My current take on the Markets, with a focus on Real Estate.

10 April 2020

The global Covid-19 virus event has upended most everyone's forward expectations related to the US and global economy. Alas, as I've previously stated, and recorded in my Articles, nothing can go up indefinitely. I have repeatedly stated this down market was coming.

Nevertheless, recently Pres. Trump announced a 12-month reprieve for homeowners who find themselves without income, or a job, because of the "*National Emergency*" related to the Covid-19 – so called pandemic (source: https://www.npr.org). The aftermath of jobless claims, hours worked, and other economic data for the US and global markets will probably shock investors and the general public for many months to come. This is reminiscent of the 2008 / 2009 Crash. Some investors and analyst say this down market is over. Personally, I don't think so, and below I will show you why.

The reprieve in foreclosures and mortgage repayments for US consumers, more than likely will not do much to resolve the ultimate problem. Common sense tells me, the problem will quickly revolve around the issue of how quickly the US economy can resume somewhat normal functions after the virus event subsides. I believe the reprieve offered to US consumers will assist in making the data a bit more tolerable for a short period of time, but this is an illusion, and ultimately any extended disruption in the U.S., and global economy, will result in extended risks in hard assets like homes, commercial property, and future valuation expectations.

Foreclosures are already starting to rise. According to my Technical Analysis and my read of Market Psychology, I see more risk of a waterfall event, or downside move in the indices. Hedge funds and banking institutions are already feeling the pressure to attempt to contain the losses that are piling up (source: https://www-bloomberg-com).

Furthermore, an extended decline in the global markets will continue to place pressure on institutional financial markets, banks, hedge funds, and other traditional lending and investment firms. Investors will start to pull investment capital away from risk (out of the markets and funds) and may expose some of these larger institutions' excessive leverage and risk exposure in the process. Some banks have actually closed some of their leveraged ETFs and ETNs (exchange traded Funds & Notes) instead of Splitting them as they usually do. When they Split, it dilutes the R.O.I. for the investor, causing me to remove them from my Watch List. 1000 shares at $5 makes more than a 1:25 split leaving you only 40 shares at $125. So, get out before the Split, by watching their Press Releases.

So let me lay out what I'm talking about. First – Real Estate Market.
Bloomberg recently reported;
[https://www-bloomberg-com.cdn.ampproject.org/c/s/www.bloomberg.com/amp/news/articles/2020-03-22/colony-s-barrack-says-commercial-mortgages-on-brink-of-collapse]

> "*Loan repayment demands are likely to escalate on a systemic level, triggering a domino effect of borrower defaults that will swiftly and severely impact the broad range of stakeholders in the entire real estate market, including property and homeowners, landlords, developers, hotel operators, and their respective tenants and employees*."

