

News and Current Events :: Market Crash Forecast Suggests New 9/11**Market Crash Forecast Suggests New 9/11 - posted by sermonindex (), on: 2007/8/27 21:38****Market Crash Forecast Suggests New 9/11**

Mystery trader bets on huge downturn that could only be preceded by catastrophe

Prison Planet | August 27, 2007

Paul Joseph Watson

A mystery trader risks losing around \$1 billion dollars after placing 245,000 put options on the Dow Jones Eurostoxx 50 index, leading many analysts to speculate that a stock market crash preceded by a new 9/11 style catastrophe could take place within the next month.

The anonymous trader only stands to make money if the market crashes by a third to a half before September 21st, which is when the put options expire. A put option is a financial contract between two parties, the buyer and the writer (seller) of the option, in which the buyer stands to benefit only if the price of the asset falls.

These sales are being referred to by market traders as "bin Laden trades" because only an event on the scale of 9-11 could make these short-sell options valuable," reports financial blogger Marc Parent .

The trader stands to make around \$2 billion from their investment should an event trigger a market crash before the third week in September.

Such a cataclysmic jolt could only happen as a result of two factors, China dumping its vast dollar reserves in reaction to the sub-prime mortgage collapse, which it has threatened to do , or a massive terror attack on the same scale or larger than 9/11.

9/11 itself was foreshadowed by unprecedented put options that were placed on United and American Airlines. Though the Securities and Exchange Commission refused to reveal who placed the options, private researchers traced the investments back to the Deutsche Bank owned Banker's Trust, which was formerly headed by then Executive Director of the CIA, Buzzy Krongard.

Put options on Morgan Stanley and Merrill Lynch, two of the World Trade Center's most prominent occupants, also spiked in the days before 9/11.

News of the suspicious trades is dovetailed by the comments of Former US Treasury secretary Larry Summers yesterday , who told ABC News that the risk of a recession in the U.S. was greater that at any time since 9/11.

and a quote from a comment responding to this news article:

Quote:
-----America is much closer to martial law than most of us realize. Fema and Homeland Security are set up to implement Martial Law if two disasters (natural or manmade on the scale of 911 and Katrina) occur within a six month period.

American citizens have already given up freedom for security but this never leads to security. It always leads to fascism or to put it in other words, socialism China style.

This may be exactly what the Church in America needs to awaken her from her slumber. At least it will cause the hirelings to flee.

Re: Market Crash Forecast Suggests New 9/11 - posted by rookie (), on: 2007/8/27 23:04

The first half of September will also be open to settlements in all the hedge fund portfolios. If someone wants to cash out of an investment in these funds, the fund manager has to make good on these requests. If there is not enough cash to satisfy these requests, the fund manager must sell the liquid assets of the fund. In other words, the manager will try to sell assets that others are willing to buy. In today's market, everyone who is someone is not investing in derivatives of mortgage backed securities. The commercial paper offerings are also illiquid (meaning no one is willing to take a risk of buying these securities because no one knows if there is any value left in them).

So that leaves the stocks of companies that are perceived to be financially stable and treasury bills. If there is a large pressure to redeem assets invested in these hedge funds, there will be extreme pressure to sell the stocks that provide liquidity to meet these redemption requests.

The financial markets, even with all the money pumped into them in these last two weeks, are still illiquid. People who have inside information about these problems stand to make lots of money selling the market short.

This is nothing new. The banks of the world financed opponents of World War One and Two. They are financing the current wars. There is always money to be made because of the wine created by the kings fornicating with the great whore Babylon.

In Christ
Jeff

Re: - posted by Paddy (), on: 2007/8/29 23:58

This comment is right on the bulls eye. I suspect also that a privileged few enjoy secret insight into the movements of the market. While Jeff does not elaborate on the wider meaning of the "kings fornicating with the great whore Babylon" an average Bible student can grasp the main details. The full impact of the falseness of the financial system will be revealed when the cup of the Kings and the Great Whore is full of iniquity. The foolish man built his house upon this quicksand of iniquity. The wise man built his house upon the Rock.

Re: Market Crash Forecast Suggests New 9/11, on: 2007/8/30 0:15

It could also just be an enormous fund hedging their bets...

...but a billion dollar bet on a thirty percent slip in all markets...

(Corey_H puts on his tinfoil hat and starts digging a trench around his state-of-the-art bomb shelter...)

Re: - posted by rookie (), on: 2007/8/30 0:39

Here are some comments from the financial pundits...

In one way, I'm sympathetic to the institutional reluctance to face the music. I'd give a lot to mark my weight to 'model' rather than to 'market.' - Warren Buffett, Fortune, 8/16/07 (On the financial institution practice of valuing subprime assets on the basis of a computer model rather than the free market price.)

