Warning! Silicon Valley Bank Collapse – A Prelude of Much Worse to Come? Derivatives: "Financial Weapons of Mass Destruction".

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Global Research, March 25, 2023

Region: USA
Theme: Global Economy

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"Every cause has its effect; every effect has its cause; everything happens according to law; chance is but a name for law not recognized; there are many planes of causation, but nothing escapes the law." —Kybalion

It is no coincidence that within 48 hours, two California commercial banks failed. The not much talked-about *Silvergate Capital*, a central lender to the crypto industry, declared on March 8, 2023, it would wind down its operations. On March 10, the *Silicon Valley Bank* (SVB), primary lender for tech-startups, collapsed.

SVB was immediately taken over by federal regulators. It is the largest bank failure since the bankruptcy of Lehman Brothers in 2008. Relatively unknown outside of the Silicon Valley, SVB was the 16th largest US commercial bank with US$ 209 billion in assets at the end of 2022.

The Federal Deposit Insurance Corporation (FDIC) has assured SVB insured depositors that they will have access to their full funds within the FDIC-fixed limits of US$ 250,000 per depositor.

However, the FDIC total fund covers only about 2% of the $9.6 trillion in US-insured deposits.

What happens when other banks collapse at the same time and uninformed depositors believe their deposits up to US$ 250,000 are safe? But then find out that they are not?

The failure of the SVB is the result of several converging factors. As former Deputy Treasury Secretary, Paul Craig Roberts says, one of the key reasons is the 1999 Clinton-regime repealing the Glass-Steagall Act, i.e. a large degree of banking deregulation, and because the Dodd-Frank Act (2010) allows failing banks to seize the deposits of depositors in order to have a bail-in instead of a bail-out. The legislation, especially the latter, causes depositors to withdraw their deposits on any sign of bank trouble. It is called a *run on the bank*.

Another reason for SVB troubles is the Fed's rapid and substantial interest rates hikes – the largest and in the shortest period in the last at least 30 years – which also reduced the value of the SVB's bond portfolio. Banks and businesses have difficulties to adjust to the size and pace of interest rate increases. See this.

The same may apply to other banks which are not sufficiently diversified and securely funded. Wait and see.

As if programmed and looking like a domino effect, on Sunday March 12, *Signature Bank* folded too. SB is a New York-based commercial bank with a big real estate lending business, as well as sizable cryptocurrency deposits. SB had a total asset base of $110.4 billion and deposits of $88.6 billion as of December 31, 2022.

It closed its doors abruptly after regulators said that ***keeping the bank open could threaten the stability of the entire financial system*****.**

Are we talking about a lingering and potentially rapidly expanding domino effect?

Nothing happens by coincidence. All is connected with everything. We have to learn overriding the mainstream media narrative that points always to singular events to confuse and brainwash. When we learn connecting the dots between occurrences and events, we will realize that everything is connected with everything. See also Michel Chossudovsky's "Ninety-nine Interrelated Concepts".

Switching the Narrative

So far, hardly anybody has made the link of these banking failures – and potentially more to come – to the World Economic Forum's (WEF) prophesized Great Reset.

A WEF insider has been caught boasting that *the Silicon Valley Bank crash was an orchestrated plot that went to plan perfectly – and the crash will have a domino effect on the banking industry, leading to a global financial meltdown*.

To what extent such a scenario will play out remains to be seen.

For more on the subject of "*collapse and control*", see this, watch in particular the 11:11 min. video (below), inserted in this *newspunch* clip. It also features the General Manager of the Bank for International Settlement (BIS), Augustin Carsten, who already in 2020 was talking about the need for Central Bank Digital Currency (CBDC) for total control of who spends money for what and especially for control of cross-border transactions. He deliberately avoids mentioning "*personal control".*

In a juxtaposition, the video also shows a clip of Tucker Carlson's Fox News interview with South Dakota Governor Kristi Noem (Rep), where she explains why she vetoes CBDC and that she is joined by at least another 20 US States, so far. She confirms what many economists have been saying since the concept of CBDCs is being pushed around the western hemisphere in the last ten years.

CBDCs would be an absolute control mechanism of every citizen on the planet. Nobody wants to be controlled, and – *à la* Great Reset, *own nothing and be happy*. People like their autonomy. See this for full interview (4 min) (video is below).

The massive planned banking collapse – already announced as a doomsday scenario in the aftermath of the 2008 / 2010 banking crisis and on several subsequent occasions — may already have begun. "They", the "*doomsday-people*" who also command the WEF, are running ahead of schedule, execution of Agenda 2030, because people are gradually but increasingly waking up to the WEF-planned world disaster.

Of course, the WEF with its more than willing founder (1971) and CEO, Klaus Schwab, coming from a solid Nazi background and from a family deeply embedded into the Third Reich, is more than willingly complying.

Today the WEF is backed by Big-Finance looming in the shadows, BlackRock being WEF's major financier. The likes of BlackRock, Vanguard and StateStreet, plus a series of smaller banks, Citi, Chase, Morgan, Bank of America – and further down the ladder, Deutsche Bank and Credit Suisse – all of them are controlling an estimated US$ 25 to US$ 30 trillion of assets around the globe.