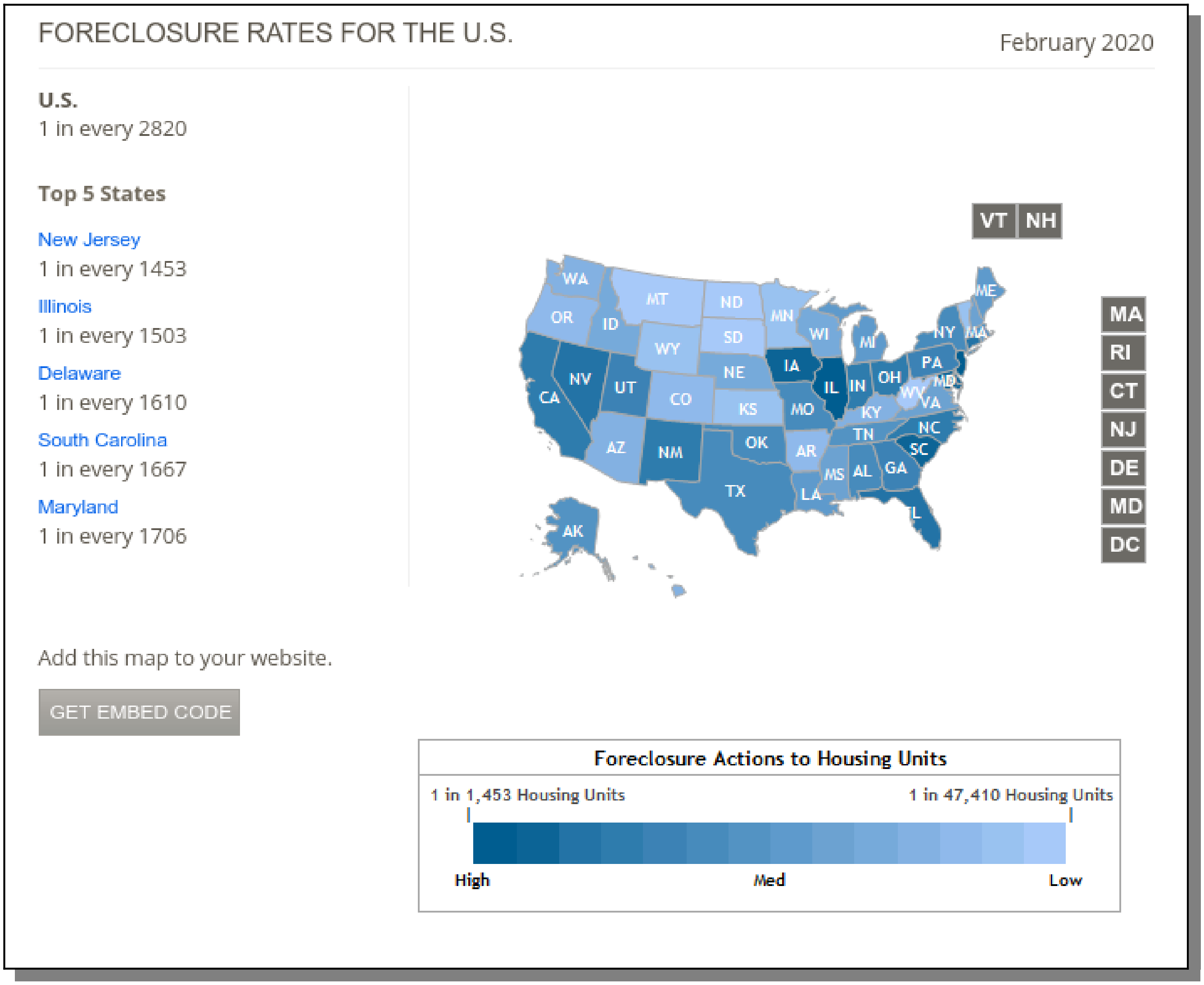
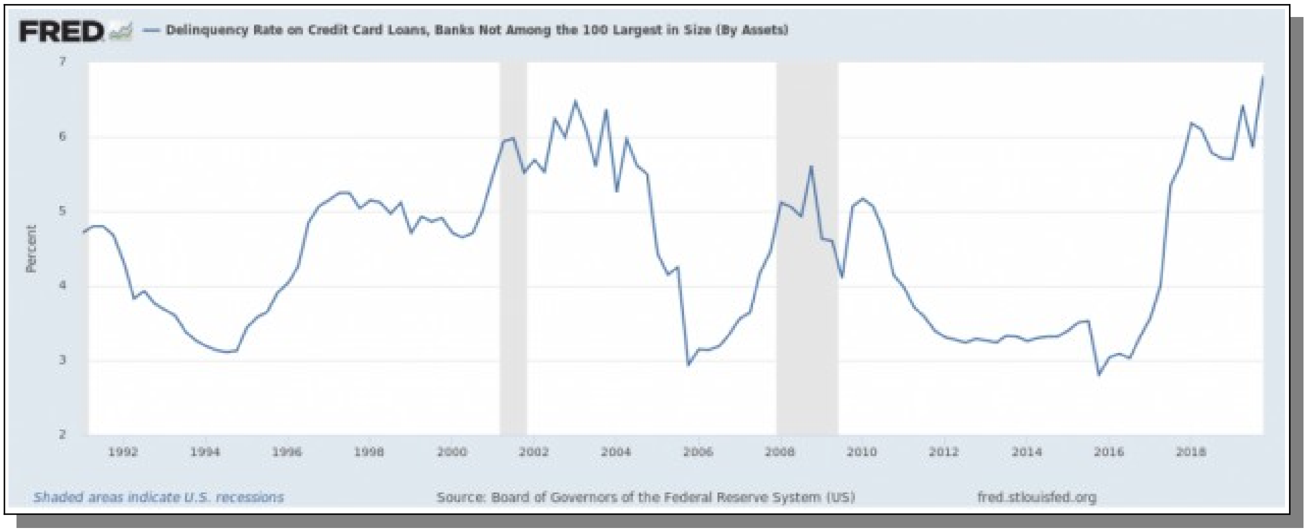