The Federal Reserve was not founded to bail out Bear Stearns or a few hedge funds. It was founded to keep a stable currency and maintain its value. - Jim Rogers, Rogers Commodity Fund

For the second time in seven years, the bursting of a major-asset bubble has inflicted great damage on world financial markets. In both cases--the equity bubble in 2000 and the credit bubble in 2007--central banks were asleep at the switch. The lack of monetary discipline has become a hallmark of unfettered globalization. Central banks have failed to provide a stable underpinning to world financial markets and to an increasingly asset-dependent global economy. - Stephen Roach, Morgan Stanley

The US financial system is teetering. Its USDollar currency is losing global support, with some outright revolts in crucial territories. The chief private sector export from the US financial sector has been fraud-ridden asset-backed bonds and their toxic credit derivatives. What should anyone expect? For years an institutional dishonesty within all things financial in the United States has been engrained, spreading, and become integrated with high levels of the USGovt. The Wall Street hucksters exported fraud. The backlash might be more severe than the soft soap gurus anticipate. Look for an international boycott. The shock waves in the US financial markets are preliminary symptoms of bigger events soon to come. Stability identified is nothing but quiet between tremors. - Jim Willie, Hat Trick Letter

Capitalism without financial failure is not capitalism at all, but a kind of socialism for the rich. - James Grant, Grant's Interest Rate Observer

US sub-prime is just the leading edge of a financial hurricane. - Bernard Connolly, AIG

Why is it possible to rescue S&L buccaneers in the early '90s and provide guidance to levered Wall Street investment bankers during the 1998 long-term capital management crisis, yet throw 2 million homeowners to the wolves in 2007? - Bill Gross, Pimco

So perhaps the most worrying single remark made by a responsible banking official during the current crisis came from Jochen Sanio, the head of Germany's banking regulator BaFin. He warned on Aug. 1 that his country could be facing the worst banking crisis since 1931 -- a reference to the collapse of Austria's Kreditanstalt, which provoked a wave of bank failures across Europe. - Martin Walker, United Press International

Angelo Mozilo, chief executive of Countrywide Financial Corp, which is one of the chief victims of the sub-prime home loan debacle, said the housing crisis was the result of "one of the greatest panics I have ever seen". When asked if housing would lead the US into a recession, he said: "I can't believe ... that this doesn't have a material effect ... on the psyches of the American people and eventually on their wallet." - Phillip Inman, The Guardian

As calamitous as the sub-prime blowup seems, it is only the beginning. The credit bubble spawned abuses throughout the system. Sub-prime lending just happened to be the most egregious of the lot, and thus the first to have the cockroaches scurrying out in plain view. The housing market will collapse. New-home construction will collapse. Consumer pocketbooks will be pinched. The consumer spending binge will be over. The U.S. economy will enter a recession." - Eric Sprott, Sprott Asset Management

The U.S. economy, once the envy of the world, is now viewed across the globe with suspicion. America

rica has become shackled by an immovable mountain of debt that endangers its prosperity and threatens to bring the rest of the world economy crashing down with it. The ongoing sub-prime mortgage crisis, a result of irresponsible lending policies designed to generate commissions for unscrupulous brokers, presages far deeper problems in a U.S. economy that is beginning to resemble a giant smoke-and-mirrors Ponzi scheme. And this has not been lost on the rest of the world. - Hamid Varzi, International Tribune

In Christ
Jeff

Re: Market Crash Forecast Suggests New 9/11 - posted by UniqueWebRev (), on: 2007/8/30 4:29

Well, it's not as if we haven't been expecting this.

As a 22 year veteran of Mortgage Banking in California from 1974 to 1996, this will be the 5th real estate led recession I have lived through in California.

As for the markets, fear drives the world...I used to make a lot of money off of it, betting against the market on 30 yr mortgage rates, registering the fear in the markets, the fear in the American consumer, where the Great Depression was caused not by lack, but only by an unwillingness to take personal risk by consumers, and an over willingness of market forces to bet on themselves, and against the consumer.

Greed will have it's way...is anyone surprised?

But do not forget...America may be spoiled, and wounded, but when things get bad, we hunker down and live through it.

And we have had Martial Law before in America.

If Christians would bother to pray as earnestly as they fear the results of their own involvement in the 'credit crunch', God might be interested in our sincere repentance, and heal our land.

And please, do not forget that with the failure of the market's engine, America, which helps run the global economic 'system', also falls a great portion of the global economic 'system'.

When we go down, we take a lot of people with us.

If we pull in our financial horns worldwide, along with our expensive wars, everyone will suffer, even our enemies...but they are already used to poverty.

And the actions we would take in pulling all our forces home because we can't afford to keep the world at peace anymore would nicely set up Gog Magog in Israel...you know, the one that clears out 5/6's of Israel's enemies, and gives the Jews room to return home?

Globalization is a fact. So is tribulation.

But our hope is in Jesus.

Blessings,

Forrest

Re: - posted by rookie (), on: 2007/8/30 4:47

It seems that the evidence keeps mounting yet many look to man or a political system to bring peace and prosperity.

In the end, it will be all about Jesus.

In Christ
Jeff

Re: - posted by rookie (), on: 2007/8/30 4:48

There is some truth in what this man writes about...

US/MEX: FAILED SYSTEM & FAILED STATE
by Jim Willie CB
August 29, 2007

TRIBUTE TO KURT RICHEBÄ,,CHER. He was a valued colleague and an inspiration to my newsletter.
Our week together in Cannes will forever be etched in my memory.

