

2015 - The year money dies.



Topic	Date	Page
++ 1) German Banks Lower the Deposit Guarantee Scheme	10. Nov. 2014	2
++ 2) Russia speeds up to Launch New Payments System to Circumvent SWIFT Network – new test date 15.Dec. 2014	12. Nov. 2014	2
++ 3) G20 announcement in Brisbane, Australia – “A new agenda for financial services” or “The day money dies.”	16. Nov. 2014	3
++ 4) Re-classification on how to rate gold reserves in balance sheets released at ECB	03. Dec. 2014	4
++ 5) The mother of all bank runs - Gold Repatriation in Europe: Germany, Netherland, Belgium, Austria all bring Gold “home”	08. Dec. 2014	4
++ 6) U.S. Treasury ordered survival packs for 3.800 bank examiners	10. Dec. 2014	4
++ 7) Premiere: China asked IMF to include yuan as global reserve currency	11. Dec. 2014	5
++ 8) IMF announced possible “Economic Reset” by slamming the door on the U.S. and the Dollar in 2015	12. Dec. 2014	6
++ 9) Chicago Fed is “bricking up” ground floor windows	12. Dec. 2014	7
++ 10) CME/COMEX puts new trading rules for gold/silver starting 22. Dec. 2014 – What do they know?	12. Dec. 2014	7
++ 11) Spending package passed by US congress - U.S. public was sold down the river	12. Dec. 2014	8
++ 12) Silent Launch: Microsoft accepts Bitcoin as new currency	13. Dec. 2014	8
++ 13) Commodity Trading Giant Exits Physical Gold Due To "Lack Of Physical With A Documented Origin"	16. Dec. 2014	9
++ 14) “Russians must get used to new way of life after ruble crash, says bank chief”	16. Dec. 2014	9
++ 15) Trading halted - The USDRUB pair will be discontinued due to recent instability of the Russian Ruble	16. Dec. 2014	9
++ 16) “Houston, we have a problem.” – FED To The Rescue! There are no fundamentals anymore; welcome to the new normal.	19.Dec. 2014	10

1) German Banks Lower The Deposit Guarantee Scheme (10. Nov. 2014)

In a surprising move, the consortium of German banks has announced that the insured amounts under its mutual deposit guarantee will be lowered from January 2015 on.

And if those banks reduce the guarantee of their mutual insurance, then you can be 100% sure it will be much more difficult (if not, impossible) to take care of a large default in the German financial system. It gets even worse, as the total contributed cash in the mutual guarantee scheme is just 5 billion Euros. This means that should a large bank like Commerzbank or Deutsche Bank run into difficulties, there's just no way the smaller outfits in the banking landscape will ever be able to carry the weight on their shoulders without ending up in a dire situation as well.

The German banking system is the first one to go the 'unconventional' route and in times where people are looking for more safety, the German banks are reducing their liabilities and accountability. The end game seems to be starting.

<http://www.welt.de/finanzen/verbraucher/article134167176/Warum-Geld-auf-dem-Konto-bald-weniger-sicher-ist.html>

2) Russia speeds up to Launch New Payments System to Circumvent SWIFT Network (Nov. 2014)

Russia intends to have its own international inter-bank system up and running by May 2015. The Central of Russia says it needs to speed up preparations for its version of SWIFT in case of possible "challenges" from the West.

"Given the challenges, Bank of Russia is creating its own system for transmitting financial messaging... It's time to hurry up, so in the next few months we will have certain work done. The entire project for transmitting financial messages will be completed in May 2015," said Ramilya Kanafina, deputy head of the national payment system department at the Central Bank of Russia (CBR).

In other words, this measure is intended to reduce the effectiveness of using the dollar dominance in payments as a weapon. Whether the Russians can launch a robust enough system quickly is an open question, but this is a sensible defensive and potentially offensive measure.

