



APRIL 2019

One of the most impressive elements of [Martin Armstrong's Socrates](#) software forecasting system is its Economic Confidence Model (ECM). My initial skepticism of MA's work changed abruptly when the ECM's forecast of an October 1, 2015 start of a turn down in global confidence in governments ... saw the British vote in favor of Brexit on that **very day**.

Since then the ECM's gloomy prediction of an increasingly disruptive disconnect between global **private and public** sectors has been pretty much "spot on." Hence, I was especially interested in Armstrong's recent interpretation of the rest of the current ECM cycle, out to the end of 2032. In essence, it is this:

- The world economy will move into a **recessionary** trend on Jan. 18, 2020, which will vary in intensity from country to country with the least disrupted being the United States. "Confidence begins to noticeably turn down for the **average** person. You can 'feel' it in the air already."
- The next turning point, on Mar. 13, 2022, will see the start of an **inflationary** cycle, due to a decline in purchasing power of the U.S. dollar. The overall peak for this inflationary phase appears on May 7, 2024—"aligning with the presidential election."
- From mid-2024 onward "confidence in government will **really collapse**, heading into the culmination of this 51.6 year cycle on Dec. 12, 2032." This will conclude the "Private Wave."
- A new "Public Wave" will then begin, marked by a "shift of power from the West to China." Citing Roman history, Armstrong thinks America may reemerge as world financial capital in 900 years.

Armstrong: "What the Democrats have done is simply unbelievable. Sure the people who hate Trump cheer. But they fail to understand the system."

"Whatever they do to the Republicans sets the stage for what will be considered 'normal' for the Republicans to do to the Democrats if power shifts."

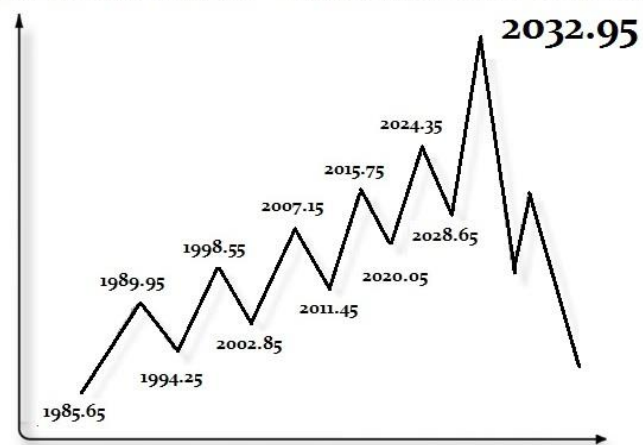
In addition, Democratic brain-dead posturing has driven Russia into the arms of China and induced both powers to up the ante with hypersonic weapons—to which we now "need" to respond, increasing military expenditures and the chance of a major war.

The next 5 years might be our last good opportunity to get financial affairs in order!

Coming attractions. Now that the Mueller road show is over, look for the contra-play: criminal investigations and charges against [Clinton hoaxers](#)—including those in the FBI and DOJ.

Hopefully, we will see some followup on one of the highlights in March (for me), covered in a Breitbart article—in which progressive Democratic rep Ro Khanna [called for bipartisan support](#) from the President to end U.S. occupation and activity in Yemen, Afghanistan and Syria, avoidance of involvement in Venezuela and conclusive negotiations with North Korea. And potentially reinvesting the savings in our infrastructure.

The Economic Confidence Model



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U.S. ECONOMIC HEALTH

Midwest flooding devastated at least 1 million acres of [U.S. farmland](#)—the worst we have ever seen. Floodwaters, which are likely to increase over the next two months, are here at a critical time—just weeks before planting season, threatening corn, wheat and soy production. And beef prices are going up.

Consumer credit hit a new all time high of \$4.045 trillion, on the back of America's ongoing love affair with auto and student loans.

Employment. Weekly [jobless claims](#) dropped to 202,000, the lowest in 49 years. At the same time, [job openings](#) collapsed by 538,000, the sharpest decline in 4 years.

Retail sales softened, [dropping 0.2%](#) in February.

Home sales [surged](#) in February as mortgage rates tumbled. Except, that is, for [McMansions](#), whose boomer owners wanting to downsize are finding few people who want to buy them.

U.S. manufacturing activity plunged to a [21-month low](#). U.S. services indicators were also down.

Global trade registered its [biggest drop](#) since 2009.



INVESTMENT ASSETS

U.S. stocks leveled off: the Dow Industrials and S&P 500 Indexes closed March down 0.8% and up 1.0% to 25929 and 2834, respectively. Propelled upwards by **big money** fleeing Europe, the Dow—moving above 26000 in mid-April—is getting a bit tired. Armstrong: "We still do not see a major correction in the Dow. We have been undergoing a shift from public to private assets on a global scale and the hard landing will be more economically based, with central banks having run out of bullets."