Chart courtesy of: www.realtytrac.com/statsandtrends/foreclosuretrends/

More than likely, the suspension of foreclosures for a potential 12 month period may not reduce the total number of foreclosures across the US, and most likely will compound the problem. A foreclosure suspension will simply start to build larger and larger numbers of properties in foreclosure, waiting for the suspension to be lifted, while home prices potentially collapse, going down with the economy while it is in "*lockdown*". Can you say "Prison Planet" boys and girls???

The Real Estate market is usually the last to feel the punch. For several years I have been telling friends that both, Real Estate and Stock markets, are greatly overpriced. That a down cycle is due, and it is here. It started years ago, but the Presidency of Donald Trump and his attempt to "*drain the swamp*" brought some temporary repreive. However, as I've written before in my Articles, even he is powerless to stop the evil, conspiratorial communist agenda. Unless in his 2nd term he fills his team with the right people and continues to fire, and arrest those criminal elements in D.C., showing the world we still have justice in America. Then perhaps they wouldn't lobby for handouts, and communist sympathizers such as Hillary Clinton will not sell out America's assets (ex: Uranium One deal) that belong to we the people!



Courtesy – Board of Governors of the Federal Reserve, Corp.

The Chart above shows the Sub-Prome Borrower Delinqeuncy Rates. Recently they have climbed above both previous highs in 2000, and 2008 peaks. This also goes to show that the current "Pandemic" is a different set of circumstances causing destruction of many markets.

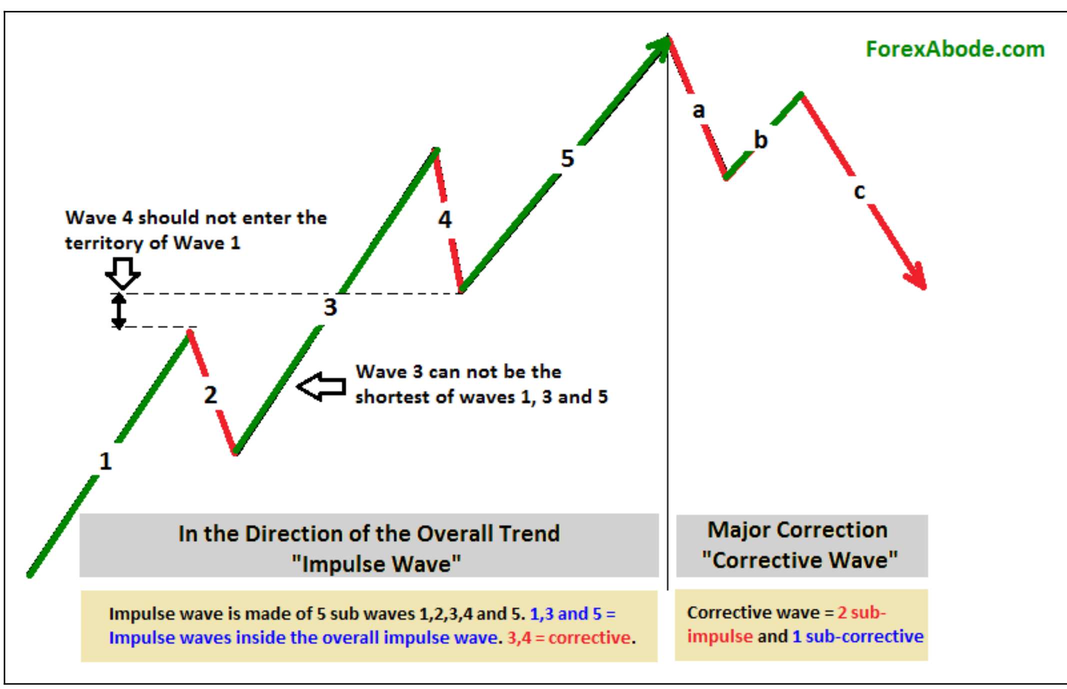
When you start with the consumer base, and their purchasing ability – which everything revolves around, of course you are going to see such magnitudes of effect as we are seeing today. However, the end result will not truly be felt until the data comes out toward the end of the 2nd quarter of 2020. This won't be known until sometime in July … and the investors and markets will react further. It is seemingly obvious to me, that at that time another, and final, correction downward will ensue. Note chart below of what has already happened in the Banking Sector – a 50% decline. Because of the BEAR Flag that I see, it will Test the Previous Low of 28.30.

