

World Economic Conference

2022



Climate Change War

The Cover-Up for the Sovereign Debt Crisis



CIVILIZATION

Purpose of Civilization



The very purpose of Civilization is that everyone comes together for their own mutual benefit. Once society is divided into groups, the very purpose of civilization ceases to exist.

Even Thomas Jefferson (1743–1826) in the Declaration of Independence included a basic fundamental right of those included in any civilization.



This hatred began with Hillary calling Republicans "deplorable" and her blaming Putin for her own failed policies which are what the younger girls in our office call Feminine Nazis. She was so 1960's women's lib that girls should be drafted into the military which resulted in so many younger girls being anti-Hillary. But the hatred she had from the gender wars of the '60s and blaming Putin after creating the fake Russian dossier on Trump set in motion this great divide. The Democrats still believe that Putin rigged the 2016 election. There is no changing that. It is not just the far right that believed in rigged elections. The Democrats still cling to the same idea.



Coxley's Army Marched on Washington

PARTY POLITICS



Klaus Schwab Ruler of the West



Western values will have been tested to the breaking point

8

Checks and balances that underpin our democracies must not be forgotten



Britain

New Zealand

USA

Russia

Canada

European Union

Australia

2022 Crisis Summary

Only gets crazier from here

1

US\$ strength & International Capital Flow Dollar's demise by 2028

2

Oil and Energy and geopolitical implications will lead to breakup of EU & Civil Unrest

3

Rising Rates impacts Emerging markets & Sovereign Debt adds to Monetary Crisis Digital Currencies

4

Pension crisis as seen in UK & bond market decline liquidity Crisis began with REPO September 2019.

How to be a Hedge Fund Manager for yourself



The Australa-Asian Outlook



The Agricultural Nightmare



By Martin Armstrong
November 2022

The Food Shortage

The Future Economy



Bank of England Warns Longest Recession in 100 years is upon us

By Martin Armstrong
November 2022

AustralAsia & India Outlook



Interest Rates What Now



The Sovereign Debt Def

74-2

South/Central America



St Central America Spring - 1887

A Forgotten Region

By Martin Armstrong
November 2022

North America The New World



It's Always

The Energy Crisis



The Climate Change War?