Treasury bonds rebounded, as 10-year and 30-year T-bond yields closed 32 and 26 basis points lower at 2.41% and 2.81%. The Federal Open Market Committee held interest rates in check at its March 20 meeting, indicating no rate hikes in 2019; it also slowed the pace of its balance sheet liquidation.

The dollar (USD Index) continued strengthening, even though central banks [sold dollars](#) to support their own currencies. The buck closed March at 96.85, up 0.8%.

Precious metals. Gold slid below 1300, closing the month down \$26 at 1290. Silver dropped 52-cents to 15.11. Gold has been trading in a range of 1280 to 1324, with critical support at 1238 and monthly overhead resistance at 1350. The gold/silver ratio is back in nosebleed territory, at 85:1.



On March 29, new ("Basel III") rules from the Bank of International Settlements (BIS) allowed central banks to [count the physical gold](#) they hold as a reserve asset, the same as cash and sovereign debt. In anticipation, 2018 central bank gold bullion purchases totaled nearly 23 million ounces, the highest annual purchase rate since 1971. And the buying continues, particularly by [China](#) and [Russia](#).

Hungary and Romania are joining the [repatriation](#) parade, pulling their gold reserves from overseas locations. And Italian lawmakers drafted legislation to seize 2450 tons of gold from its central bank, noting that "it [belongs to the people](#), not the bankers."

Mining stocks (measured by the XAU Index) eased 0.8% higher to 76.36.

Commodities (GCC Index) slid 0.3% to 18.01.

Energy. Crude oil (WTIC Index) continued rising, up another \$3 to 60.14/barrel. [Public disclosure](#) required for a Saudi state-controlled Aramco bond offering revealed that Aramco's \$2018 profit was larger than Apple, Google and Exxon combined (\$110 billion).

Cryptocurrencies. Bitcoin dipped into the 3700's, then moved higher to close February at 4155, up 9%. (Then on April Fool's Day it shot 1000 higher, to just above 5000.)

*Detailed information on cryptocurrencies is published in our weekly Crypto Report.
To receive this letter, send an email to wayne@waynepeterson.net.*

WINDOWS into the FUTURE

AI/Robotics

1. Here's an excellent [visual summary](#) of the AI Revolution—including applications on the way.
2. Boston Dynamics latest robot is a mechanical ostrich that [loads pallets](#).
3. Alphabet subsidiary Wing began commercial [drone deliveries](#) in Australia.
4. Toyota has developed a 6' 10" [basketball robot](#) three-point-shooter (watch it shoot).
5. After raising its minimum wage, [Wal-Mart](#) is replacing workers with robots at 1500 stores.
6. Researchers created a 3D printer with the potential to [print living organs](#).
7. Then there's U.S. government-funded AI, where activity seems oriented to [emulating China](#).



Making progress

- Harvard uncovered the [DNA switch](#) that controls genes for whole-body regeneration.
- Parents forced Sacramento to remove a [cell phone tower](#) suspected of causing cancer in children.
- A new Trump executive order requires federal agencies to protect the country from [potential EMP's](#).
- Reaction Engines tested a rocket engine that could clear the path for [commercial hypersonic](#) flight.
- Behold: 10 great [inventions](#) dreamt up by children.

Defensive alerts

1. Google users need to be aware that [everything](#) they do while on Google's site is tracked.
2. Thousands of Amazon employees listen to [Alexa conversations](#). Here's how to [stop it](#).
3. Email addresses and other information have been leaked on almost a [BILLION people](#).
4. Here's a list of major corporations who [oppose your right](#) to keep and bear arms.
5. Typhus, Shigellosis and Hepatitis A are among [diseases](#) resurging in California and elsewhere.
6. *Sift* is a [service used](#) by Airbnb, LinkedIn and others to check your "trustworthiness."

Remaining in a class of its own is 5G, which is able to operate in the same millimeter frequency range as the military's [Active Denial System](#) (ADS)—which is used to induce burning sensations and control crowds. Have safety studies confirmed that routine exposure to these frequencies is safe? NO!



Verizon [turned on 5G transmitters](#) in Minneapolis and Chicago, and Sprint will test its 5G system in Atlanta, Chicago, Dallas, Kansas City and Los Angeles within the next two months... Trump is **very unfortunately** treating U.S. 5G implementation as a competition with China. The reason China has a head start is that 5G is a key component of its "[Social Credit System](#)," which focuses on control—through social media, universal basic income and a cashless society.

What to do? If you live in or near a large city, either leave ASAP or engage your local government—as [this San Francisco](#) neighborhood is doing... perhaps also citing steps being taken by [Brussels, Belgium officials](#). Environment Minister Celine Fremault: "I cannot welcome such technology if the radiation standards, which must protect the citizen, are not respected, 5G or not. The people of Brussels are not guinea pigs whose health I can sell at a profit."