In addition, they are all deeply "over-engaged" in the Derivatives Market. While nobody knows exactly what the total of this *Casino Money* amounts to, estimates range from US$ 500 trillion to over a quadrillion dollar. Compare this with the world's projected GDP of US$ 112.6 trillion (2023 estimate).

According to the Economic Times, *a derivative is a contract between two parties (mostly banks and other financial institutions) which derives its value / price from an underlying asset. The most common types of derivatives are futures, options, forwards and swaps*. In other words, they may include short-term speculations, helped by AI, for example on exchange rate fluctuations, often in fractions of a second.

Derivatives are not real money, but under certain circumstances, they are allowed to be part of a bank's asset base, thereby risking blowing the total volume of assets out of proportion.

Derivatives are the loose card in a house of cards. You pull it, and the house collapses. You pull a card in two or three houses and the domino effect may wipe out the entire city of cards – the entire banking system may go down the drain. Since derivatives are interconnected worldwide, the entire international banking cartel may suffer.

If one or two heavily derivative-exposed banks claim their derivative holdings from their partner bank or banks, it becomes a "derivative-run" on the banks, and the system may collapse – possibly on a worldwide basis, or at least in the western dollar-based banking system.

Derivative speculations should long be either forbidden or at least regulated. They are not, thanks to massive lobbying of Big Finance. And thanks to almost total banking deregulation by the Clinton Administration in 1999, i.e. the repeal of the Glass Stegall Act, the abolition of the separation between investment and commercial banking, as well as basically limitless lending, without mandatary asset-liability ratios. This facilitates risk and *laissez faire* banking.

In times of fast and substantial interest rate hikes as we experienced over the last 12 months, over-exposed banks run higher risks of failure.

Back to derivatives – which are key in the looming banking crisis. Warren Buffet calls derivatives "Financial Weapons of Mass Destruction". He is right.

Let's look at the derivative exposure of big banking, also called "systemically important financial institutions" (SIFI). In a better-known term, they are called *Too Big To Fail Banks*, and used to be eligible for government "bail-outs" with taxpayer's money.
In an elaborate paper by Ellen Brown, Chair of Public Banking, she describes the conundrum of derivatives. As of the third quarter of 2022, a total of 1,211 insured U.S. national and state commercial banks and savings associations held derivatives, but 88.6% of these were concentrated in only four large banks: J.P. Morgan Chase ($54.3 trillion), Goldman Sachs ($51 trillion), Citibank ($46 trillion), Bank of America ($21.6 trillion), followed by Wells Fargo ($12.2 trillion). Unlike in 2008-09, when the big derivative concerns were mortgage-backed securities and credit default swaps, today the largest and riskiest category is interest rate products.

SIFIs, as defined by the Dodd-Frank Act, ratified in July 2010, is requiring insolvent SIFIs to "bail-in" the money of their creditors to recapitalize themselves. This banking law is seriously flawed because it incites depositors *to run-on-their-bank* to withdraw their money as soon as there are rumors of a bank's instability. As we know, such consumer panics may bring down a bank and possibly the banking system, or parts of it, through a domino effect.

According to Ellen, *"Technically, the cutoff for SIFIs is US$ 250 billion in assets. However, the reason they are called systemically important is not their asset size but the fact that their failure could bring down the whole financial system."*

> *"That designation comes chiefly from their exposure to derivatives, the global casino is so highly interconnected that it is a "house of cards." Pull out one card and the whole house collapses. SVB held US$ 27.7 billion in derivatives, no small sum, but it is only .05% of the $55,387 billion ($55.387 trillion) held by JPMorgan, the largest US derivatives bank."*

For Ellen's comprehensive article *The Looming Quadrillion Dollar Derivatives Tsunami, s*ee this.

The build-up of an up to a quadrillion dollar or more of a derivative casino does not happen overnight. And it does not happen haphazardly either. Could it possibly have been planned by a long hand – and prepared to fit the WEF's Great Reset and Agenda 2030?

Massive growth of the derivative market started with the repeal of the Glass-Steagall Act (banking deregulation) in 1999. At the end of 1999, total outstanding derivatives stood at US$ 88.2 trillion dollars. Today, 23 years later, it is estimated at perhaps one quadrillion US-dollars or more. Was this explosive and exponential growth planned?

Was the Clinton Administration 1999 banking deregulation / repeal of Glass-Steagall a deliberate precursor for what was planned to be part of the WEF's Great Reseat which intends to reset, to destroy the global economy, to rebuild it according to WEF's One World Order, directed from the shadows by Big Finance, that the deregulation has helped it to become monstruous and all-dominating?

The derivative market is internationally highly interconnected. The collapse of a *Casino Bank* in the US may trigger banking failures in Indonesia. It is like a financial "butterfly effect".

All that serves global dominance, to create a well-controlled and regulated One World Order, run on Central Bank Digital Currency – CBDC – with any parallel currency, crypto or else, strictly forbidden.

It is the international pharma industry married to international banking. The former controlled by WHO, the latter by the BIS – Bank for International Settlement. Both based in Switzerland. As we know there are no coincidences.

So far it is just a plan – a diabolical plan, that We, the People can and must stop.

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