Real Estate The Event Horizon



What Does the Future Hold with Recession & World War III

By Martin Armstrong
November 2022

Eastern Europe



The Future of Russia



A Crisis in Respect

The Death of Democracy



By Martin Armstrong
November 2022

The Future of Gold



St Central America Spring - 1887

The Hunt for Safety

By Martin Armstrong
November 2022

The Liquidity Crisis



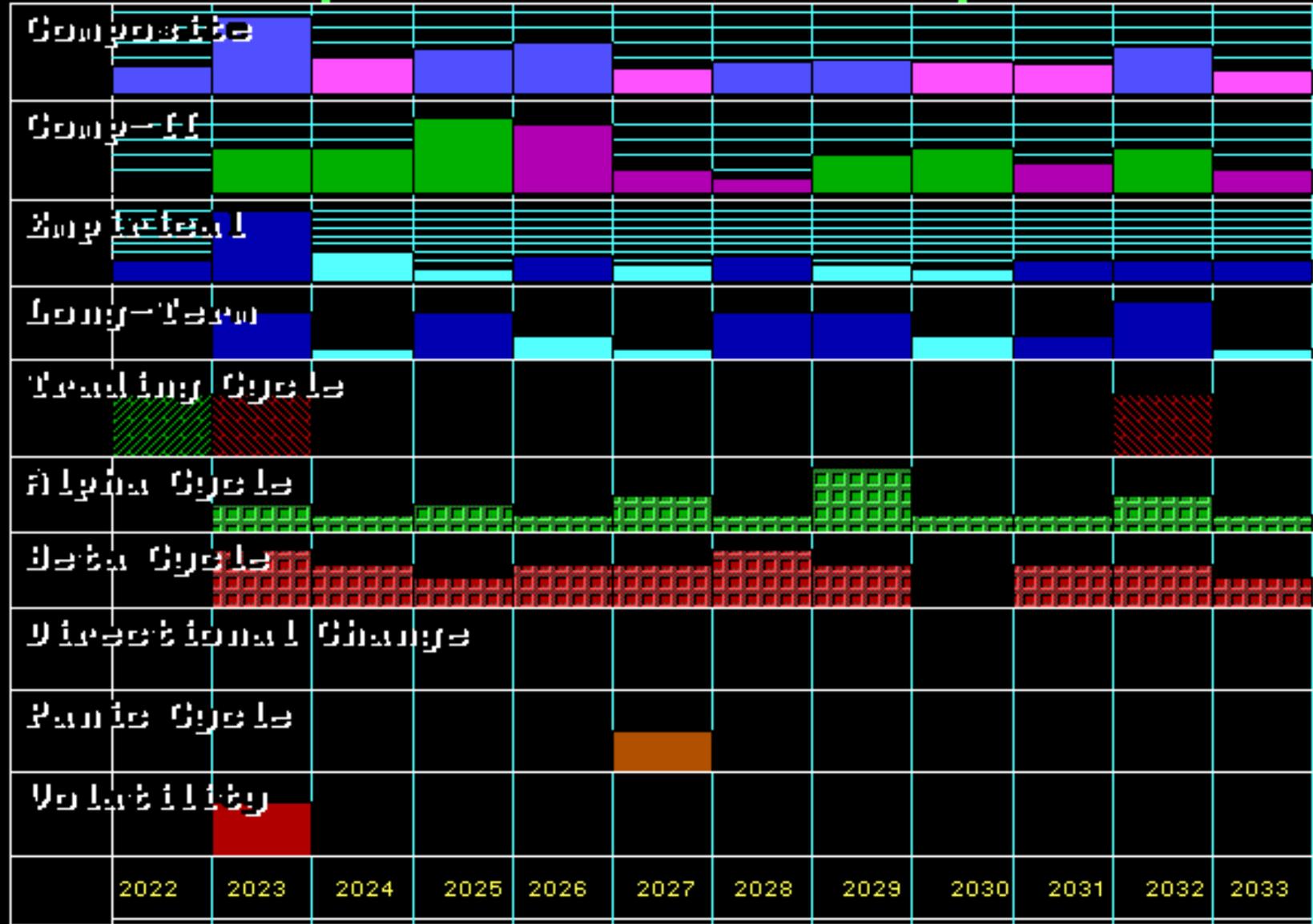
The Liquidity Crisis

The Collapse of Confidence

By Martin Armstrong
November 2022

The WEC 2022 Reports

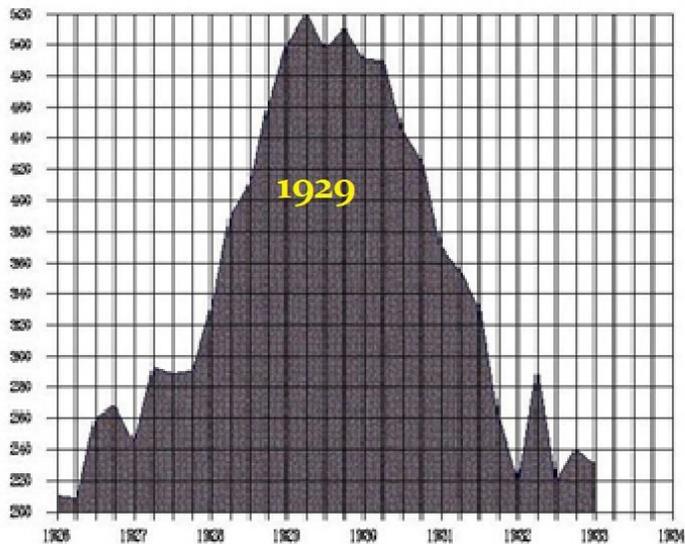
Yearly New York Comex Spot Gold



2023

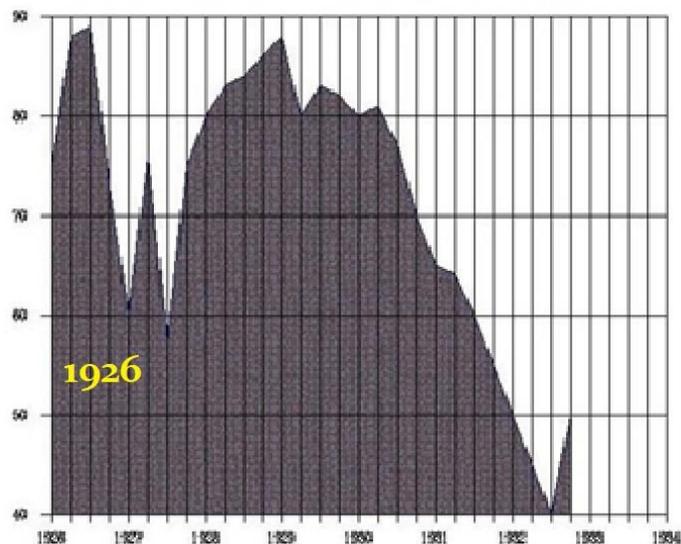
2027

**French Share Market
1926-1933 in Local Currency**



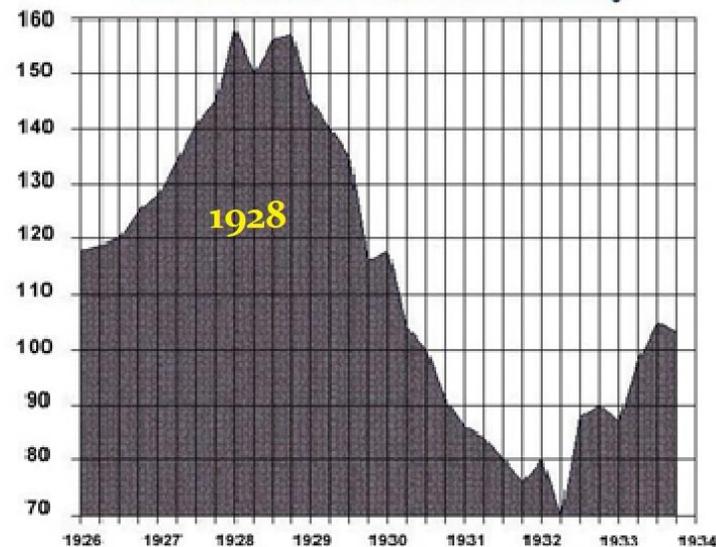
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**Italian Share Market
1926-1933 in Local Currency**



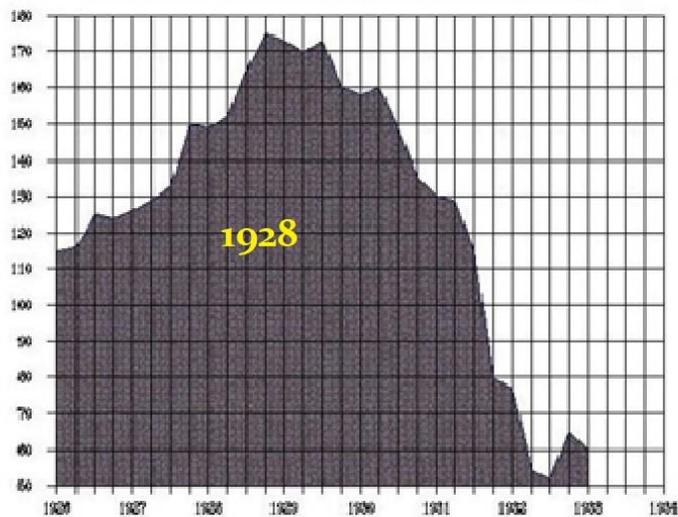
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**British Share Market
1926-1933 in Local Currency**



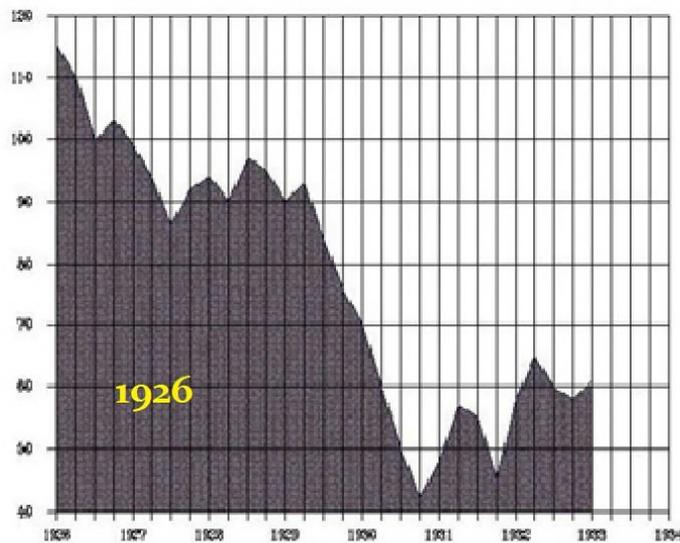
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**Swedish Share Market
1926-1933 in Local Currency**



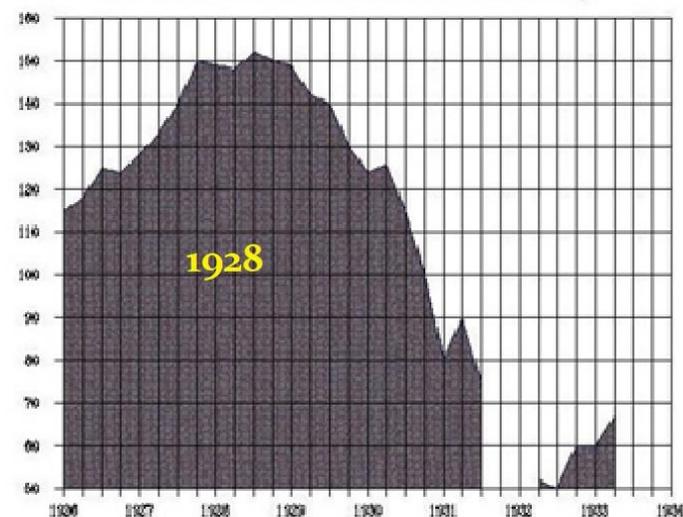
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**Japanese Share Market
1926-1933 in Local Currency**



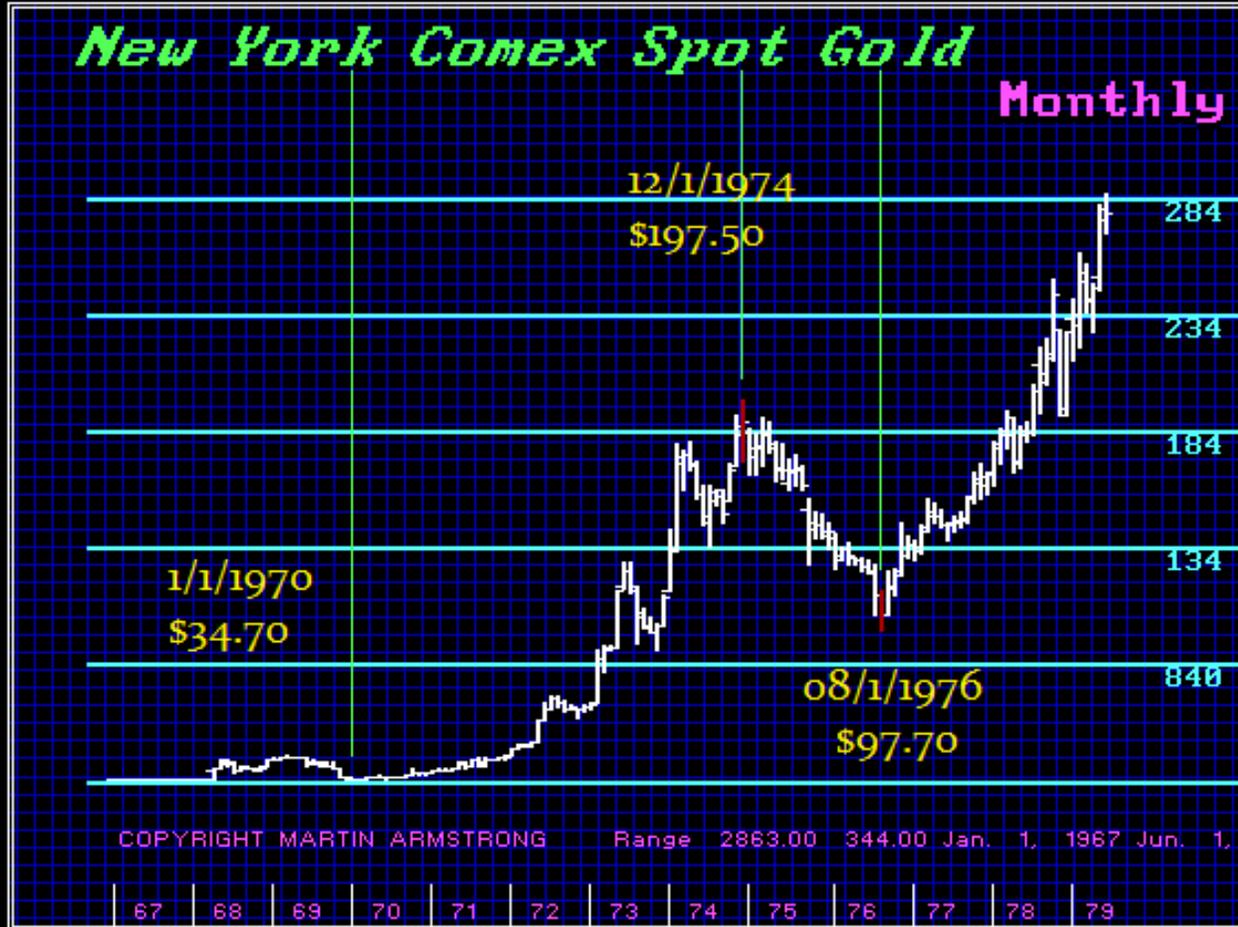
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**German Share Market
1926-1933 in Local Currency**