<http://www.nakedcapitalism.com/2014/11/russia-launch-new-payments-system-circumvent-swift-network.html>

First appeared: <http://journal-neo.org/2014/10/10/russia-in-negotiation-with-china-for-alternative-swift-bank-system/>

Early in the week (15.12.2014), Russia announced they are moving up the testing for their newly proposed currency clearing system. It had been planned for a May 2015 testing phase followed by going live, this is now moved up to Dec. 15th, yes, this Monday! Why? Why are they moving up the start date?

3) **G20 announcement in Brisbane, Australia – “A new agenda for financial services” or “The day money dies.” (16. Nov. 2014)**

“Brisbane G20 summit: A new agenda for financial services”

On Nov. 16, the G20 will implement a new policy that makes bank deposits on par with paper investments, subjecting account holders to declines that one might experience from holding a stock or other security when the next financial banking crisis occurs.

Additionally, all member nations of the G20 will immediately submit and pass legislation that will fulfill this program, creating a new paradigm where banks no longer recognize your deposits as money, but as liabilities and securitized capital owned and controlled by the bank or institution.

The G20 will announce that bank deposits are just part of commercial banks’ capital structure, and also that they are far from the most senior portion of that structure. With deposits then subjected to a decline in nominal value following a bank failure, it is self-evident that a bank deposit is no longer money in the way a banknote is.

Each country will introduce its own legislation to effect the ‘ bail-in’ agreed by the G20 the coming weekend.

In our last financial crisis, deposits were de facto guaranteed by the state, but from November 16th holders of large-scale deposits will be, both de facto and de jure, just another creditor squabbling over their share of the assets of a failed bank.

And after Sunday 16th Nov. at the G20 meeting, the risks of holding any cash in a bank or financial institution will have to be weighed as heavily and with as much determination of risk as if you were holding a stock or municipal bond, which could decline in an instant should the financial environment bring a crisis.

In essence, the Cyprus template of 2011 will be fully implemented in every major economy, and place bank depositors as the primary instrument of the next bailouts when the next crisis occurs.

If a banknote cannot be subjected to a decline in nominal value, we need to ask whether banknotes can act as a superior store of value than bank deposits?

If that is the case, will some investors prefer banknotes to bank deposits as a form of savings? Such a change in preference is known as a "bank run."

<http://www.examiner.com/article/bank-deposits-will-soon-no-longer-be-considered-money-but-paper-investments>

<http://www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/regulatory-challenges/Documents/brisbane-g20-summit-fs.pdf>

<http://www.forbes.com/sites/nathanlewis/2013/05/03/the-cyprus-bank-bail-in-is-another-crony-bankster-scam/>

4) Re-classification on how to rate gold reserves in balance sheets going on at ECB (3.Dec. 2014)

The member states it seems they are being told to differentiate between allocated and unallocated gold, and to also break down swap positions and receivables. Theoretically this should make gold holdings less opaque and more clear to view, but why? Why change the reporting and why now during the repatriations...?

<https://www.bullionstar.com/blog/koos-jansen/eurosystem-is-increasing-its-allocated-official-gold-reserves/>

5) Accelerating Gold Repatriation in Europe (Belgium, Germany, Netherland) – The “mother” of all bank runs (8.12.2014)

This past week (=02.12.2014) Willem Middlekoop uncovered another central bank asking for their gold back, Belgium. We already know Germany had publicly requested their gold back beginning in early 2013 and gotten very little so far. Just a couple of weeks back (=21. Nov. 2014), The Netherlands announced the repatriation of 122.5 tons of gold from the New York Fed. When the announcement came, it said the transfer and transaction had already been done. Several days afterwards, a leading candidate for France’s next election also brought up the possibility of French gold being repatriated ...and now it’s Belgium.

DNB expects Dutch citizens more confident that enough of our gold is in their own 'home' to guide the country if necessary following major crises. (21. Nov. 2014)

The only reason one would repatriate gold is because they want it in hand. If you believed your gold was safe and sound, protected and “actually there,” no one would ask for their gold back.