Chart courtesy of StockCharts.com

This Chart above is an ETF from **iShares representing Global REITs** (Real Estate Investment Trust). A Blackrock subsidiary, iShares Global REIT ETF seeks to track the investment results of an index composed of global real estate equities in developed and emerging markets. The chart shows the Crash in Commercial Real Estate has begun as of mid February 2020. It has fallen from its high of 28.46 at that time to 15.39 by mid March. That is a 45.9% decline in the global market! The Residential Market is not far behind. I see at least an average of 25% to 35% decline in the U.S. market.

Currently the REET Chart is in an A,B,C correction and may not make it upto the 50 or 100 MA. As you can see by the bottom 2 indicators, they are in OverBought Territory, and will therefore move further down from here. DRV is Direxion's 3X Bear Real Estate and during the same time period from Feb. to Mar. went from a low of approx. 21 upto over 70. With an investment of $21,000 one could have made $49,000 in 1 mo.

The Chart above is my Technical Analysis of the **S&P 500**. Note the recent pop has almost reached the 50 MA (moving avg – dashed blueline) and 100 MA right above it. These are Resistance areas which coincide with the Resistance Zone (previous S/R or support / resistance) 2730 to 2856. The Cyan vertical line is my Major SELL Signal (MSS), while the Yellow vertical line is my Major BUY Signal (MBS). Notice the Weekly chart to the right of the Daily (June futures contract) is about to break out of OverSold Territory (OST), while the Daily is almost in the OverBought Territory (OBT). I see it currently making an A,B,C correction within a number 4 Elliot Wave. The 5th Wave Down will complete this move. My TRGT is 1981 by July 2020. Notice, my Wkly TRGT #2 of 2315 was Hit on 3/19. **Left is an explaination of the Elliot Wave in graphic form. The Reverse will represent the S&P. Wave 3 is where Big Money is made.**



Note my **June & Weekly GOLD Chart** above. My TRGT of 1740 was hit Thursday 9 April 2020. See the Weekly chart that my TRGTs 1519, 1625 and 1680 were all hit, after the Breakout in June 2019. A previous Breakout occurred in Feb. 2016.