Amusement is my response when other writers call me or my work 'extremist' as Claude Cormier recently has. He is a topnotch analyst out of Quebec, whose work is respected and admired. He himself cites extreme events, like comparisons between the United States and Argentina, in the decimation of the middle class amidst prolific inflation and financial sector foul play. Labels are not kind, but my job is to analyze the extreme situation on a host of fronts. To be honest, the label is taken here as an extreme compliment, since it means my perceptions are squarely on target. Additional extreme observations can be detailed, which points to systemic breakdown. The US financial system shows signs of failure, the US economy suffering deeply in association. If one were to list the extreme events and factors in the last few years, reaching a climax nowadays, the recitation would flow over into several dozen pages.

As an important US holiday approaches (Labor Day), a reflection is in order of the extremely dangerous footing we find our nation in, and the predicament that a nation of laborers finds itself in. Workers find their situation extremely tenuous, especially in light of the corporate sell-out of the American worker in favor of Asians, aided by US Govt incentives and Wall Street cheers. Our workers became accustomed to the betrayal during the 1980 decade with the Pacific Rim powered by the Asian Tigers. Why cannot economists see that a decade of Vietnam War inflation, a Johnson-Kennedy Guns & Butter agenda, and US Dollar benefit from high Volcker interest rates (leading to Plaza Accord to bring down the US\$), resulted in a colossal cost to the US Middle Class and workers?? They took more blows with the 1990 NAFTA betrayal, as Mexican assembly plants cropped up across the border. The current Chinese and Indian outsource movement is yet another betrayal to the American worker. Outsource the job, enjoy the lower cost to the corporate profit margin, and send the US employees into the street, especially if they are near retirement with pensions.

Let us all celebrate Labor Day, marred by a skein of betrayals. What is needed is a national program to put Americans to work. Instead, we fight an endless winless war abroad, in support of private syndicates who profit heavily. How about a national mandate and high priority initiative to rebuild the US bridges, access roads to major cities, tunnels, railroads, sewer pipes, water pipes, natural gas pipes, crude oil pipes, airports, and port facilities? And yes, forbid Halliburton and other connected crooks to participate in any and all bidding? FDRoosevelt initiated numerous plans. Why not now? High speed trains are common in France, Germany, and Japan, soon to Chi

na. The US lags badly.Â

In fact, one can conclude that the US is morphing into a bizarre Third World nation with a powerful military and a banking system well equipped to abuse the power extended from printing unbacked money marked as the world reserve currency. Reflection at holiday time brings front and center thoughts of how insistence on placing the Iron Triangle (Pentagon, Defense firms, Lobby firms) in the catbird seat has contributed mightily to the weakening of the USEconomy, the undermine of the American worker, and slow bleed of the US Middle Class. That portion of the federal budget receives almost no debate, no accountability, no prosecution for fraud.

WAGES & PENSION DESTRUCTION

In the last 30 years, the inflation adjusted wage per adult has fallen by 30% to 35%, inflicting great hardship on the family structure. A household needs to enjoin three wage earners, but such is impractical since most offspring are reckless spenders, not effective workers, and since Uncle Charlie (as in the television show My Three Sons) do not fit the mold anymore. It is next to impossible to put one's savings to work without engaging in high jinks gambling. Entire pension funds were killed in the 2000 stock bust. Outside of TIAA-CREF, where academic and many institutional pensions are managed, some hefty losses were inflicted. The advent of 1% official Treasury yields enticed many pension managers to take risks which are biting deeply into future retirement income. This all seems wicked and extreme. In fact, the details of the entire national financial and economic landscape seem like out of a futuristic science fiction novel with little basis in sanity. The incredible part of the story seems to be that few smart folks cite the extreme nature of it all. The US financial system, the USEconomy, the global economy, the US\$-based banking system, they are all on the brink. Asset-backed bonds have nuked the banking industry. The housing decline puts the USEconomy at grave risk. The global economy leaves Asians and Persian Gulf nations owning enough US\$-based debt so as to jeopardize US sovereignty. Call me an extremist. If others do not see the extreme precariousness of the situation, they are compromised, unaware, sleepy, or corrupted.

FRAUDULENT STATISTICS AS BASE

The 2000 tech telecom stock bust provided an earthquake across both the financial sector and the general economy. An official recession was admitted and acknowledged, late. That means Gross Domestic Product growth fell below minus 5%, since the USGovt gimmicks build in exaggeration by over 4% at least. That fact alone sounds extreme, especially in view of additional distortions, like the Consumer Price Index claimed at 3% when it runs closer to 11%. Extreme gimmicks remove rising components. And then the unemployment rate is claimed at 4% to 5%, when in reality it is more like 9% when those without jobs are counted, using data released by the same spin doctors at the Bureau of Labor Statistics. Productivity would be negative if not for the same gimmicks on hedonic adjustments which assist the GDP. They got caught with bogus statistics last summer, on the relationship between productivity and import prices. You cannot import productivity! Distortions in the compass readings are skewed to the extreme, to such a degree that monetary and economic policy cannot remotely be adequate in response to current conditions. The gulf between official statistics and reality seem extreme.

