

# **“The G-20 Financial Massacre”, Instability in Major Currency Markets?**

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Region: [USA](#)

Theme: [Global Economy](#)

*Very “quietly” the world’s 20 largest economies will meet in Brisbane, Australia later this coming week. I use the word “quietly” because here in the U.S. almost no mention of the upcoming meeting has been made. I even searched for news on the event and almost could find none. Strange?*

*Well yes and no, quite strange because it surely is big news especially with all that has been going on but not strange because here in the U.S. we must keep a happy face on things which very well may not be the outcome this time around. I wasn’t sure how I was going to write this piece but I guess it’s just easiest to tell you what I think the result will be and then explain why.*

In my opinion, once this meeting is over next Sunday all hell could break loose financially. I say this because much has already been put into place ahead of time and it is my expectation the U.S. and her dollar will at a minimum be taken off of “the top shelf” or at least be pushed back from the front. Let me put forth some of the many available dots and see if they can’t be connected.

First, if you remember last year’s summit, president Obama was not pictured in the center as the U.S. has always been at nearly all meetings such as these traditionally. If I recall, I believe I commented that he was positioned on one of the ends and I took it as “not a very good sign” at the time. This time around, president Obama will arrive as a “neutered” force after the Democrats lost total control of Congress. This fact is not lost on the world, they now know president Obama has no collateral nor clout left and will be the lamest duck president in history. One could argue this point but he has lost Congress while having the lowest public approval rating of any U.S. president.

We also know that China has been making business deals, setting up renminbi currency hubs, and either preparing for or actually doing trade in local currencies or their own all over the world. The Chinese have been forming these deals WITHOUT the use of dollars. Russia, who for the last 5-6 months have been the focus of “Western sanctions” have also been active in doing trade deals, particularly with China. If you recall, Russia achieved their “Holy Grail” gas deal earlier this year with China worth an estimated \$400 billion.

[Mr. Putin announced this past Friday a 2nd deal with China](#) which will further intertwine the two nations in trade. Please also remember that Russia has recently made moves on Arctic energy reserves while U.S. “majors” such as Exxon/Mobil will not be able to participate in unless they break Mr. Obama’s sanction rules. Are the sanctions “good” for American business?

Before the upcoming G-20 summit there will also be two other meetings scheduled early this week, APEC (Asia Pacific Economic Coordination) and also a BRICS meeting. President Xi of China released a statement this past Sunday [regarding the upcoming APEC meeting by saying "China wants to live in harmony with all its neighbors"](#).

Please understand that this is not just a "flowery" comment, it is the way China thinks and does business. The world understands this and also understands how the U.S. has been doing business for years. The BRICS "pre G-20 meeting" has already announced goals including the launch of new BRICS bank, its funding and also the restructuring of IMF quotas.

I would like to speak of "the timing setup" before going any further. There will be these two pre meetings and then the G-20 meeting itself... and also another piece of breaking news which I find VERY curious! It has been announced out of London that UBS has agreed to a fine for ...wait for it ...wait for it..."manipulating the prices of gold and silver!!! *Another "Conspiracy Theory" Bites The Dust: UBS Settles Over Gold Rigging, Many More Banks To Follow | Zero Hedge*

First off, we have been told every single day for over 15 years that we are wacked out, tin foil hat wearing conspiracy freaks for ever even uttering such nonsense, now we find out it was true...all along ...and we are not so crazy after all! Secondly, other banks are reported also to follow UBS in 'fessing up so it was a "conspiracy", only it wasn't "theory", it was FACT! (I wonder what ole' Martin Armstrong, Doug Casey and all the other apologists will have to say about this?). I plan to speak about this more, later in the week.

I'll bet you thought I was done with "timing" since the above paragraph was so long? No, there is more. I would like to add in several other "aligned stars". We now know that GOFO forward rates are now more backward than any time in the last 10 years, the Shanghai physical silver inventory is nearly depleted, mints all over the world have gone "back order" and last but not least, December COMEX silver is currently contracted to deliver nearly 10 ounces of silver for every registered (available for delivery) ounce they say they have! One other little tidbit will be next Monday the 17th, Hong Kong and Shanghai plan on "linking" their exchanges, curious timing?

OK, so that's the back ground leading up to the G-20 meeting which concludes next Sunday. Just looking at the two "pre" meetings alone can give you a flavor as to what will be discussed and very possibly agreed upon. The U.S., no matter what the outcome will certainly lose clout. The possibility however does exist and the stars are currently aligned for the U.S. to be isolated, berated and punished. In my opinion, China will not allow a sledge hammer financial blow to the U.S. and will probably allow at least some "grace" in its exit from "reserve currency status". China has spent years positioning herself. The BRICS and APEC have made deals, set up settlement infrastructure and now will begin "funding". The U.S. on the other hand has spent the last five years adding another \$8+ trillion to her balance sheet while the Federal Reserve levered itself up to nearly 80 to 1 while quadrupling its balance sheet. We fiddled while China methodically positioned herself and the world to move away from the dollar.

Could this be it? Could it really be "over" for the American fiat experiment? Will the world tell a politically neutered president of the biggest bankrupt nation in history what the rules are rather than being dictated to as has always been the case in our lifetimes? Will China quietly assume the role of "fair arbiter" of international disputes? Will China assume the role as the center of the financial world? Will China assume the role as the chief financier of

trade?

Will power really shift from New York/London to Shanghai/Beijing? I think at this point it is a given, the only question is "how, how fast, and when"? The conditions now exist for the answer to be "overnight and after next weekend". Our (western) world is about to change, maybe even violently in overnight fashion, do not be taken by surprise because by now it should not be!

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Bill Holter writes and is partnered with Jim Sinclair at the newly formed Holter/Sinclair collaboration. Prior, he wrote for Miles Franklin from 2012-15. Bill worked as a retail stockbroker for 23 years, including 12 as a branch manager at A.G. Edwards. He left Wall Street in late 2006 to avoid potential liabilities related to management of paper assets. In retirement he and his family moved to Costa Rica where he lived until 2011 when he moved back to the United States. Bill was a well-known contributor to the Gold Anti-Trust Action Committee (GATA) commentaries from 2007-present.

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