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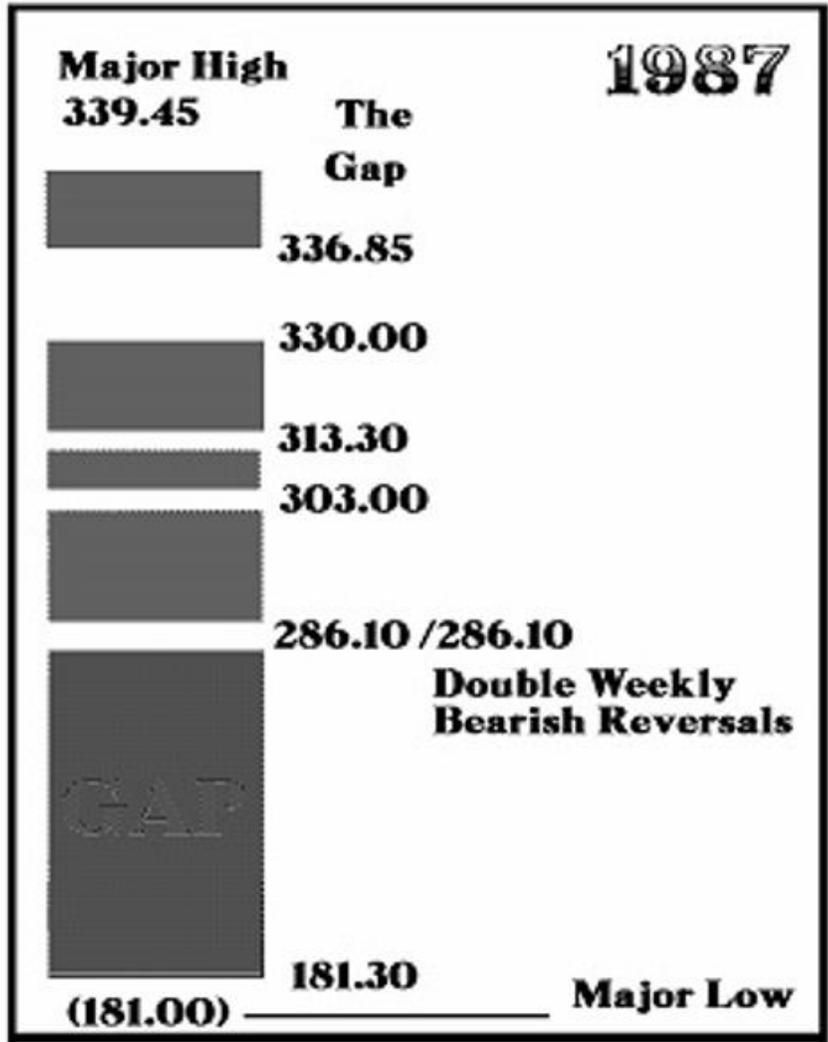
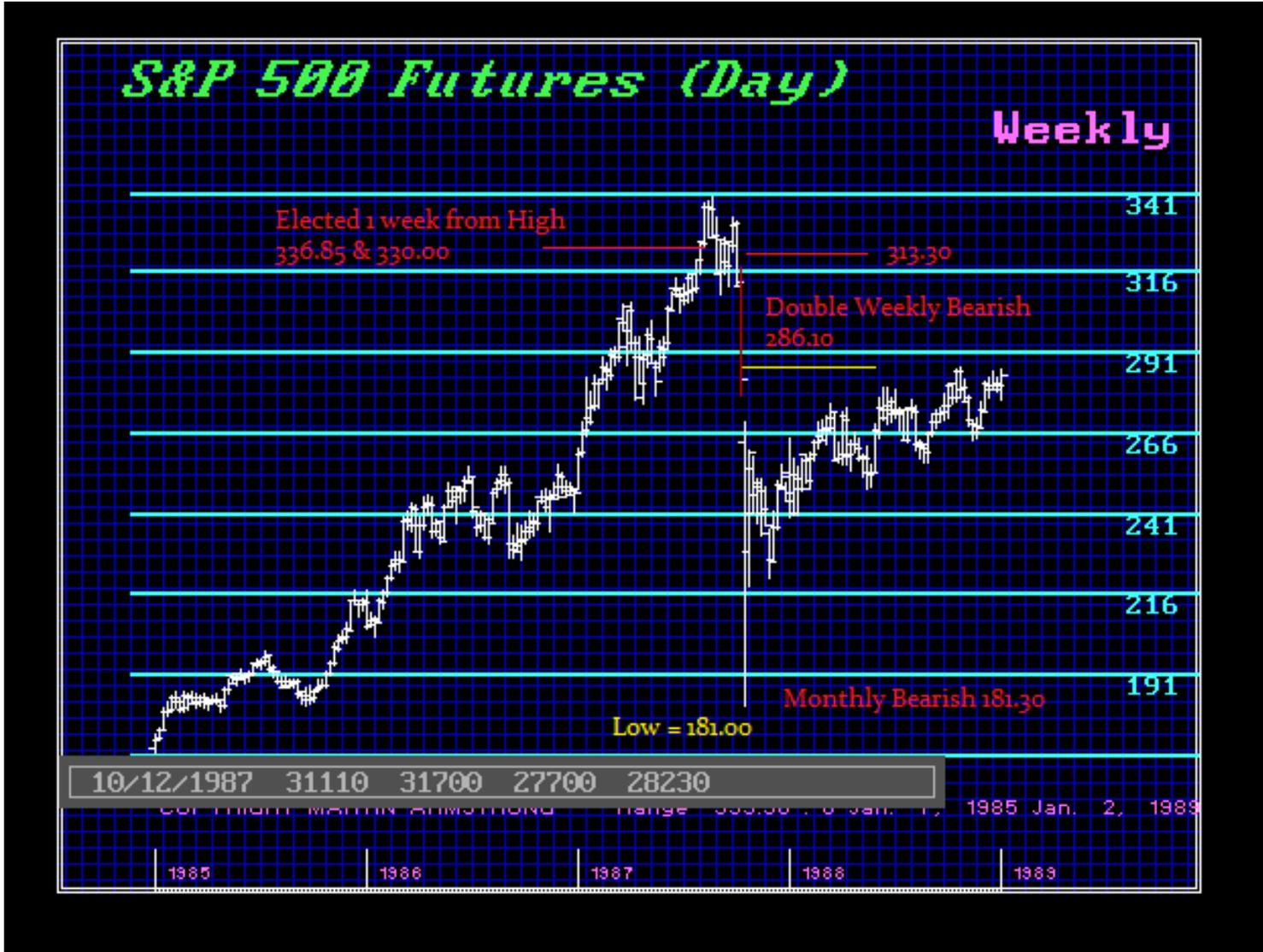
Best Trades are the Hardest



Rules

- #1 Never bet everything on 1 trade
- #2 Never enter a trade without knowing where you are wrong

Best Trades are the Hardest



FOUNDERS—AND STILL PRESENT

Of the eight partners who started BlackRock, five are still there: From left, Ben Golub, who built its technical prowess; Sue Wagner, who headed strategy for many years and in 2012 switched to BlackRock's board; Fink; Barbara Novick, who heads government relations; and co-president Rob Kapito. The three departees were Keith Anderson, who runs hedge fund Anderson Macro; Hugh Frater, chairman of Berkadia Commercial Mortgage; and Ralph Schlosstein, CEO of investment bank Evercore.