As central banks fight over gold, they will be standing publicly and buck naked telling the world exactly what money is and what it isn’t. Watch as the central banks fight over what today are meaningless dollar amounts of gold.

<http://blog.milesfranklin.com/the-mother-of-all-bank-runs>

<http://www.zerohedge.com/news/2014-11-21/gold-repatriation-stunner-dutch-central-bank-secretly-withdrew-122-tons-gold-new-yor>

6) U.S. Treasury ordered survival packs for bank examiners (10. Dec. 2014)

Another eye-opener comes from the U.S. Treasury, a department tasked with managing the country’s debt as well as the banking system as a whole. According to a new report the Treasury Department has ordered over \$200,000 Survival Kits for as many as 3,814 employees who oversee the federal banking system.

The Treasury Dept. this past week (=8th Dec. 2014) put out to a bid request to supply “survival packs” for their 3,800 bank examiners. For what possible reason could bank examiners need a survival “fanny pack?”

Survival kits will be delivered to every major bank in the United States including Bank of America, American Express Bank, BMO Financial Corp., Capitol One Financial Corporation, Citigroup, Inc., JPMorgan Chase & Company, and Wells Fargo.

The agency has roughly 3,814 employees, each of which would receive a survival kit. The staff includes “bank examiners” who provide “sustained supervision” of major banks in the United States.

It’s not clear why the federal government has ordered the kits, but perhaps they are expecting some sort of disturbance to take place and they want their employees to be prepared for it. The kits will be delivered to every major bank in the United States and include Wells Fargo, JP Morgan Chase, Citigroup and Capital One.

The “kits,” which contain items such as high calorie food rations, emergency water, first aid supplies and an emergency radio, suggest that the Treasury Department wants their people to be prepared for scenario where they may be out of contact from officials for 24 – 48 hours.

http://www.shtfplan.com/headline-news/they-know-something-why-did-the-treasury-department-just-purchase-thousands-of-survival-kits-for-bank-examiners_12102014

7) **Premiere: China asked IMF to include yuan as global reserve currency (11. Dec. 2014)**

For the first time, China has a real shot at getting the International Monetary Fund to endorse the yuan as a global reserve currency alongside the dollar and euro (11.Dec. 2014)

In late 2015, the IMF will conduct its next twice-a-decade review of the basket of currencies its members can count toward their official reserves. Including the yuan in this so-called Special Drawing Rights system would allow the IMF to recognize the ascent of the world’s second-biggest economy while aiding China’s attempts to diminish the dollar’s dominance in global trade and finance.

Normally, the U.S. could potentially veto the yuan’s inclusion in the SDR basket because the change would require the support of as much as 85 percent of voting shares on the IMF’s executive board.

However, this message needs to be put into context of the next headline from Lagarde on 12th Dec. from the IMF - just ONE DAY - after china asked for being included.

<http://www.bloomberg.com/news/2014-12-11/yuan-has-real-shot-at-imf-blessing-on-reserve-status.html>

8) IMF announced “Economic Reset” by slamming the door on the U.S. and the Dollar (12. Dec. 2014)

It all started with a statement from Christine Lagarde on 12. Dec. 2014: The Financial Times reported (=12. Dec. 2014) on the IMF shift away from the U.S. by **asserting the authority to remove the veto power America has always enjoyed over the institution.**

Financial Times Article: Christine Lagarde warns US over IMF reform failings (12. Dec. 2014)

“Christine Lagarde, the fund’s managing director, said she had “expressed her disappointment” to the US. The IMF will now explore “alternative options” after US Congress ignored a package of governance changes first agreed in 2010. The latest refusal by US Congress means the US could be cut out of future reforms altogether.

Ted Truman, senior fellow at the Peterson Institute for International Economics in Washington, has proposed a “Plan B” but it would mean US Treasury secretary Jack Lew deliberately putting the US veto at risk.

