



Financial Survivalist Letter

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Here comes the circus! A horde of new Democrats have landed in D.C., hell-bent on reducing Donald Trump's influence enough to produce a ghost-of-a-chance of replacing him in 2020. Expect to be entertained for the next two years by a gaggle of D.C. clowns, jugglers and freaks. No lion tamers, though. And Trump almost alone on the high wire.

Much of 2019 seems likely to be spent on "Investi-gate" and an ensuing mud-fight between the House and Senate. In midyear, the Supremes are expected to give us a break—ruling on what's left of Obamacare.

Here's an [expansive 2019 forecast](#) from Jim Kunstler (politics, markets, civil disorder, oil, geopolitical, climate change, culture). My only significant dissent with his analysis is that I give Trump more credit as a tactician and negotiator.

Rand Paul lauded [Trump's accomplishments](#) thus far: "historic tax cuts, massive cuts in regulation, the appointment of constitutional jurists, and implementing an 'America First' foreign policy by focusing on America and not every problem around the world. This president is delivering on his promises and moderate Republicans should work with him to fulfill even more." To the above could be added economic growth, bringing North Korea back to the civilized world, and bipartisan drug sentencing reform.

The intensity of Deep State resistance the president is encountering was seen in the wails of anguish that followed his announced intent to bring troops home, and following his decision to replace globalist Defense Secretary Jim Mattis. Mattis's disagreement with Trump's pullout from Syria and Afghanistan was pretty clear confirmation that Jim was in there to do the deep state's dirty work—in this case, keeping the neocon war machine in action. I was recently reminded that the Senate confirmed Mattis by 98-1.



"[Ron Paul](#) termed the withdrawal announcement "a good start." Then, following a meeting with Lindsey Graham, Trump backpedaled from his timetable—yielding somewhat to Deep State pressure ... and reminiscent of Richard Nixon's being hounded out of office after ending the Vietnam War.

The illegal immigrant crisis pushes to the forefront around the world the understanding that it is one arm of the globalists' agenda in action.

The crisis is a concerted effort to put all nations in the poorhouse by urging those in 3rd world countries to move to wealthy nations. Laws be

damned. European countries and America are being overwhelmed. The good news is that an increasing number of nations are awakening to these invasions; see evidence [here](#) and [here](#).

Martin Armstrong noted that Trump can [justify the wall](#) by declaring that **terrorists are entering** through Mexico and presto – he has the power to build the wall with all the money he can dream of under the Patriot Act. Why hasn't that happened?

U.S. ECONOMIC HEALTH

Holiday retail sales were the [strongest in years](#), totaling \$850 billion during the Nov. 1 to Dec. 24 period, up 5.1% compared to 2017. However, November orders for **durable goods** [rose only 0.8%](#), following an October collapse.

Employment. Jobs growth exploded higher, [adding 312,000](#) jobs in December, substantially above economic estimates of 176k. Total employment hit another record, at [156.9 million](#), while unemployment increased 0.2% to 3.9%. [Hispanic employment](#) set a new record high 27.7 million, with just 4.4% unemployed. [Wages rose](#) 3.2 percent from a year ago and 0.4% over November.

Business surveys by Richmond and Dallas Federal Reserve offices showed a [December collapse](#) in business confidence—seemingly offset by [Chicago's PMI](#) index hitting a near-record high.

Home sales are [slowing](#), with existing sales logging their biggest drop since 2011. No surprise then that real estate [inventories](#) are rising. And luxury real estate is crashing; one of America's most expensive mansions (pictured) just [sold for 27%](#) of its 2015 asking price.