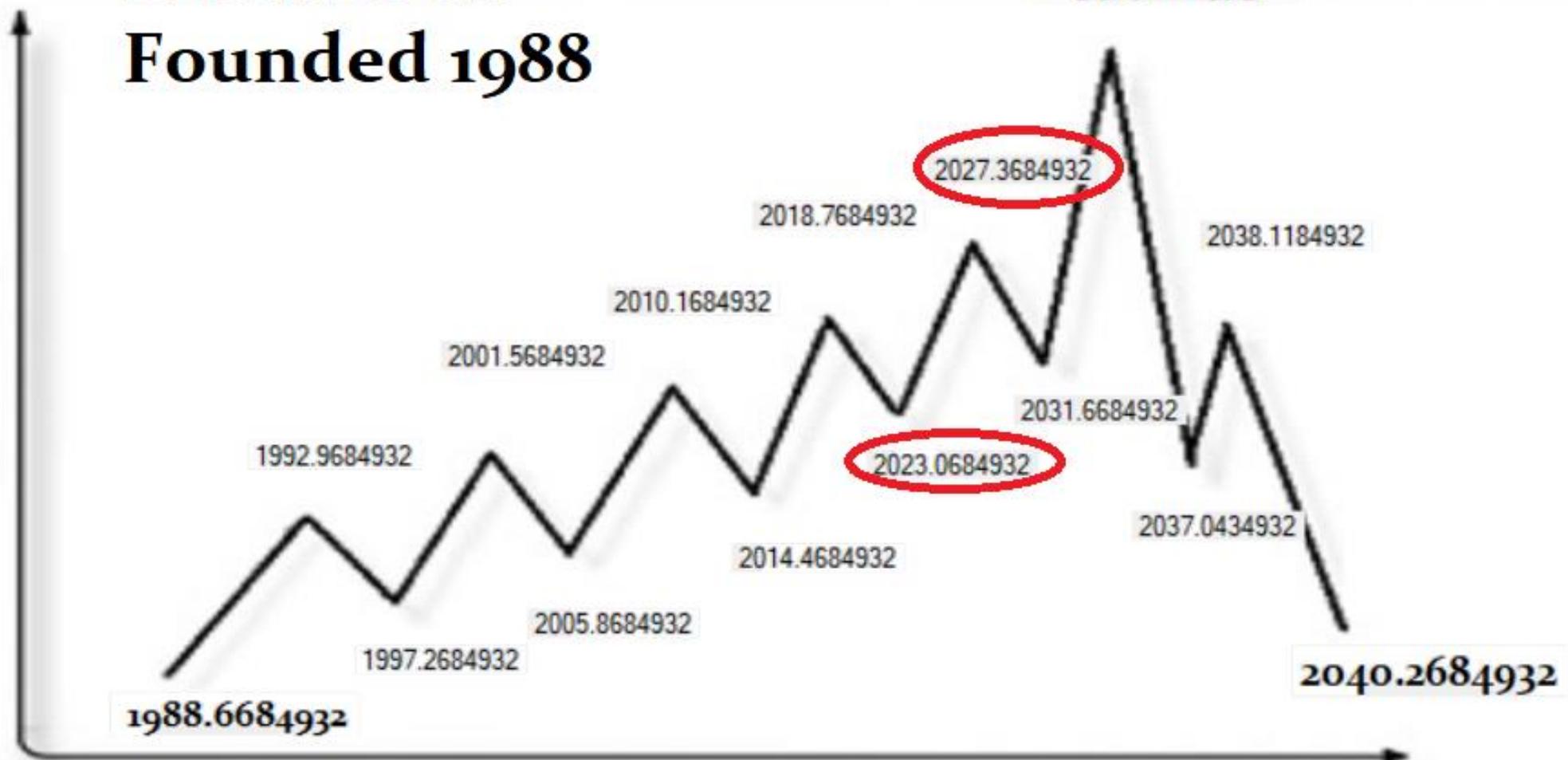


During Fink's tenure, he had lost \$100 million as head of First Boston. The largest asset manager in the world, BlackRock Inc. confirmed it suffered a loss of \$1.7 trillion in the first half of 2022.

This is the other side of the coin, with the firm usually in the news for breaking records such as holding \$10 trillion under management

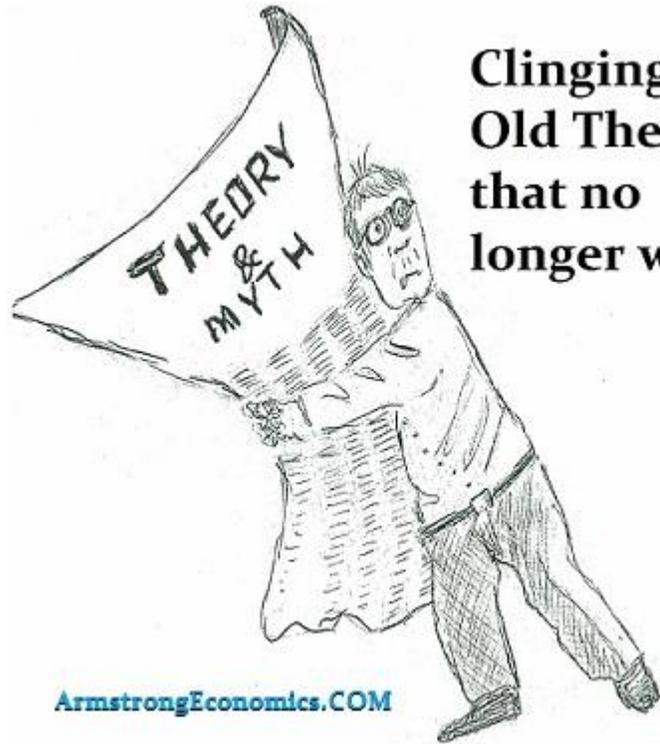
In a time of rising oil prices and unbridled inflation, financial markets saw a carnage that saw widening losses for investors in crypto, NFTs and blue-chip stocks as well.