Under Mr Truman’s plan, the IMF would abandon the 2010 agreement, and negotiate a new version with a lower threshold for ratification. Mr Lew could agree to that as US governor at the IMF.

*With the lower threshold, a reform could come into effect without congressional approval but in that case **the US would suffer a permanent loss of IMF voting power.**”*

<http://www.ft.com/intl/cms/s/0/9026530c-821d-11e4-a9bb-00144feabdc0.html#axzz3MF0KxCAN>

<http://www.ft.com/cms/s/0/9026530c-821d-11e4-a9bb-00144feabdc0.html#ixzz3MF3FXdcQ>

The IMF discussion on alternative options for advancing quota and governance reforms will be kicked-off with an executive board meeting in January 2015.

The IMF decision to possibly eliminate U.S. veto power and, thus, influence over IMF decisions may come as early as the first quarter of next year.

This is the great “economic reset” that Largarde has been promoting ad nauseam in multiple interviews and speeches over the past six months.

All of these measures are culminating in what I believe will be a more official announcement of a dump of the U.S. dollar as world reserve currency.

This message will become even more important if you put it into context with the next important headline to include the Yuan as official reserve currency in the once in a decade SDR meeting in October 2015! Connect the dots!

Along with the imminent loss of veto power, there are concerns about the coming SDR conference in 2015. This conference is held only once every five years. One scenario might be that the IMF plans to announce the inclusion of the Chinese yuan in the SDR basket and that this will coincide with a steady dollar dump around the globe. Multiple major economies have already dropped the dollar in bilateral trade with China, and engineered tensions between the U.S. and the East have exacerbated the issue.

The timing of the SDR conference has now been announced, and the meeting looks to be set for October of 2015.

<http://www.alt-market.com/articles/2444-imf-now-ready-to-slam-the-door-on-the-us-and-the-dollar>

9) Chicago Fed is “bricking up” ground floor windows (12. Dec. 2014)

(unconfirmed) Why is the Chicago Fed “bricking up” their ground floor windows. Are they expecting something? Rioting maybe?

<https://www.youtube.com/watch?v=4VczkTD2AHM>

10) CME/COMEX puts new trading rules for gold/silver – What do they know? (12. Dec. 2014)

The CME Group has announced that it plans to impose trading collars for precious metals, meaning that a swing in the gold price of \$100 dollars will prompt a five minute halt in trading.

The decision immediately prompted speculation as to why the new rule was being imposed now and whether it meant an unprecedented financial event was just around the corner.

Beginning on Monday December 22, gold trading will halt after an intraday move of \$100 dollars from the previous close, while the same rule will be applied to silver after a move of \$3 – a total of 8% and 17% respectively.

I believe it has been only one time that gold moved over \$100 in a day.

One wonders why now, and what does the CME know about upcoming volatility, or lack of liquidity, in the precious metals space that nobody else does.

<http://www.infowars.com/what-do-they-know-cme-group-imposes-trading-collars-for-precious-metals/>

11) Spending package passed by US congress - U.S. public was sold down the river (12. Dec. 2014)

Just a month after the Republicans won both houses of Congress, they have now allowed the banks to stuff their derivatives portfolios under the FDIC umbrella. Over \$300 trillion worth!

The congress is presenting the \$303 Trillion in Derivatives That US Taxpayers Are Now on the Hook for.

After incorporating explicit Citigroup language that allows financial institutions to trade certain financial derivatives from subsidiaries that are insured by the Federal Deposit Insurance Corp, explicitly putting taxpayers on the hook for losses caused by these contracts.

Prior to this, the FDIC insured over \$6 trillion worth of bank deposits with a whopping \$54 billion reserve. ***Even a calculator with no batteries can understand this will unequivocally bankrupt the country***, yet this law is passed little over one month after an election by the American public put trust in the Republicans as their "last hope?"