GOLD / SILVER RATIO

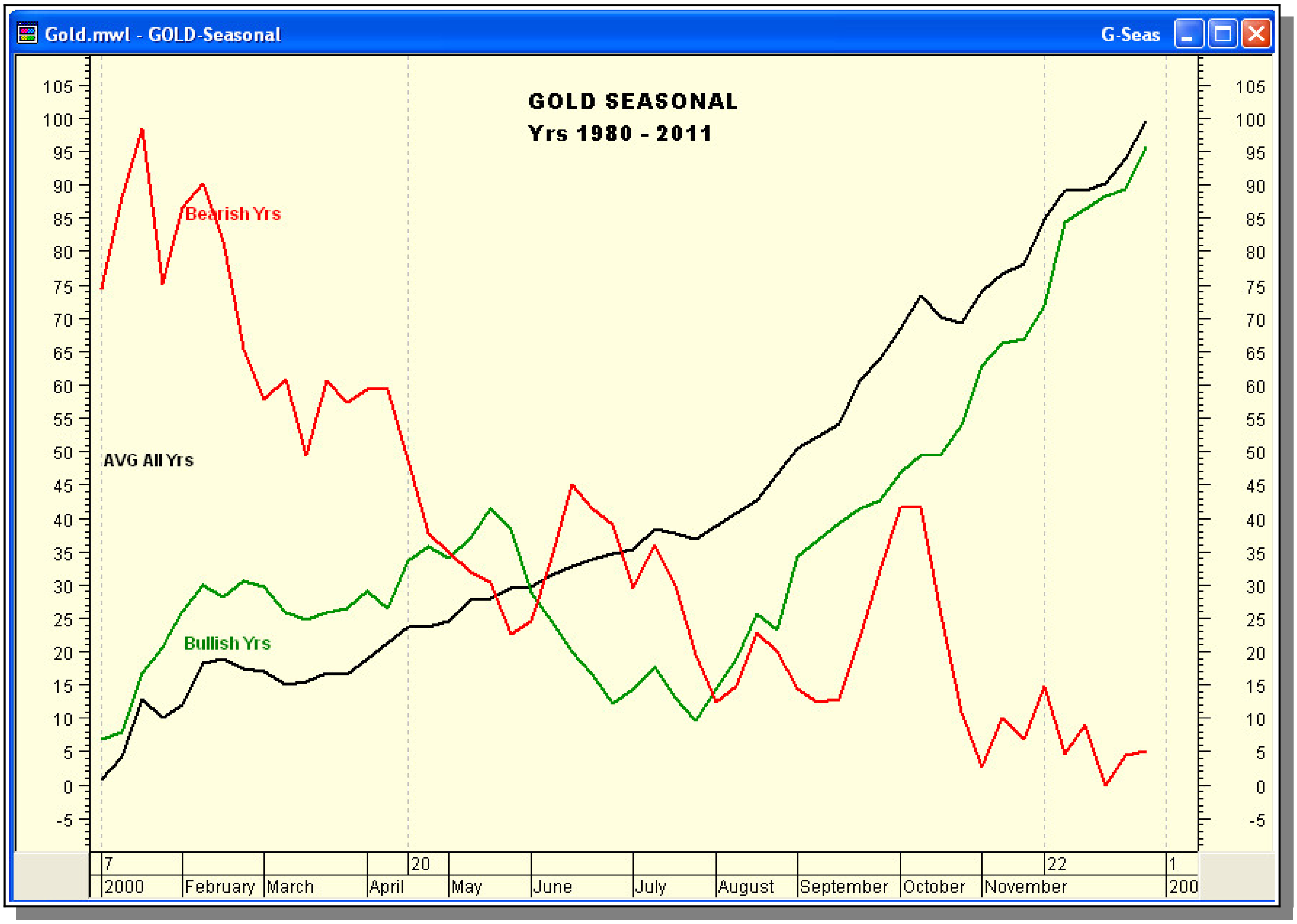
The Chart to the Right shows the GOLD / SILVER Ratio, and now it proves that Silver is a better buy versus Gold.

Think of it as like a Rubber Band. If it gets out of whack, it snaps back to equilibrium.

This is how you make more money, by knowing which to hold, and when to Buy & Sell – Gold or Silver.