Black Rock Founded 1988



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Theory & Myth



ArmstrongEconomics.COM

**Clinging to
Old Theories
that no
longer work**

Forbes



GETTY IMAGES

Key takeaways

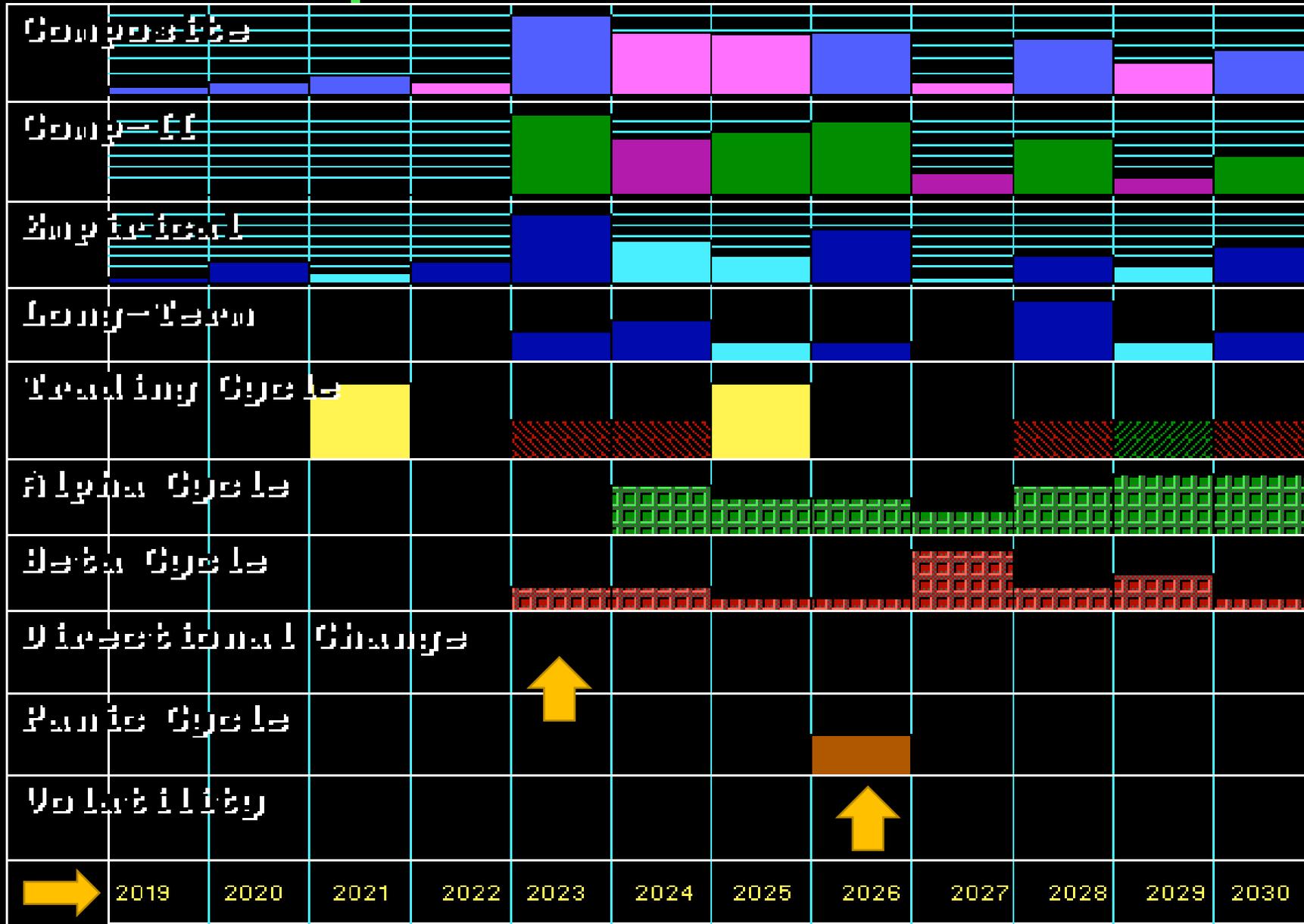
- When interest rates rise, stocks tend to fall in value because of lower future earnings.
- Higher inflation leads to higher interest rates, which do impact the stock market.
- Investors need to build a diversified portfolio to ride out declines in the stock market.

International v Domestic

The one thing you MUST take away from this conference is to see the world as a whole and avoid the domestic focus trap being a Fed follower. It is important to see that we are all connected.