UNFIXABLE UPSIDE DOWN ECONOMY

In the wake of the great 2000 stock bust came another even greater extreme. In bizarre yet desperate fashion (hidden), the Greenspan Fed encouraged a housing bubble in order to save its own reputation. The USEconomy

could not afford a recession, with all the inherent debt liquidation. So a myth of an Asset Driven Economy was promoted. That seems extreme for any central bank. Imagine proclaiming as healthy, valid, and with firm foundation an economic dependence on assets (housing & stocks) pushed higher by inflation!!! A strong economy would rely upon business investment, production, income growth, and sensible spending, not the lunatic retail mania that we find the USEconomy dependent upon. Almost 30% of all new jobs created since 2002 have been tied to the housing construction bubble. Some call it a boom, but in my view just another absurd bubble. Imagine instilling a dependence for economic growth on a non-producing asset like a house, instead of a manufacturing plant where value can be added with intellectual capital and jobs created. That is a cockeyed extreme. Imagine the extreme structural imbalance of having 70% of the USEconomy derived from consumption, led by retail. Here a graph displays the extreme clutter of retail chains within the US landscape. This 7-fold greater retail footprint of the US consumption over European footprints is absurd. This is a ridiculous extreme.

INDICATORS & PRIORITIES

Then we saw a stock market reach new nominal highs, set records, as an economic boom is heralded. All pure extreme nonsense, since the USDollar fell by roughly the same 15% to 20% as the stock market indexes rose.

Hence, purchasing power of one Dow share or one S&P500 share has been preserved. That is a wash, not a boom. One might even ask why the S&P stock index is part of the US-based Leading Economic Indicators, when over 30% of profit from such firms is derived from outside the USEconomy. The recent Cisco Systems quarterly report highlighted this effect, strong business abroad, weak at home. The US Federal Reserve in the meantime has made official statements incessantly referring to their fears of price inflation, when what they really mean is the USDollar might fall to such low levels that imported price inflation would threaten the entire USEconomy. They fear a backlash from exported inflation, soon importing it! So the USFed cannot talk about the US\$ currency exchange rate directly, yet its policy can easily cause a rout on the USDollar with all its price inflation consequences. That puts the USFed in an extreme box.

MUSICAL CHAIRS & HOT POTATOES

The aftermaths of extremely incompetent economic guidance and planning, combined with irresponsible heretical banking policy, have led to an utterly unfixable housing crisis and mortgage finance debacle. This mess has years for dust to clear! The entire non-government bond market has fallen into a situation difficult to adequately describe. How about comparisons to a human body suffering from seizures from bubbles in its arteries (from inflation of assets, then deflation) but also beset by constipation from fraudulent asset-backed bonds (like mortgages and associated leveraged CDO bond derivatives)? Sounds about right, but again, quite an extreme situation. With the threat to money market funds, whether insured or not, the entire banking system seems to be at risk of proper function. Musical chairs come to mind, which demand players to find a seat when the music (credit flow) stops. Hot potato comes to mind, much like the Drexel Burnham plight, which demands players not to hold the acidic worthless bonds. My claim is that all subprime mortgage bonds are worth under 25 cents of par value, and ALL

Collateralized Debt Obligations with dominant subprime mortgage bonds are totally worthless (as in 100% loss). Actually, the CDO bond losses are much greater than 100%, sure to bite deeply into the value of other assets of good value, like gold and crude oil contracts. To me, the banking situation is on the ropes, an extremely dire picture.Â

WALL STREET JUNK

With most Wall Street firms facing junk bond status downgrades according to Credit Default Swaps on their corporate debt, yet enjoying wonderful investment grade debt ratings, we have more extreme corruption in the banker brokerage system. Conversations with foreign analysts strongly indicate a global perception of institutionalized fraud and dishonesty in the US financial sector. In my view it spans almost its entire spectrum. No, not all corporations engage in fraud. But every suite in the US financial sector house contains prevalent fraud. This is utterly extreme, but not surprisingly, as a consequence to the Green Light given to deceit and swindle with the USDollar no longer backed by gold. The end of a fiat currency game is replete with extremes. Gigantic bailouts are part and parcel of the extreme resolutions.Â

GIANT VEILED BAILOUT

The size of the mess, from housing and mortgage bond bubbles, is an order of magnitude larger than the lunatic LongTerm Capital Mgmt mess in 1999. Expect a larger bailout, especially since it is denied vigorously. Worse this time though, since confusion will abound. Questions remain unanswered. Did the USFed accept mortgage bonds offered only by Wall Street firms? Or only major banks? Major banks seem listed as big beneficiaries so far. Was the injection of \$30 odd billion of funny money, otherwise called counterfeit funds in private sectors, a secret Wall Street bond bailout disguised poorly? Methinks yes. This seems extreme.

GLOBALIZATION BACKFIRE

The global economy seems like a rubber band stretched far past its specifications for usage. Labor arbitrage sends jobs to Asia. In return they own vast tracts of US\$-based debt securities. The US workers lose their jobs in droves. A giant step backward has taken place on product safety and quality. The end game seems to be trade sanctions, scuffles over currency manipulation, blame game, market ambushes, and lost sovereignty. Globalization sounds good, but in practice it results in dislocation, conflict, and chaos, more extremes.