Another way to know when to look out for a major change in direction is Seaonals. While commodities such as Corn, Sugar, Soybeans are the usual suspects, others can show a seasonality as well due to cycles. I have Data going back many decades. Notice the Chart below I created. Can you see any opportunities?

GOLD SEASONAL CHART OVER 30 YEARS



How is this possible that I can identify Target Price Levels?
Technical Analysis ... And Trading Rules.

An investor should not trade without knowing their Entry, Stop Loss, TRGT, Trailing Stop, Exit with reason and logic for each. One has to learn, know and be able to recognize Chart Patterns - such as ascending/descending triangles, flags, pennants, 123 tops/bottoms, Head & Shoulders Tops/Bottoms, Cycle & Seasonal Analysis & Timing, OverBought / OverSold areas, Momentum, Breakouts etc.

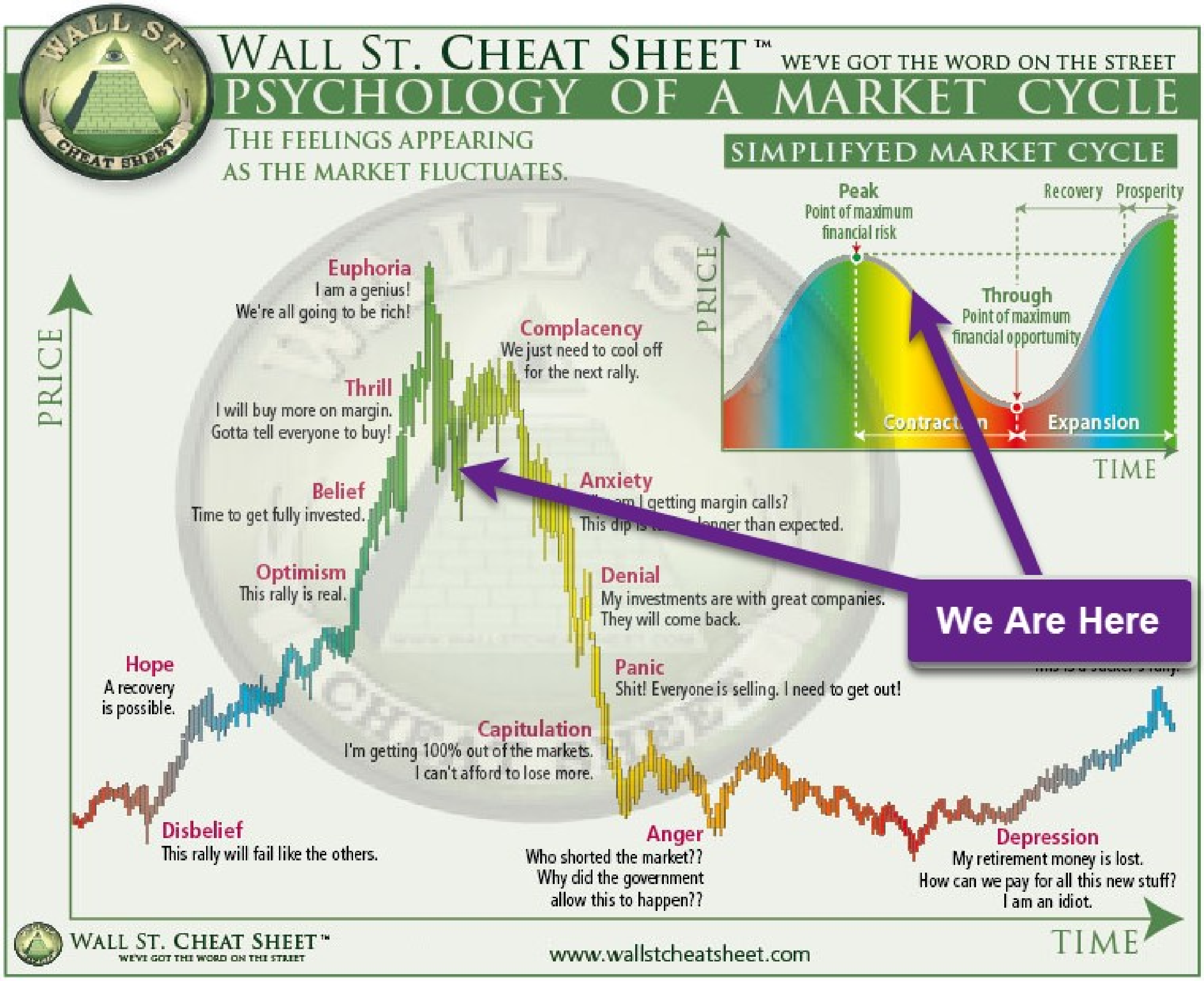
If one wishes to learn, I tell them it takes at least 1 year. An engineer laughed at me when I told him that. After one year, he was still unsure, and constantly asking me questions. I have been trading since 1997, and have been working on a Manual for several years. If interested, please inquire. However, you must know the basics first, because it deals with my proprietary Trading Methodology, Formulas and Signals. I use MetaStock for charting. Scanning 14 Commodities on the Futures market, and 1726 (down from 1802 due to Banks closing Funds) ETFs for BUY / SELL Signals on a Daily basis.

