If you didn't answer correctly - good for you... (But if you answered correctly, please let me know so I can take you off my mailing list...)

I was performing a complete physical, including the visual acuity test. I placed the patient twenty feet from the chart and began, "Cover your right eye with your hand." He read the 20/20 line perfectly.

"Now your left." Again, a flawless read. "Now both," I requested. There was silence. He couldn't even read the large E on the top line. I turned and discovered that he had done exactly what I had asked; he was standing there with both his eyes covered. I was laughing too hard to finish the exam.

Dr. Matthew Theodopolous, Worcester, MA



Words Women Use

FINE - This is the word they use at the end of any argument that they feel they are right about but need to shut you up. NEVER use fine to describe how a woman looks. This will cause you to have one of those arguments.

FIVE MINUTES - This is half an hour. It is equivalent to the five minutes that your football game is going to last before you take out the trash, so we feel that it's an even trade.

NOTHING - This means something and you should be on your toes. "Nothing" is usually used to describe the feeling a woman has of wanting to turn you inside out, upside down, and backwards. "Nothing" usually signifies an argument that will last "Five Minutes" and end with the word "Fine."

GO AHEAD (with raised eyebrows) - This is a dare. One that will result in a woman getting upset over "Nothing" and will end with the word "Fine."

GO AHEAD (normal eyebrows) - This means "I give up" or "do what you want because I don't care." You will get a raised eyebrow "Go Ahead" in just a few minutes, followed by "Nothing" and "Fine" and she will talk to you in about "Five Minutes" when she cools off.

LOUD SIGH - This is not actually a word, but is still often a verbal statement very misunderstood by men. A "Loud Sigh" means she thinks you are an idiot at that moment and wonders why she is wasting her time standing here and arguing with you over "Nothing."

SOFT SIGH - Again, not a word, but a verbal statement. "Soft Sighs" are one of the few things that some men actually understand. She is content. Your best bet is to not move or breathe and she will stay content.

THAT'S OKAY - This is one of the most dangerous statements that a woman can say to a man. "That's Okay" means that she wants to think long and hard before paying you retributions for whatever it is that you have done. "That's Okay" is often used with the word "Fine" and used in conjunction with a raised eyebrow "Go ahead." At some point in the near future when she has plotted and planned, you are going to be in some mighty big trouble.

PLEASE DO - This is not a statement, it is an offer. A woman is giving you the chance to come up with whatever excuse or reason you have for doing whatever it is that you have done. You have a fair chance to tell the truth, so be careful and you shouldn't get a "That's Okay."

THANKS - A woman is thanking you. Do not faint, just say you're welcome.

THANKS A LOT - This is much different from "Thanks." A woman will say, "Thanks A Lot" when she is really ticked off at you. It signifies that you have hurt her in some callous way, and will be followed by the "Loud Sigh." Be careful not to ask what is wrong after the "Loud Sigh," as she will only tell you "Nothing."



START YOUR DAY WITH A POSITIVE OUTLOOK

1. Open a new file in your PC.
2. Name it "work."
3. Send it to the RECYCLE BIN
4. Empty the RECYCLE BIN
5. Your PC will ask you, "Are you sure you want to delete work permanently?"
6. Answer calmly, "Yes," and press the mouse button firmly....
7. Feel better?

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

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