RAMPANT DENIALS OF REALITY

Denials have been so broadly uttered by banking and economic and financial market leaders, that your heads should spin. It becomes easier to make sense if you conclude that every denial is wrong, and the louder the denial, the more serious the effect. Now Premier Bank in the Kansas City area is on the ropes, a Fed Reserve Bank. Like with a drunk, why ask if Uncle Jack is a drunk, if his behavior and life does not scream of alcoholism? Contagion of subprime mortgages to other debt securities is evident. Spillover to the real economy is evident, but not total, yet. Borrowing for consumption is impossible anymore. The housing recovery is a mirage. Housing sales and prices are nowhere near the bottom, as July existing home inventory shot up to 9.6 months supply! The denials form an Orwellian backdrop where the system intends to deceive, to lie, and to misguide, so as to retain power and to keep the Middle Class impoverishment process intact. What is missing is the recognition that past denials of important concepts have almost all been incorrect. No learning seems to result in Wall Street, just ongoing compromise and deception.Â

MERGER OF STATE & CORPORATION

The diabolic yet accepted merger of state and corporate interests is preached as something beneficial, a movement to keep America strong, to meet foreign competition and even aggression. Nonsense! The merger invites fraud and extreme profiteering, if not roll the carpet to a totalitarian state. What extreme drivel. My experiment has resulted in one person out of 30 adequately citing what fascism is!!! The merger, called the Mussolini Fascist Business Model, is the penultimate in inefficiency and the ultimate framework for colossal theft with near zero prosecution. The Goldman Sachs reduction from 9% to 2% in the gasoline weight of the GSCI commodity index serves as best understandable evidence of such fraud. Did GoldSax short the gasoline futures before the decision to cut the weight by 7%? Of course, since if not, people would lose their jobs for a missed opportunity to profit.Â

LATEST DENIALS ON RECESSION

The permitted aristocratic fleecing inside financial markets is unspeakable, and surely extreme. The latest denials have been reformulated into key questions. IS THE USECONOMY HEADING INTO RECESSION ??? IS THE US FEDERAL RESERVE GROSSLY OUT OF TOUCH ??? The answers in my opinion are YES and YES. The USEconomy is furiously addicted to easy credit, which has been curtailed. The home equity easy access wellspring has run dry. What an easy call recession is! Look for more extreme statistical distortion to prevent an official admission of recession. New infusions of liquidity will in all likelihood assist the friends of the powerful groups, not the rank & file, not the run of the mill banks. Recent USFed injections went to the major banks, almost without exception. The US Federal Reserve is led by a university professor who has never run a business, never managed a financial account, never even worked in either, let alone worked in the private sector, but did serve as an apprentice on the Fed Board itself. Such does not instill confidence or adequately prepare for the job of leading the US Politburo of central planner look-alikes. Fortunately, his endless drivel about 'inflation expectations' has ended. Reality will pull him at his leg, maybe the short arm.

NATIONALISM & FEAR

Then we have a mania of fear and political fixation on terrorism. In my estimation, the USGovt, the USMilitary, and the shadowy groups who bear alphabet soup on unmarked labels instill 1000 times as much fear in my life as any Moslem lunatic in a faraway land. When a youngster with a relatively undeveloped brain, it was an easy call for me to conclude the Warren Commission was a whitewash in the wake of the JFKennedy assassination. One can learn of unnatural deaths, with some investigation, for all who stood on the Dallas Grassy Knoll. A similar whitewash is my conclusion for the 911 Commission in the wake of the World Trade Center attack. A scad of 30-year Treasury Bonds issued before the 1971 departure from gold-backed USDollars were stored in the WTC vaults. And a scad of financial records pertaining to the JPMorgan & Enron case were stored in the third building. A scad of engineering professors have challenged the official reports, citing mere laws of physics. Are such engineers enemies of the state? The Nazis developed what was called Reich Physics back in their day, so that science would salute the fascist regime. Other scientific disciplines followed suit. Even Robert Fisk casts much doubt on the truth beyond the 911 events in The UK Independent editorial dated 25 August 2007. He is their Middle East correspondent. He outlines numerous questionable facts and seeming contradictions. My view is simpler. A syndicate took control of the White House since 1982, marred by a certain event, which pursues a secret agenda and a clandestine business. Enough.

When Habeas Corpus is suspended, when internment camps are completed on US soil, when torture is debated as justified, when pre-emptive attack is debated as justified, when confiscation of personal assets can be ordered in response to obstruction of a war whose cause was mostly faked, when unchecked executive decrees flow

like a river, my fears are mainly directed within the 50 states and their federal commandants. This is an extreme situation leading potentially to a veiled military dictatorship. All precedent points to the Fascist Business Model leading in parallel to a fascist government regime. A lot of effort is going into this unpublicized plan, probably not an idle exercise. It seems extreme.