This chart above is the **U.S. Dollar** (albeit – incorrectly named) which is actually a chart of the **Federal Reserve Note**. Notice my proprietary EXPERT SYSTEM that I develped and programmed with a Commentary Window (gives much more detail than you can see in this screenshot). It shows a Re-Enter Short Signal 7th of April 2020 and the Pink Line above it is my secondary Trailing Stop. Light Green is my Primary Trailing Stop I use on Entry & Exits. When they Cross it indicates TREND Direction. Do you see my MBS & MSS? Notice my downside TRGT is 96.7, which would be below the 50 MA & 100 MA. Most likely the USD/**FRN** will bounce / Reverse off this area and head upwards to approx. the 12th of May 2020. See Note in Blue, top left.

Can you spot potential in these Charts? All other currencies move opposite the USD. Personally, I like the SF (Swiss Franc).

It is undeniable that contraction of economic activity relates direclty to consumer markets, credit markets, existing business enterprises and the potential collateral damage to hard assets like homes, commercial real estate and other foundations of wealth.

As for the Psychology of the Market, the below Chart shows where we are today. Does this help to put it into perspective for you?!?



However, in the aftermath, <u>huge opportunities will await those who can preserve their capital until the recession matures enough, and we'll be able to buy real estate, businesses, and equipment for pennies on the dollar</u>. However, this can take another 1-2 years from now.

In the meantime, the $2 TRILLION stimulus bill is enough to put over $5700 into the pocket of every man, woman and child (assuming 350 Million population) in these united States of America. At the same time, they rape and pillage U.S. assets making millions off the blood, sweat and tears of America's workforce. Not to mention the military personel who risk their lives for the sake of fascist corporate control of the world. Printing money out of thin air has become the "cocaine" for these "*lawyering*" politicians.

Don't get me wrong … I believe we have the Best Politicians that Money can Buy!

So, how is the market? As usual … Up & Down. More importantly, how is your mindset? Are you succumbing to Fear Porn from the lamestream CIA propaganda media machine? Are do you see it for what it really is? A desparate attempt for evil to maintain control of this planet. Do you know who “they” are? Do you know the conpiracies *they* are behind?

Get my book – WORLD PROBLEMS, SOLUTIONS and a PLAN.
What IF there was a plan … and you did nothing!

Here’s wishing you Successful Trading, Health & Wealth,

Stephen R. Renfrow(c) JD, Sui Juris, SPC

a State National of a once great republic, these united States of America, a free sovereign Citizen documented via UCC-1 filed as public record in State and national archives.

Without Prejudice, UCC-1.201
Without Recourse, UCC-3.401
All Rights Reserved UCC-1.308

SRR/arr