Other items of possible interest

- Policing the Austrian tax on revenue earned by Austrian [online companies](#) will be a nightmare.
- This article provides a primary reason why hybrid vehicles are preferable to [electric vehicles](#).
- Legal residents of the 18 states offering in-state [tuition for illegals](#)... are not happy about it.
- The [FCC fined](#) robo-callers \$208,000 over the past several years... and collected \$6,790.
- A Dutch inventor developed a '[cow toilet](#)' to cut down on e-moo-ssions.

Minimum wages strike again. Does this picture of a huddled mass of homeless people outside a robotic coffee shop [suggest the ruins](#) of late-stage capitalism? Nope, it reflects the ruin imposed by San Francisco policymakers when they disregarded the laws of supply and demand and imposed a \$15/hour minimum wage.

In an attempt to remain in business, the CAFEX shop owner installed robotic machines to do work that didn't justify \$15. For a deeper dive into this controversial subject, listen to this 22-minute [Corbett Report](#) on the "dark history of the minimum wage."



Don't like to beat a dead horse, but to make the minimum wage nonsense a little clearer, please consider the following illustration. You **have to** consider this subject from the perspective of a business owner (the individual who is taking the risk of being in business, while offering employment). His/her primary alternative to closing shop is forced LAYOFFS.



Obamacare: a for-sure issue for 2020. The Trump administration, which came to power promising to scrap Obamacare, is siding with Affordable Care opponents who argue that the law is unconstitutional and should be [scrapped entirely](#). The Department of Justice is now supporting a December ruling by a federal judge that—with Congress having zeroed out the tax penalty for violating the individual mandate in 2017—the ACA should be eliminated.

Not only was Obamacare UNCONSTITUTIONAL when it was passed, it replaced a system that had worked smoothly for decades... run by individual states... the main difference being that unhealthy individuals had to bear part of the higher cost of their care, rather than dumping it on other participants. But "Since its inception nine years ago, individual health insurance premiums have more than doubled while small businesses have been discouraged from providing benefits" ([Ron Paul](#)).

[Bernie](#) recently cited Finland's socialistic healthcare system as a model, but neglected to mention that the entire Finnish system is failing. [Also collapsing](#) is Britain's version of "Medicare for All"—a great sounding slogan, but an expensive wrecking ball. What Bernie, Fauxcahontus and Spartacus fail to mention is that the price tag for taking America to such a system has been [estimated at](#) in excess of \$30 TRILLION, over a 10 year period. Which would mean a HUGE tax hike. And although it's possible (though not necessarily likely) that future cost might be lower, so would quality.

TWILITE ZONE

Holes in the sky. UAE residents were treated to a mysterious overhead [‘whirlpool hole’](#) in mid-March, when an aircraft punched through a cloud layer composed of supercooled water, causing it to freeze.



The first ever [image of a black hole](#) was captured by combining data from eight of the world’s leading radio observatories who worked together to create an effective telescope the size of the Earth.



The target was a supermassive black hole in the galaxy M87, into which the equivalent of 6 billion suns of light and matter have disappeared.

What’s shown surrounding the hole is the accretion disc, where matter is swirling at increasing speeds before being ingested into the hole—where gravitation is so strong that not even light can escape.

Observations were timed using an atomic clock and obtaining the image was equivalent to photographing a pretzel resting on the Moon’s surface...

For perspective, this [Chandra image](#) shows the full length of the jet of high-energy particles launched by the intense gravitational and magnetic fields around the black hole.

Solar Warden is one of the most intriguing and often-reported UFO stories. The UK’s Gary McKinnon hacked into [U.S. Space Command](#) computers and learned of the existence of “non-terrestrial officers” and the existence of eight cigar-shaped Motherships (longer than two football fields) and 43 small “scout ships.” Reports indicate that “We’ve visited all the planets in our solar system and lost one scout craft on a resupply mission to Mars.”

On March 29, boys on motor bikes in Australia allegedly snapped this photo of a crashed UFO.



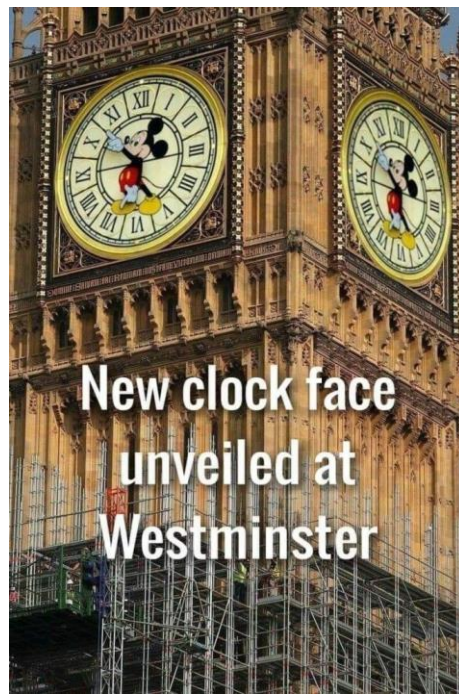
The Matrix was a 1999 movie about the [existence of two worlds](#)—with people living in an intricately constructed computer simulation, basically an ultra-realistic video game.