INSTITUTIONAL DISTRUST

The degree of public trust in US institutions is at rock bottom. The level of foreign distrust has never been greater, which likely will result in continued vengeance taken against both the USDollar and its traded vehicle the US Treasury Bond. That retribution could turn extreme. Over 70% of Americans do not trust their own Congress, the representatives who sit in their stead. They seem grotesquely compromised, bought and paid. The 2006 midterm election mandate by the people has been ignored. The war commission report and its recommendations have been ignored. Over 70% of Americans do not trust their own Military to accurately and honestly report the status of the Iraqi War. Probably a higher proportion of Americans regard Wall Street as liars, parasites, con men, and fraud artists. The entire nation appears at extreme crossroads. As though the United States were not in enough trouble with systemic tremors, take a look south of the border for an even bigger nightmare unfolding. It is sure to spill over into the US backyard.

RISING DISTRESS SOUTH OF THE BORDER

South of the border is Mexico, whose fiscal wagon is quietly and dangerously careening down a hill, most assuredly over a precipice. This would constitute another extreme development. The decline of their giant oil field Cantarell, combined with the mismanagement of their PEMEX national oil industry, hampered by their corrupt powerful labor union, stymied by their compromised Parliament, these guarantee a monstrous fiscal problem in Mexico. The reduction in their FOREX trade surplus accelerates from greater gasoline import, a whiplash factor. This story has so far eluded the sleepy lapdog press, but not the oil industry. This story was covered in the August Hat Trick Letter in greater depth. My forecast is for Mexico to disintegrate into a failed state within two years, owing to its lost FOREX trade surplus and utter breakdown of law and order. Mexico City soon will be forced to turn to desperate measures.

The Mexican Peso tumbled in July, and has continued lower in August. The financial conditions behind their FOREX revenues from their energy account are being revealed. The MexPeso has fallen from 9.25 to the 9.0 level, well below its 50-day moving average, without recovery. As the USDollar falters against the euro currency, the MexPeso does also. So the MexPeso has faltered even worse relative to world currencies. European exports rise in price to Mexicans. Currency markets sense trouble. The Mexican economy suffers from a significant decline in cash transfers (remittances) from workers in the US sending money home to families. This was addressed in my work as evidence of lost home construction jobs. The volume of money involved in remittances exceeds the total foreign direct investment in Mexico, an alarming data point, so not a small sum. This cramps consumer spending and small business investment, and leads to wider poverty. Count that as another contagion from the US housing crisis, of course denied.

The situation in Mexico continues to deteriorate. As their nation falls further into outright chaos, three key questions arise: 1) What happens to the reliable supply of crude oil to the United States, even as Cantarell sees fur

ther decline? 2) What happens to the plans for implementation of the North American Alliance, the economic merger of the US, Canada, and Mexico? 3) What happens to foreign mining rights to Mexican properties, under possible threat of confiscation or hiked royalty demands? These are central questions addressed in the August Hat Trick Letter report.Â

Violence has spread widely across Mexico, including murders of police officials in the northern regions. Even judges and foreign press reporters have been threatened. A splinter group from the Peoples Revolutionary Army claimed responsibility for the July 10th oil pipeline explosions in Guanajuato and Queretaro states. Other pipeline s have been threatened. Armed battles in small city streets have erupted, without report in the debilitated compromised US media networks. Rival drug lords are engaged in three-way battles with the Mex Govt.

A failed nation state is the likely outcome south of the US border. Such a failure has numerous criteria. Energy network attacks, growing poverty and inequality, inadequate government services, growing power of organized crime, corruption & desertion of police forces, assassination of judges and officials without consequences, and growing farmer bankruptcy are contributing to a failed system in Mexico. Needs of people, upheld laws, tax structures, allegiance to authority, and sense of urgency all seem to be in breakdown mode. The division between rich and poor is stark, and growing worse. Their tycoon Carlos Slim has accumulated three times the wealth that Rockefeller did a century ago, relative to respective national economy size. The failed state of Mexico will be evident from the top down, with origin the financial deterioration of its federal government. Gigantic federal deficits will be the next major story coming from Mexico, with associated disruption and chaos.

UGLY DETAILS ON MEXICAN OIL INDUSTRY

The supply of crude oil to the United States is substantial from Mexico, behind only Saudi Arabia and Canada. The Mexican energy picture is deteriorating. The elephant oil field Cantarell is in an established 15% annual decline, offset by inadequate expansion elsewhere. Some details are provided by the Mexico City business journal El Financiero. Current oil output is at 3.624 million barrels per day. Gasoline production follows the trend of oil production, with output down 56.4% at PEMEX refineries to 463.2 thousand bbl/day. The shocking data point here is that their gasoline imports rose by 92.1% in June, versus last June 2006. No new gasoline refinery has been built in Mexico in over 20 years, not as bad as in the US, where no new refinery has been built in 35 years. The net financial impact is that Mexico earned \$34.7 billion in FOREX reserves in 2006 from oil export, but of that, \$10 billion was spent on gasoline import, or 29% of the gain. The great boon from oil discovery in the 1970 decade is coming to an end. Their oil exports in the first half of 2007 stood at 1.718 million bbl/day. That compares to 1.907 mb/day in 1H2006, or 10% less. The decline is amplified by greater gasoline imports. The saving grace is the 40% reduction in natural gas imports. The Mexican trade surplus from energy is vanishing. Analysts expect it to be gone by 2011. My forecast is sooner, due to disruption and a breakdown of order. The effect on their national politics will be severe, causing a failure of state, with a broad internal breakdown of order.