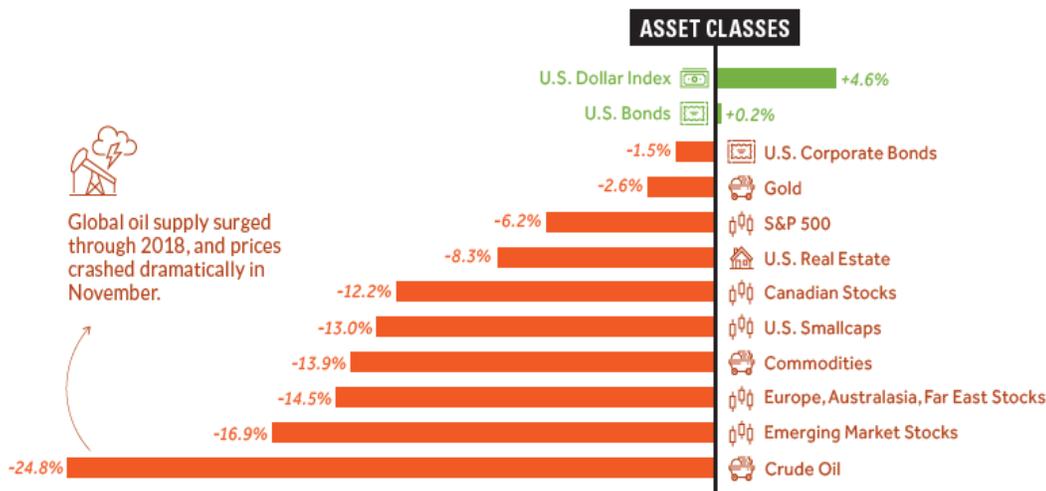


Global auto sales have fallen two consecutive quarters, apparently signaling the onset of auto's [first recession](#) since 2009. Ford said it will [stop reporting](#) monthly sales data, after its sales plunged 9%.

Retail inventory is piling up, much of it anticipating Chinese [price increases](#) following [new tariffs](#) from the Trump administration.

INVESTMENT ASSETS

U.S. stocks, under pressure from FOMC (Fed) rate tightening, continued their dive—with the Dow Industrials and S&P 500 Indexes each plunging 9.1% in December to close the month at 23327 and 2507. Key support levels exist at 22668, 22560, 21600, 21495 and 19135; *Socrates* is currently predicting an intraday low on March 14, 2019. 2018 was tagged as the worst year EVER for investment assets, going back to 1901, with [93% of them](#) finishing lower.



Global oil supply surged through 2018, and prices crashed dramatically in November.

Equities tumbling across the board and around the world should not have been a surprise, especially in the U.S. where stocks have been smoking.

After a correction that may extend into 2021, we should see a renewed bull market in stocks carrying out to 2032. During the next two years, U.S. stocks should be supported by

a strong dollar and chaos enveloping Europe.

Treasury bonds rose as interest rates fell: 10-year and 30-year T-bond yields collapsed 32 and 28 basis points to 2.69% and 3.02%, respectively. Yields for 2, 3 and 5-year treasuries [dropped below](#) effective Fed Funds rates—begging the issue of why the Fed is planning to bump rates further. Fed chair Powell's

statement that interest rates are close to neutral could be interpreted as meaning he desperately needs to keep rates moving higher to head off massive underfunding crises in state and municipal pension funds. On the other hand, lobbying to stop further rate increases is intense.

Retired hedge fund legend Stan Druckenmiller [warned the Fed](#) that Trump is right: it missed its opportunity to safely tighten monetary policy. It now needs to back off [its plan](#) for further rate increases or risk destabilizing asset markets and the broader economy. (Or perhaps that's the idea!)

The dollar (USD Index) slid 1.5% to 95.74.

Precious metals. Gold rose \$60 in December to 1281, while silver climbed \$1.32 to 15.54. Chinese scientists reported success in chemically [transforming](#) copper to a new material "almost" identical to gold, and able to replace gold and silver in the manufacturing of electronic devices.

Officials broke ground last month on construction of the [Texas Bullion Depository](#).

Due to be completed in late 2019 and make gold and silver available for regular, daily transactions by the general public, the facility represents a power-shift away from the federal government and sets the foundation for undermining the Federal Reserve's monopoly on money.