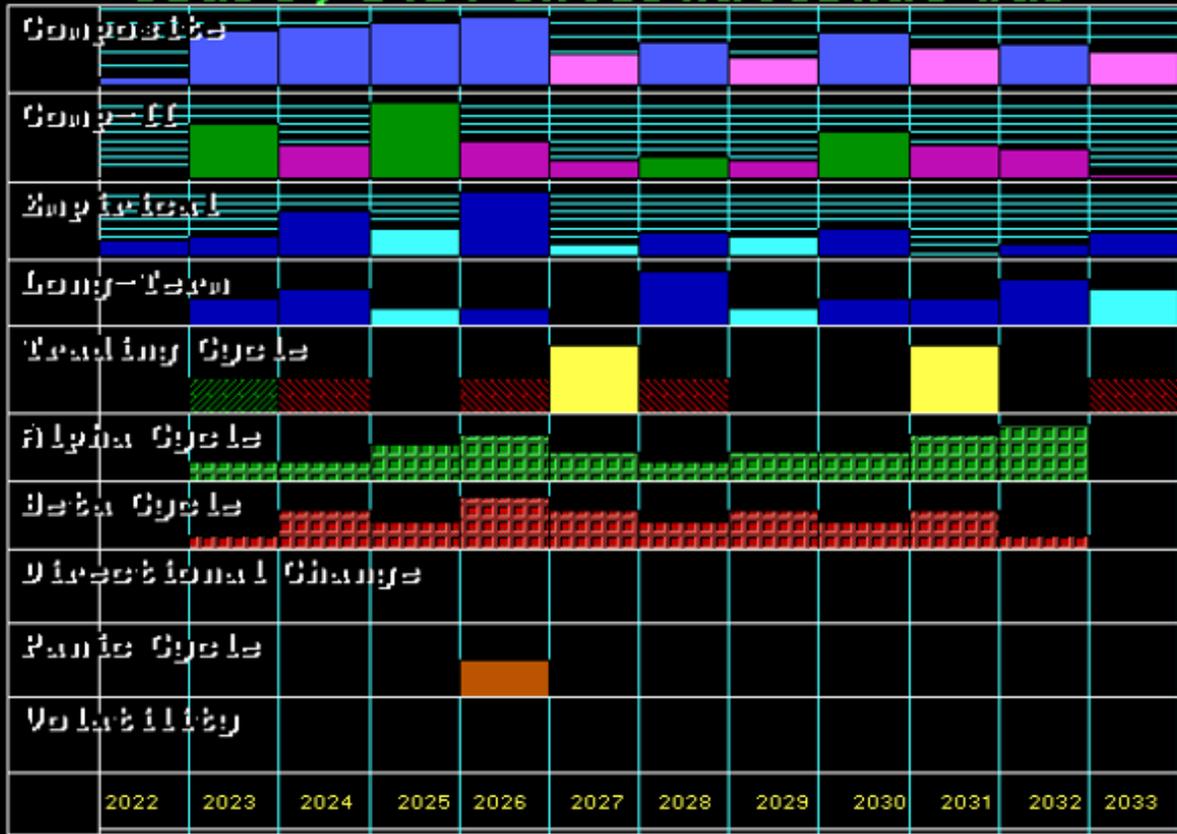
Yearly U.S. International War



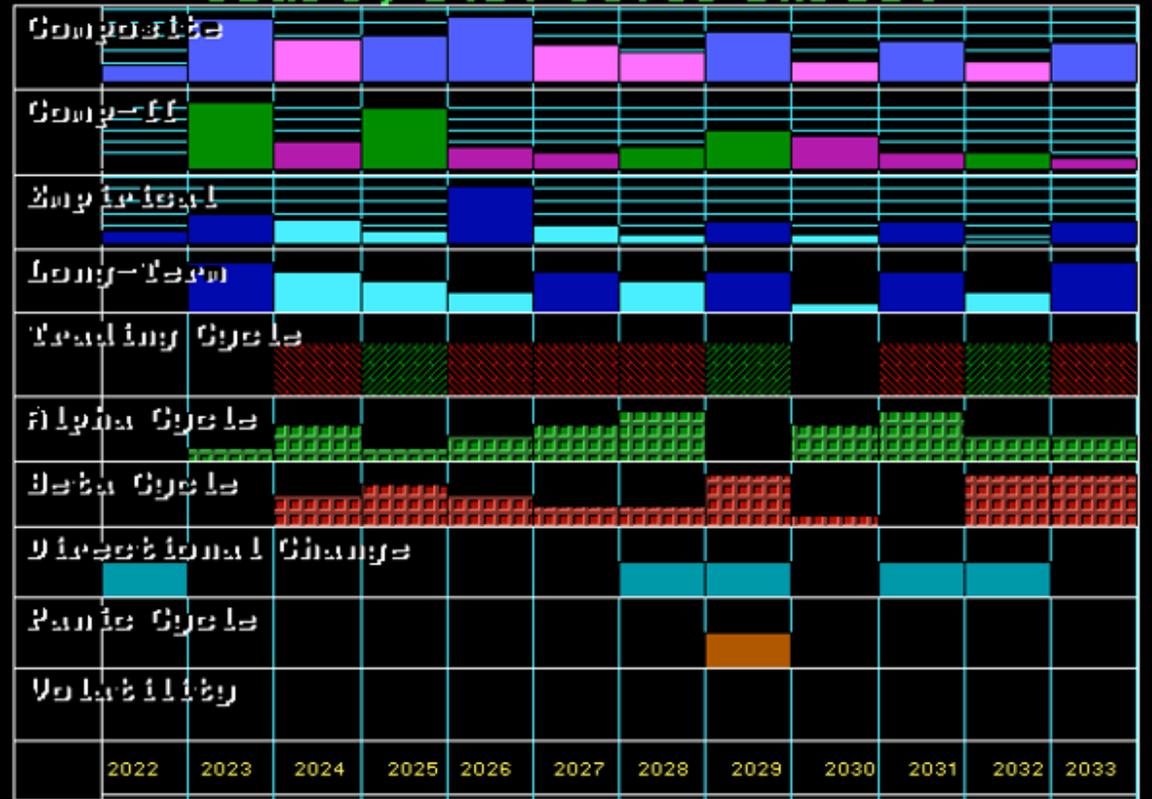
2023

Civil
Unrest
&
Internatio
nal
conflict

Yearly U.S. International War



Yearly U.S. Civil Unrest



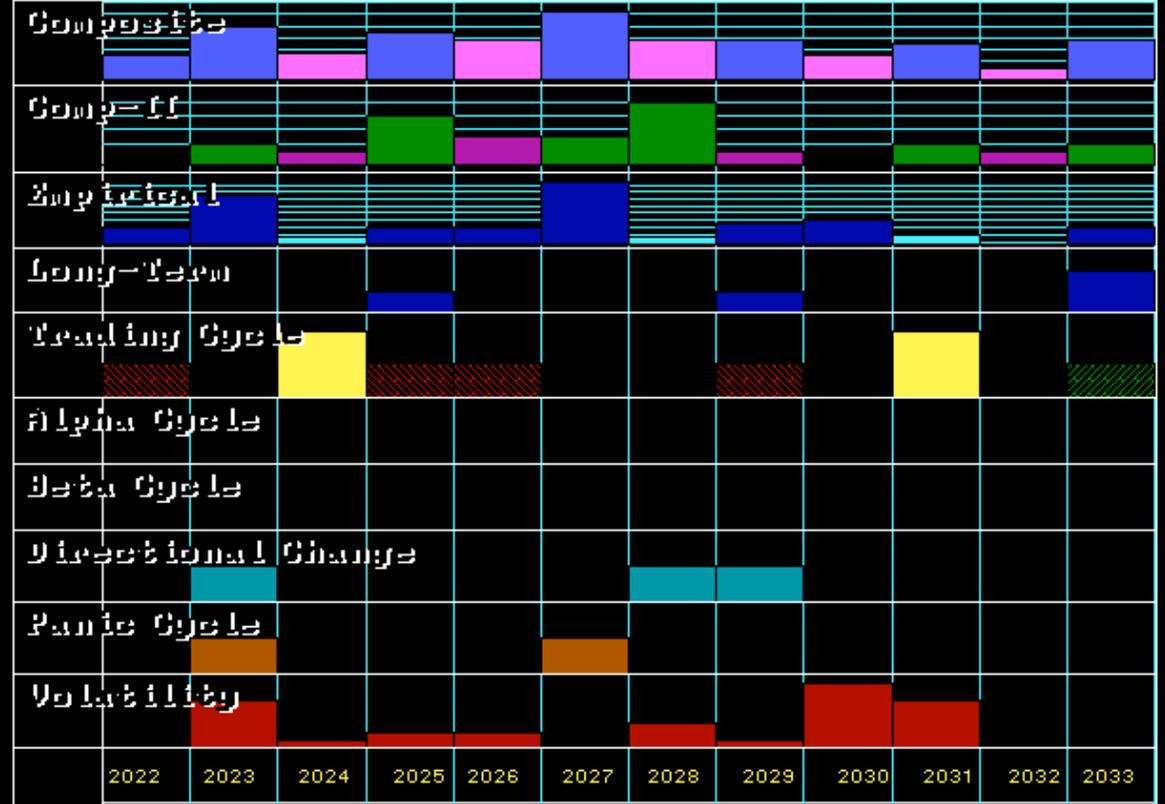
Interest Rates What Now



The Sovereign Debt Defaults

By Martin Armstrong
November 2022

Yearly U.S. Central Bank Discount Rate



Panic Cycle 2023

US BMK 2 Yr YLD (USD) (TRUS2YT)

Expressed in US Dollar

CHART TOOLS

Yearly



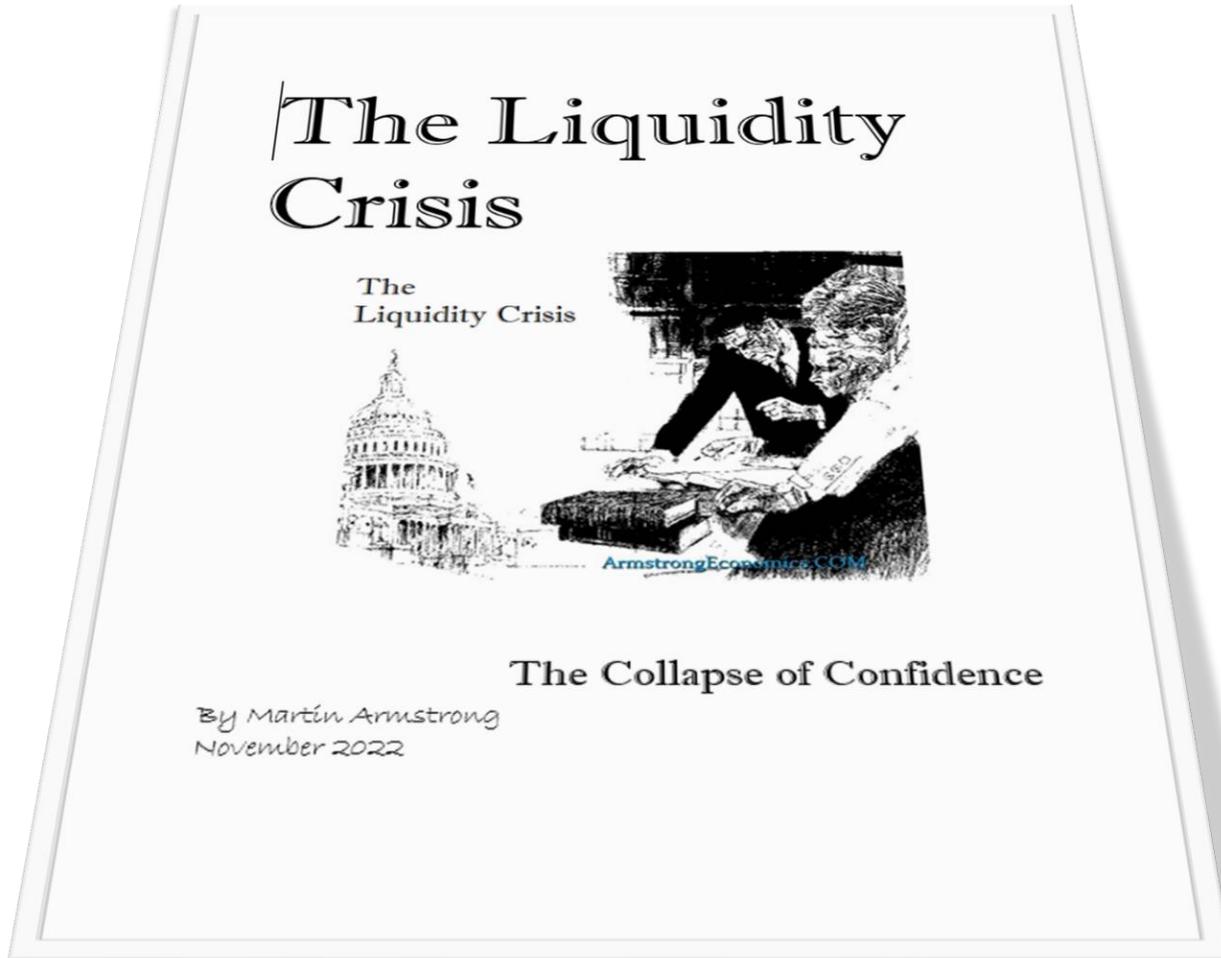
LDI Crisis – Liability Driven Investment

The Next CDO

- LDI helps pension funds use derivatives to "match" assets and liabilities to avert risks of shortfalls in payouts, but the soaring interest rates have triggered emergency collateral calls for those funds to cover the derivatives.
- Same old Story – If you can't forecast the future then you create the fictional hedge that never works.