Produced and treated at the time as science fiction, the simulation hypotheses is currently being debated seriously by computer scientists, philosophers, physicists and others. For example, a MIT professor has declared that it’s more likely that we are [living in a simulation](#) than not.

Diving even deeper, Eastern religions and metaphysical writers have proposed that our existence is actually of and in a sea of electromagnetic energy, with both time and physical matter being illusions. As far as the reality we experience, **we create it.**

FUNNIES

A recent study found that the average American walks about 900 miles a year. Another study found that on average Americans drink 22 gallons of alcohol a year. That means that the average American gets about 41 miles to the gallon! Makes you damned proud to be an American!



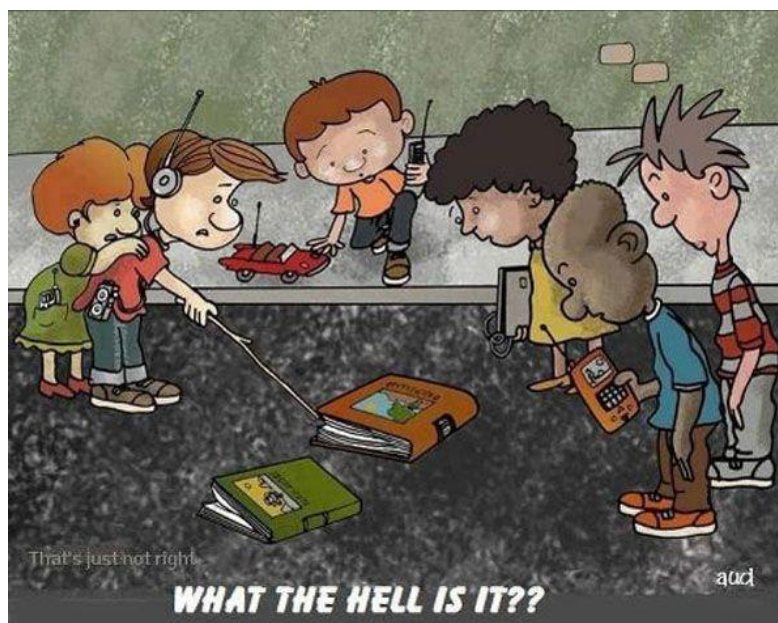
Brains of older people are slow because they know so much.

People do not decline mentally with age. It just takes them longer to recall facts because they have more information in their brains, scientists believe. Much like a computer struggles as the hard drive gets full up, so too do humans take longer to access information, it has been suggested.

Researchers say this slowing down it is not the same as cognitive decline .

The human brain works slower in old age, said Dr. Michael Ramscar, but only because we have stored more information. Over time, the brains of older people do not get weak. On the contrary, they simply know more.

Also, older people often go to another room to get something and when they get there, they stand there wondering what they came for. It is NOT a memory problem, it is nature's way of making older people do more exercise.



Two blondes were going to Disneyland.
They were driving on the Interstate when they saw the sign that said Disneyland LEFT.
They started crying... and turned around and went back home.

A police officer stops a blonde for speeding and asks her very nicely if he could see her driver's license. She replied in a huff, "I wish you guys would get your act together! Just yesterday they took my license away and now today you expect me to show it to you?"

A gorgeous young redhead goes into the doctor's office and said that her body hurt wherever she touched it. "Impossible!" says the doctor. "Show me."

The redhead took her finger, pushed on her left shoulder and screamed, she pushed her elbow and screamed even more. She pushed her knee and screamed; likewise she pushed her ankle and screamed. Everywhere she touched made her scream.

The doctor said, "You're not really a redhead, are you?"

"Well, no," she said, "I'm actually a blonde."

"I thought so," the doctor said, "Your finger is broken."

A highway patrolman pulled alongside a speeding car on the freeway. Glancing at the car, he was astounded to see that the blonde behind the wheel was knitting! Realizing that she was oblivious to his flashing lights and siren, the trooper cranked down his window, turned on his bullhorn and yelled, "PULL OVER!"

"NO!" the blonde yelled back, "IT'S A SCARF!"



Thanks for reading. Hope you continue to experience a happy, healthy and successful 2019!

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“The aliens are coming!” was the reaction of Norwegian residents when their skies lit up with this display. Turns out, it was caused by the launching of two sounding rockets into a minor geomagnetic storm.