Mining stocks (measured by the XAU Index) shot 9.6% higher to 70.66.

Commodities (GCC Index) slid 2.1% to 17.55. Researchers found an economically-viable 16 million ton deposit of [rare-earth minerals](#) off the coast of Japan—enough to supply the world for centuries.

Energy. Crude oil (WTIC Index) slid another \$5.50 to 45.41/barrel. Oil tankers, used to transport 40% of the world's crude, are being [scrapped](#) in record numbers, with about 100 vessels having gone to India and Bangladesh for demolition in 2018 alone. Of the [many factors](#) influencing oil prices going into 2019, the most important unknown is the degree of economic downturn to be experienced.

Cryptocurrencies. Bitcoin fell from 4041 to 3210 in mid-December, then recovered to close the year at 3812, down 5.7% for the month. We're expecting the next leg up in crypto's bull market to begin in this coming quarter. Another wave of institutional investors will begin piling in, starting in late January. Now down 80% or more from all-time highs, selected coins including BTC are investing bargains. *Socrates* sees this next rise carrying bitcoin above 30,000.

Detailed information on cryptocurrencies is published in our weekly crypto letter. To get on distribution for this letter, please send an email to wayne@waynepeterson.net.

Hemp Goes Mainstream

In another breathtaking **win for the American people**, Congress passed and the president signed a 2018 Farm Bill which included [nationwide legalization](#) of the growing of hemp—effective January 1, 2019.

Jeff Sessions presence as head of the Department of Justice imposed a major obstacle to hemp, but he's gone. Jurisdiction will move to the U.S. Department of Agriculture, which will require prospective growers to submit cultivation plans. State laws will also apply. And we will witness the first federally-sanctioned commercial hemp grows since World War II!

Industrial hemp has an estimated 25,000 end uses, including as fiber, building material, fuel, nutrition and for nanotechnologies. In use since 1850 as the primary medicine for **more than 100** separate illnesses or diseases, cannabis was declared illegal in 1937, opening the door for Big Pharma.

What is Cannabis? Some varieties of the Cannabaceae plant family produce hemp, which has been valued for its fiber for 10,000 years. Other strains, favored for recreational use (marijuana), contain high concentrations of tetrahydrocannabinol (THC), which is psychoactive. Strains used for medical applications (cannabis) have low THC and increased CBD. The plant contains more than 500 other chemicals, over 100 of which are chemically related to THC.



Medical applications have been driving growth. CBD used for pain is non-addictive and may be useful to treat addiction to opioids, cocaine, alcohol and even tobacco. [Opioid addiction](#) became a \$1 billion target in the 21st Century Cures Act, and while opioids killed more than [33,000 Americans](#) in 2015, there were ZERO reports of fatal overdoses of marijuana... Cannabinoid drugs are in development—targeted at epilepsy and neurodegenerative diseases, Dravet syndrome and Lennox-Gastaut syndrome.

A massive report released early in 2017 by the National Academies of Sciences, Engineering and Medicine confirmed benefits for pain, nausea and MS sufferers... Israel is currently running tests to see if cannabis can help victims of cancer or epilepsy, or if it helps with neurological disorders and intestinal diseases... And a report by Kimberly Carter Gamble is full of evidence that cannabis may offer a [cure for cancer](#).

CBD is sold online and in many health food stores, thanks to the Rohrabacher-Farr amendment—which passed Congress in 2015, with strong support from Senator & MD Rand Paul.

Mark Blumenthal of the American Botanical Council wrote recently that data associated with CBD would result in its being considered a miracle drug—if only its source were any plant other than marijuana. And the FDA indicated it may legalize CBD in dietary supplements.

Investment areas. Cannabis has the potential to impact society more than alcohol did, following the 1933 end of Prohibition. It will be a major industry.

(For additional information on this subject, check out our recent blog [here](#). Or send an email to Wayne at wayne@waynepeterson.net.)