THE IMBALANCED ALLIANCE

The North American Alliance is intended (without debate, analysis, or vote) to share US bank sector might, broad technology expertise, pharmaceutical depth, augmented by military prowess WITH Canadian energy supply and mineral wealth WITH Mexican cheap labor, energy supply and mineral wealth, and a bonus of new port facilities. The hidden component is the supply of Mexican soldiers to fight in the US war machine. See data. The Alliance increasingly looks like having one horse (Canadian Dollar) pulling the FOREX stagecoach, with two lame horses from the United States and Mexico. Perhaps the US horse will be an image from a printing press that nobody

will notice! The prospects for mining rights and constant royalties remain in debate, an uncertainty. Some conjecture and speculation is given in my August report.

VICTORY IS IN OUR FAITH! ... - posted by Rahman, on: 2007/8/30 9:22

There are so many faith shaking things happening in our world today i feel led of Holy Spirit to point out this faith inspiring sermon ...

In One Hour Everything is Going to Change

<http://64.34.176.235/sermons/SID16114.mp3>

Praise God from whom all blessings flow, especially for the ones we don't see as such ...

1John.5

For whatsoever is born of God overcometh the world: **and this is the victory that overcometh the world, even our faith.**

NO MATTER WHAT HAPPENS SAINTS - LETS KEEP OUR FAITH!

Re:, on: 2007/8/30 10:14

Have you considered that we are going thru a gradual stock market crash. Since the 80's there has been over this entire world a loom of uncertainty. The stock market has dipped several times, but whether it goes up or down the world is still uncertain and prices have steadily been on the increase. I don't think we are going to see a stock market crash like the one in 1929. I think this time it's going to be a time where you'll be thankful that your working for minimum wage even though your qualified for a 30k job. They say tough times are coming, they are here. Every cent I earn drops out of my hand like water. What I used to buy in groceries years ago, I am paying triple. Gasoline prices alone is staggering, people can't afford it, but they dish it out because they need to. You can't save money anymore, those that are 40-45 may as well forget about putting money away for retirement, by the time we take it out the taxes will be so high that we'd be left with nothing. Small businesses are closing while BIG businesses are taking over. The signs our times is that the known world that we call "free" will no longer be free, it is now a world where we'll sell that freedom that we may have a job so we can eat. Unions today are learning to be quiet even when labour may want to strike. They have seen too many factories shut down and they have lost union members who pay union dues to non union jobs.

I know that a lot of zealous Christians would love to see chaos and anarchy with a stock market crash. I have watched them over the years just relish in the idea of a stock market crash. It may not come the way they want it to. David Wilkerson said in his book the Vision that it would come, but he didn't say how it would come. His presentation gives a gradual outlook of what will happen. And he was very explicit about what kind of world it will be, he said it was going to be a recession NOT a depression, a type of recession that will be felt worldwide.

Re: - posted by student, on: 2007/8/30 10:32

Brothers and sisters,

There is ample evidence of a great shaking that can be inferred from respectable news outlets that have some degree of journalistic integrity. I recommend refraining from citing the conspiracy tabloid "Prison Planet".

The Coming Depression and Calamities - posted by IRONMAN (), on: 2007/8/30 23:40

bro Compliments, Greetings in Jesus' Name by Whose Blood we are Saved.AMEN.

indeed there has been much volatility in the stock markets the world over and they also all seem to be affected in some way or another by how our own stock market does. i believe we will not see something like 1929, i believe what we will see will be much worse. There are more people now with much more to lose than there were in 1929. of course this doesn't mean that people will stop buying and selling or that commerce will cease, the dynamics of it will be greatly changed from what we now know. We are used to things being a certain way and even a modest amount of change can cause problems. Things now are quite different from before, when i came here 10 yrs ago, gas was 90 cents a gallon...it has tripled since then.

to be sure, i believe you when you say some Christians would like to see anarchy so they can say "i told you so" however the bottom line is we will all be affected in one way or another. i welcomed (and still do) the coming Judgment because this is our only hope now of repentance since we have had a long time to be proactive about it. Where i have changed is that even in light of God no longer staying His Hand, i am moved to pray all the more that men would be Saved, as many as possible before the Judgment hits. Also those people who are sitting on the fence concerning the Faith and those who are lukewarm will jump ship when things get hard and thereafter the real Church can stand up and do and be what is required of her. in short, we will know who we are working with to His Glory. in adversity we learn what manner of Christian we are. It is easy to do right when things are ok, there is a tendency to slack off also however adversity brings out what we really are and if Christ is Ruling in our hearts, we will conduct ourselves in the same manner that He would in adversity.

as i believe our Lord showed it to me, it will be a collapse of economy, government, military and anarchy will reign among the people. Now this makes sense given that not only will the economy collapse, but cities will be burned with fire also, i was shown NYC and DC. They may not be razed to the ground completely but i believe a substantial part of them will be no more. other saints have been shown some other cities being damaged also. i don't know how many will perish immediately when the fire falls but i suspect it could well be in the tens of millions. NYC metro area has a population of about 20 million...if even half of that were to be destroyed, there is potential for millions to perish in an instant. of late i have been thinking on this and it weighs heavy...i believe our Lord spoke to me when He said it would be before this year is out. if i am wrong, i will apologize, repent and sit down and be quiet. if indeed this is God, i don't know where i'll end up except that He's got it all in Hand.