Liquidity Crisis



The Mother of All Crises
Nobody Will Discuss

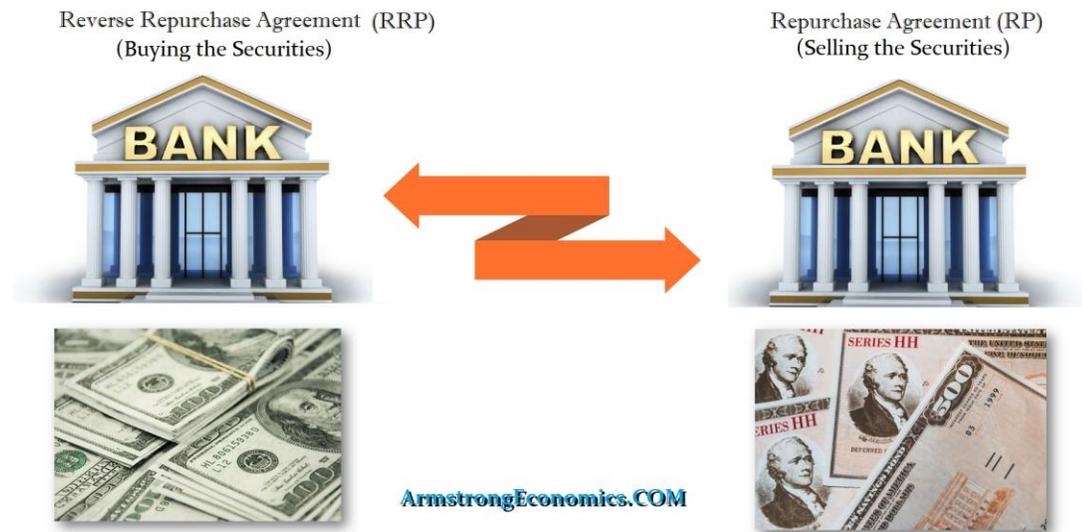
This was the first crack like 1964 removal of silver, then 2-tier gold in 1968, and the final demise in 1971 of Bretton Woods.

REPO CRISIS



The crisis in liquidity erupted simply when American bankers declined to lend to any European bank overnight. Because of the European Banking Crisis, banks just did not trust banks. The Fed has had to step in to be the neutral lender NOT because of a crisis in the USA, but because of the collapse in confidence in Europe's banking system as a whole.

Currently, there's been yet another record-high uptake in the amount of cash investors have been stashing in a major Federal Reserve facility. The Fed parks excess cash reserves from banks in the Overnight Reverse Repurchase Facility. A Reverse Repo, or RRP, helps the central bank conduct monetary policy by selling securities to counterparties to be bought back for a higher price later on thereby providing a short-term loan facility.



Demand for Debt Exceeds Ability of Primary Dealers to Fund Government



Jay Cooke (1821 - 1905)

We have a serious liquidity crisis emerging that is caused by a two-fold problem that

- (1) the debt is expanding beyond the ability of primary dealers to handle and institutional clients are willing to buy, and
- (2) this proxy war by the West to conquer and destroy the Russia is expanding debt exponentially and that is having a blow-back in the decline in confidence.

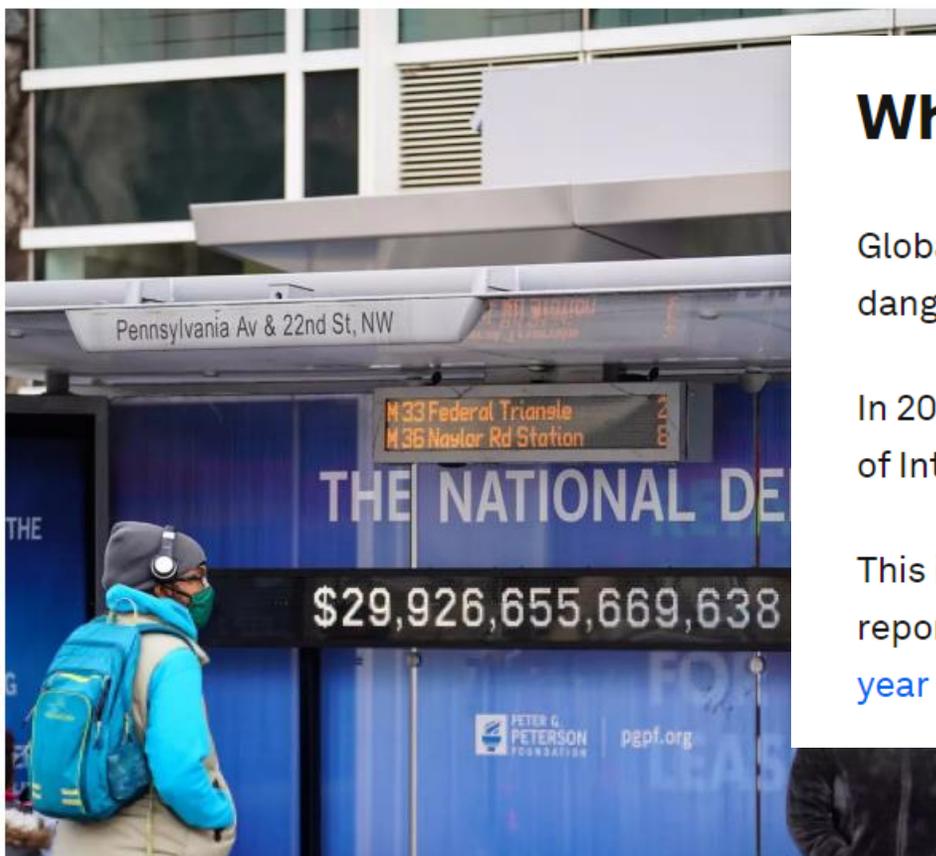
War is always seen as highly inflationary. Coming on the back of COVID shortages, the sharp increase in inflation combined with the increase in debt has many realizing a default is the end goal on the horizon for this is really a Climate Change War against Russia.



DAVOS 2022

What does 'global debt' mean and how high is it now?

May 16, 2022



What is global debt?

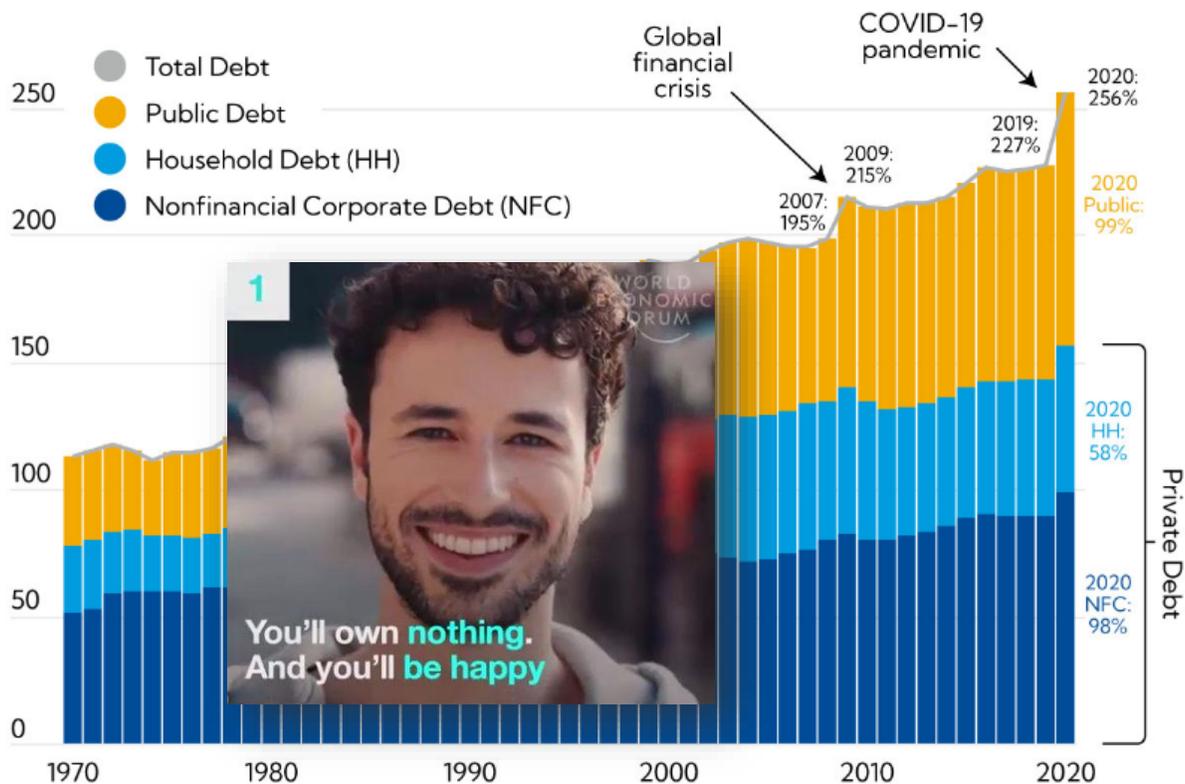
Global debt is borrowing by governments, businesses and people, and it's at dangerously high levels.