WINDOWS into the FUTURE



AI/Robotics. Kroger announced the replacement in Phoenix of human last mile grocery delivery drivers by a fleet of [autonomous Priuses](#), which they have been testing for 6 months, and Nuro... Walmart is testing [robotic kitchen](#) assistant Flippy for use in its in-store delis.

China has taken data mining to a new level: in Chinese production lines, workers are being required to wear caps that [monitor brainwaves](#)—which management then uses to adjust the pace of production and redesign

workflows. There are plans to use the technology as a “mental keyboard” where commands from the brain of the wearer are executed by thought. Since the technology increases profits, it will spread.

Chinese schools are monitoring students with “intelligent uniforms,” containing GPS-linked [embedded microchips](#) that enhance monitoring of attendance and whereabouts... Amazon filed a patent for a [facial recognition](#) surveillance doorbell.

MIT test-flew a (very small) [electric plane](#) with no moving parts... Scientists in Sweden have developed a specialized fluid, called a solar thermal fuel, actually a molecule in liquid form, that can [store energy](#) from the sun for over a decade.

5G is a new technology that has [NOT been proven safe](#) for human health. Millions of new “fifth generation” cell towers being installed every 500 feet on the streets of America’s urban areas will be coupled to 20,000 satellites in orbit to shoot beams of microwave energy at phones and other equipment containing 5G capabilities (new computers, automobiles, Wi-Fi hubs).

These [millimeter wavelength](#) beams of radiation will be strong enough to penetrate walls and human flesh, and have **not been tested for safety**—even though they have already been linked to cancer, heart disease, Alzheimer’s and death.

Tesla redux. Less than a mile west of IS 35 is a strange looking 190-foot high tower. It’s located near Milford, TX, between Waco and Hillsboro and just 15 miles down the road from the 14 miles of tunnels that were built at the abandoned Superconducting Supercollider site in Waxahachie.

[This investigator](#) learned that it is a copy of the tower Nicola Tesla built in 1901 to transmit free wireless electric energy to communities. Viziv Technologies has partnered with Baylor university to study the use of “a phenomenon known as Zenneck surface waves to transmit electromagnetic waves along the interface of earth and air.”

Work there is also tied to the U.S. military. So before celebrating the potential availability of free or cheap electricity, we should consider that testing there may instead be directed to the pacification and control of populations.

Paradise, CA was recently COMPLETELY destroyed by fire. [California firemen](#) reported signs of directed-energy (particle beam) weapons, which might explain why plastic and trees were spared, while metals burned. Was this another 9-11?

Climate change truth. In this [presentation](#), futurist John Petersen describes in detail, with the use of graphics, the process he went through to investigate global environmental change. He changed his mind from being a global warming believer and is now warning supporters to **prepare for global cooling**.

Other items of possible interest

- Dutch startup Plasticiet is turning [recycled plastic](#) into a terrazzo-like material.
- An LA couple won \$1.5 million for a system that makes [clean water](#) from air for <2-cents/quart.
- The new Conscience & Religious Freedom Division at HHS is going to dismantle all forced vaccination mandates across the U.S., including those in California.
- A tangible reason for the West’s outrage against Huawei was that they may have refused to incorporate NSA backdoors in their mobile phones, like the Mate 20. [Huawei phones](#) outperform Samsung in speed, battery life, design and features. [This is NOT a recommendation.]
- In a Toronto neighborhood, Alphabet is developing the [sensor-filled metropolis](#) of tomorrow.
- As the number of establishments [refusing to accept cash](#) grows, consumer resistance is building.
- 3 days after his research [facility was raided](#) to seize GcMAF information on a cancer cure, Dr. Bradstreet was dead.
- Venezuelans are living the [socialist dream](#) of income equality: each has an equal share of nothing.
- A Pennsylvania man “treated” [holiday porch pirates](#) to boxes of used kitty



litter left on his porch.