Grace and Peace are ours in Jesus.AMEN.

Re: The Coming Depression and Calamities - posted by rookie (), on: 2007/8/31 2:35

Bush Will Expand Government Role to Deal With Subprime Crisis

By Holly Rosenkrantz

Aug. 31 (Bloomberg) -- President George W. Bush today will announce steps the administration says will help people with subprime mortgages keep their homes.

Bush will let the Federal Housing Administration, which insures mortgages for low-and middle-income borrowers, guarantee loans for delinquent borrowers, allowing them to avoid foreclosure and refinance at more favorable rates, according to an administration official.

The change would affect borrowers who are at least 90 days behind in payments and let them continue living in their homes, the official said on condition of anonymity. Bush, in a statement in the White House Rose Garden, also will back pr

proposals to provide tax relief for homeowners who refinance.

Tighter credit and higher borrowing costs threaten the housing market, which has been an engine of U.S. economic growth. Democrats in Congress and the party's presidential candidates have criticized Bush for not taking action to prevent the spread of foreclosures.

The president still opposes Democratic calls to let Fannie Mae and Freddie Mac, the two largest U.S. mortgage finance companies, boost purchases of mortgages as a way to ease lending constraints, White House spokesman Tony Fratto said.

Bush's proposals will address ways "to prevent these kinds of problems from arising in the future," Fratto said.

Home Resales

U.S. home resales fell in July to an annual pace of 5.75 million, the slowest since November 2002, the National Association of Realtors reported on Aug. 27. Sales have declined for five consecutive months.

About 14 percent of banks raised standards for mortgages to their most creditworthy borrowers and 56 percent made it more difficult for people with limited or tainted records to get loans, according to a Federal Reserve survey of senior loan officers in mid-July.

Among the plans Bush will announce is a joint initiative of the Treasury and Housing and Urban Development departments to identify people who are at risk of defaulting on their mortgages, the official said.

Bush wants the government to work with lenders, insurers and others to develop more favorable loan products for those borrowers, the administration official said.

Congressional Plans

Congress also is looking at ways to minimize the fallout from the collapse of the subprime mortgage market, including rising numbers of foreclosures among borrowers with poor credit or high debt. Democratic presidential candidates also are pushing for action to stem the number of foreclosures.

Christopher Dodd of Connecticut, chairman of the Senate Banking Committee, said in an interview with CNBC last week that he plans to move legislation next month that would expand the FHA's role to "provide additional avenues for people to get cheaper, reasonable, safer credit" without relying on subprime loans.

Senator Hillary Clinton, a New York Democrat, said this month she planned to introduce legislation that would ban penalties for people who pay off mortgages early and require federal registration of mortgage brokers.

An administration proposal to give low-income homebuyers an alternative to subprime loans last month was greeted skeptically by Republican senators and congressional auditors, who said it might be too risky.

The FHA's plan to lower down payments and boost loan limits in its lending program doesn't include a pilot project or consider the impact on African-Americans, Senator Elizabeth Dole, a North Carolina Republican, told the Senate Banking Committee last month.

Risks

The FHA is trying to steer borrowers away from subprime mortgages that often carry higher fees and interest rates. The administration plan would also give the government flexibility to charge different premiums based on buyers' risk.

Bush is holding to his position outlined earlier this month that Congress should first strengthen oversight of Fannie Mae and Freddie Mac before letting the government-sponsored enterprises exceed their current regulatory limits on mortgage holdings.

Fannie Mae and Freddie Mac have said they can help market liquidity by being allowed to buy more of the mortgages and mortgage bonds shunned by investors.

end of article...

Print some more money.....

In Christ
Jeff

print more money... - posted by IRONMAN (), on: 2007/9/1 15:49

bro Jeff

Greetings in Jesus' Name by Whose Blood we are Saved.

at the end of the article you said"

Quote:

-----Print some more money.....

from what i firmly (more so day by day) believe to have heard from our Lord over the last 2 years, we have 120 days bet

ween now and the end of the year during which at some point, the economy will collapse before our eyes.

for those of us whose eyes God has opened, let us intercede for those whose eyes remain closed that they make come t
o repentance or they will perish. indeed on that day, fire will also fall from the sky upon NYC and DC which could result i
n the deaths of millions in an instant. May God pluck as many as would be plucked out of the jaws of eternal death.AME
N.

see prophetic Credentials 3 in the general topics section.

http://www.sermonindex.net/modules/newbb/viewtopic.php?topic_id=12628&forum=35&19

Grace and Peace are ours in Jesus.AMEN.