In 2021, [global debt reached a record \\$303 trillion](#), according to the Institute of International Finance, a global financial industry association.

This is a further jump from record global debt in 2020 of \$226 trillion, as reported by the IMF in its Global Debt Database. This was the [biggest one-year debt surge since the Second World War](#), according to the IMF.

Historic highs

In 2020, global debt experienced the largest surge in 50 years.
(debt as a percent of GDP)



Sources: IMF Global Debt Database and IMF staff calculations.

Note: The estimated ratios of global debt to GDP are weighted by each country's GDP in US dollars.

IMF

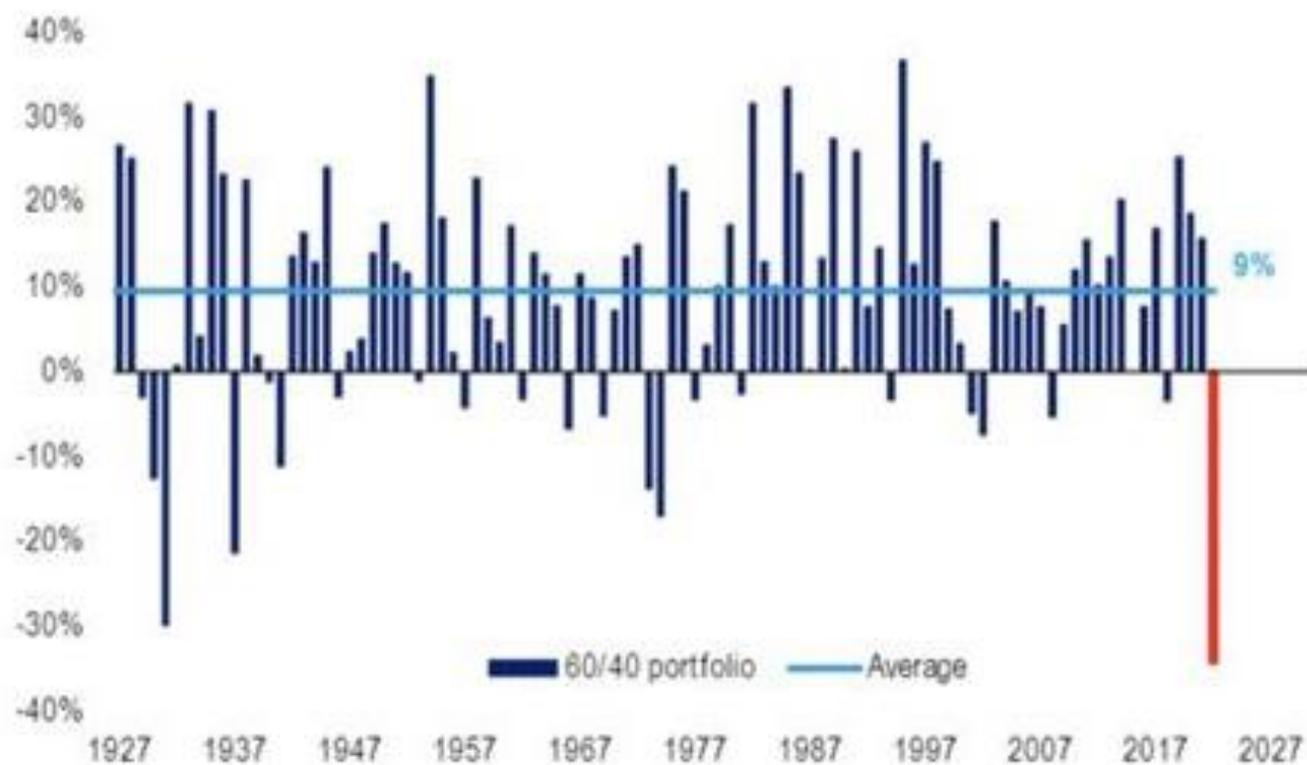
Sovereign Default Is Inevitable

This is deliberate. At this point, the central banks have been stripped of all power. They cannot stop inflation and the whole Keynesian Model is collapsing.

They are spending wildly knowingly that they will default. That will wipe out all pensions and this is now about staying in power when it all comes crashing down.

Chart 3: "60/40" portfolio ann. worst YTD return in past 100 years

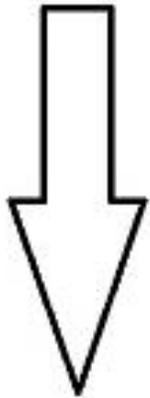
Annual 60/40 portfolio performance



Source: BofA Global Investment Strategy, Global Financial Data, 2022 is YTD annualized

BofA GLOBAL RESEARCH

Liquidity Crisis



SELL
SHORT-TERM
DEBT



ArmstrongEconomics.COM



BUY BACK
LONG-TERM
DEBT

By claiming Yellen is converting the Treasury into a second central bank only demonstrates they do not understand either the Fed or the Treasury.

The Fed can create money because it has that power. The Treasury does NOT have that power and issues the debt – not cash. Therefore, Yellen's proposal is by no means a central bank. She is manipulating the yield-curve which is far more dangerous long-term.



We project the current value of world equities at about \$90 trillion at the start of 2022 and the top two markets, NYSE and Nasdaq, represent about 45%.

US Equities = \$40 trillion against Sovereign Debt approaching \$300 trillion = 13.5%



According to @WorldBank's latest International #Debt Statistics 2022 report, many developing countries entered 2020 in a vulnerable position, with public and #externaldebt already at elevated levels. wrlid.bg/Vasj50GpGKD #IDS2022

External Debt Stocks of Low- and Middle-Income Countries, 2011–20

US\$ (billion)



INTERNATIONAL DEBT STATISTICS

2022



#IDS2022



Real Estate

The Event Horizon



1. Rising Interest Rates
2. Tax Migration
3. Intl Nat'l War

What Does the Future Hold with
Recession & World War III



There is probably no greater question than what will happen to real estate if we head into inflation, war, possible depression, and sovereign defaults. There has been much myth about real estate and how the typical pundits forecast real estate entirely based upon interest rates. However, much of what we know today as Fannie Mae etc., comes from the Roosevelt era. These things did not predate the bottom of the Great Depression in 1932. To further complicate matters, there were no 30-year mortgages before Roosevelt.

UK Residential Real Estate Index (REAUK)

Expressed in British Pound

UK Residential Real Estate Index

Yearly Timing Arrays



CHART TOOLS

Yearly

7000
6500
6000
5500
5000
4500
4000
3500
3000
2500

US Residential Real Estate Index (REOUS)

Expressed in US Dollar

US Residential Real Estate Index

Yearly Timing Arrays



CHART TOOLS

Yearly

3250
3000
2750
2500
2250
2000
1750
1500
1250
1000
750
500
250
0



CBDC

CENTRAL BANK

 **DIGITAL CURRENCY**

Can Bitcoin Survive



Can Anyone Shut Bitcoin Down?

While Bitcoin has no central authority and single point of failure, that does not prevent the US government from declaring anyone operating either requires a banking license or they are engaged in money laundering. The lack of a centralized hub is irrelevant. Anyone traveling who has a Bitcoin account must declare what they have traveling or subject it all to confiscation and perjury.

Nuclear War

Even if there is an all-out nuclear war, they argue that such a war would only be in the Northern Hemisphere so Bitcoin wouldn't miss a beat in the Southern Hemisphere. That is really biased.

If They Can't Shut It Down, Won't They Ban It?

Biden can issue an Executive Order banning Bitcoin and it would become illegal to deal in it just as they have done for drugs sending it to the depths of a black market which would not really make Bitcoin viable. You can

Can Bitcoin Survive



Is Computer Code Protected Speech?

Bitcoin maybe simply computer code, but the CFTC has already declared that if someone is claiming to be managing money using computer code, they must have access to it. It is not free speech.

Bitcoin a Commodity?

The US government has defined Bitcoin as a commodity and property. The IRS, the SEC, the CFTC, and other federal agencies have addressed Bitcoin as tax able and as such you must reveal your holdings.

The Bottom Line

While the proponents of Bitcoin argue banning it would be politically unpopular, they fail to understand that such holding are typically anti-government in nature and they are already regarded as the deplorables. That is really a crazy argument put forth only by the biased.

Take Away 2022



**SOVEREIGN
DEBTS**