- A Missouri judge sentenced a convicted deer poacher to [watch Bambi](#) once a week while in jail.

TWILITE ZONE

Our holographic universe. The idea that we live in a simulated 3D world is permeating many disciplines. Riz Kirk makes a case in [this article](#) that quantum physics, artificial intelligence, and Eastern mystics agree we are in a simulation, almost like a video game. In addition to *Star Trek* and *The Matrix*, [What the Bleep?](#) took viewers into a world where science and spirituality converged. Going one step beyond that, we find the teachings of [Seth](#), who informed us that we literally create our own reality.

December UFO. A bizarre [giant blue object](#) was spotted hovering over Earth on a NASA live feed from the International Space Station – before the footage was suddenly cut. The object declouded as if it came in from space or time ... and appeared to be some type of spaceship. A video feed getting cut can be a good indication that something important is taking place. The object appears to have its own light source.

"We shall have world government whether or not you like it, by conquest or consent." – banker & CFR member James Warburg, to the U.S. Senate Foreign Relations Committee on February 17, 1950

FUNNIES

DoodleChaos produced [this "Line Rider" video](#), synced to Tchaikovsky's "Dance of the Sugar Plum Fairy."



Hillary Clinton's 506-page memoir has come out. "So much of her personality shines through, that in the end, you, too, will want to sleep with an intern." ~ Craig Kilborn

"In Hillary Clinton's 'Living History,' Hillary details what it was like meeting Bill Clinton, falling in love with him, getting married, and living a passionate, wonderful life as husband and wife. Then, on page two, the trouble starts." ~ Jay Leno

"Hillary Clinton, our junior senator from New York, announced that she has no intentions of ever again running for office as President. Her husband, Bill Clinton, is bitterly disappointed. He is crushed. There go his dreams of becoming a two-impeachment family." ~ David Letterman

"Last night, Senator Hillary Clinton hosted her first party in her new home in Washington. People said it was a lot like the parties she used to host at the White House. In fact, even the furniture was the same." ~ Jay Leno

"CNN found that Hillary Clinton is the most admired woman in America. Women admire her because she's strong and successful. Men admire her because she allowed her husband to cheat and get away with it." ~ Jay Leno



'Sometimes, when I reflect on all the beer I drink, I feel ashamed. Then I look into the glass and think about the workers in the brewery and all of their hopes and dreams. If I did not drink this beer, they might be out of work and their dreams would be shattered. I think it is better to drink this beer and let their dreams come true, than be selfish and worry about my liver.' - Babe Ruth (1895-1948).

'When I read about the evils of drinking, I gave up reading.' - Paul Horning. (1935-)

'24 hours in a day and 24 beers in a case. Coincidence? I think not!' - H. L. Mencken. (1880-1956)

'Beer is proof that God loves us and wants us to be happy.' - Benjamin Franklin. (1706-1790)

'Beer: Helping ugly people have sex since 3000 B.C.' - W. C. Fields. (1880-1946)

And this from "Cheers," a TV Sitcom; Cliff Clavin to his buddy, Norm Peterson.

'Well, ya see, Normy, it's like this .. A herd of buffalo can only move as fast as the slowest buffalo, and when the herd is hunted, it's the slowest and weakest ones at the back that are killed first. This natural selection is good for the herd as a whole, because the general speed and health of the whole group keeps improving by the regular killing of the weakest members.

'In much the same way, the human brain can only operate as fast as the slowest brain cells. Excessive intake of alcohol, as we know, kills brain cells, but, naturally, it attacks the slowest and weakest brain cells first.

'In this way, regular consumption of beer eliminates the weaker brain cells, making the brain a faster and more efficient machine. That's why you always feel smarter after a few beers!



Thanks for reading. We wish you a happy, healthy and successful 2019!

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Another world: 4 minutes of [underwater video](#) pictures from Fiji & Tonga.

A spectacular Aurora Borealis, [viewed from Finland](#) on Jan 4 (day-mo-year mixed up).



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