That vote was an up or down vote for ownership of the U.S. Government by and for Wall Street. Everyone who voted for that bill has revealed themselves as a true enemy to the real life voting citizens (as opposed to mere fictitious "corporate persons") of this country and to our Republic in general, including Obama as he pushed it through. It was a blatant vote for Fascism, American style.

<http://www.ronpaulforums.com/showthread.php?464711-Presenting-The-303-Trillion-In-Derivatives-That-US-Taxpayers-Are-Now-On-The-Hook-For>

12) Silent Launch: Microsoft accepts Bitcoin as new currency (13. Dec. 2014)

Microsoft silently entered the group of Bitcoin-friendly businesses without even announcing the decision! The company is now allowing users to top up their accounts using Bitcoin. The new payment option was only made public when a user noticed the Bitcoin feature and posted the good news on Reddit. The option was later confirmed by an online help page titled "How do I use Bitcoin with my Microsoft account?", which is available on Microsoft's commerce site.

Bitcoin is a new currency that was created in 2009. Transactions are made with no middle men – meaning, no banks! There are no transaction fees and no need to give your real name. In addition, international payments are easy and cheap because bitcoins are not tied to any country or subject to regulation.

David Andolfatto, Vice President at the Federal Reserve Bank of St. Louis, stated that bitcoin is a threat to the establishment, which he argues is a good thing for the Federal Reserve System and other central banks because it prompts these institutions to operate sound policies.

The fact that a company with a market capitalization of \$380 billion has taken to accepting bitcoin means a lot for the digital currency. This is a strong sign that bitcoin is maturing as a new currency. And a strong threat to fiat money.

https://commerce.microsoft.com/PaymentHub/Help/Right?helppagename=CSV_BitcoinHowTo.htm

<http://rt.com/news/214103-microsoft-bitcoin-games-content/>

<http://www.gizmag.com/microsoft-accepts-bitcoin/35209/>

13) Commodity Trading Giant Exits Physical Gold Due To "Lack Of Physical With A Documented Origin" (16.Dec. 2014)

Under-the-radar, Swiss commodities trading giant Gunvor, and the fifth largest oil trader in the world, announced to not trade gold anymore. Gunvor's move away from physical commodities trading in itself is not surprising: recall that first it was Germany banking titan Deutsche Bank which announced it would no longer trade physical precious metals last month (=Nov. 2014).

"The destruction of the commodities business at Deutsche Bank is one more sign that many of the large global banks no longer see commodities as viable"

But the biggest surprise in this story was the reason why Gunvor chose to discontinue its gold trading. Per Bloomberg, *"executives decided to abandon the precious metals trading business partly because of difficulties in finding steady supplies of gold where the origin could be well documented, one of the people said."*

Because if the world's fifth largest trader of commodities has chosen **to outright not trade gold**, and thus not generate value for its shareholders over risks and fears that another "owners" may come knocking one day and demanding delivery of gold **whose origin could not be documented by its trading intermediaries**, and whose ownership link Gunvor is unable to trace, then just what on earth is really going on with the world's physical gold inventory?

<http://beforeitsnews.com/economy/2014/12/commodity-trading-giant-exits-physical-gold-due-to-lack-of-physical-with-a-documented-origin-2684464.html>

<http://www.zerohedge.com/news/2014-12-16/commodity-trading-giant-exits-physical-gold-due-lack-physical-documented-origin>

14) Russia defaults? - "Russians must get used to new way of life after ruble crash, says bank chief" (16. Dec.)

The head of Russia's central bank warned Russians on Tuesday morning (=16.12.2014) that they should get used to a new way of life, as the country's embattled currency continued to plummet. "We have to learn to live in a different zone, to orient ourselves more towards our own sources of financing, and to give a chance to import substitution," said Elvira Nabiullina, the chair of the central bank.

<http://www.theguardian.com/world/2014/dec/16/russians-new-way-life-rouble-crash-bank>

15) Trading halted - The USDRUB Pair Will Be Discontinued Due To Recent Instability Of The Russian Ruble. (16. Dec.)

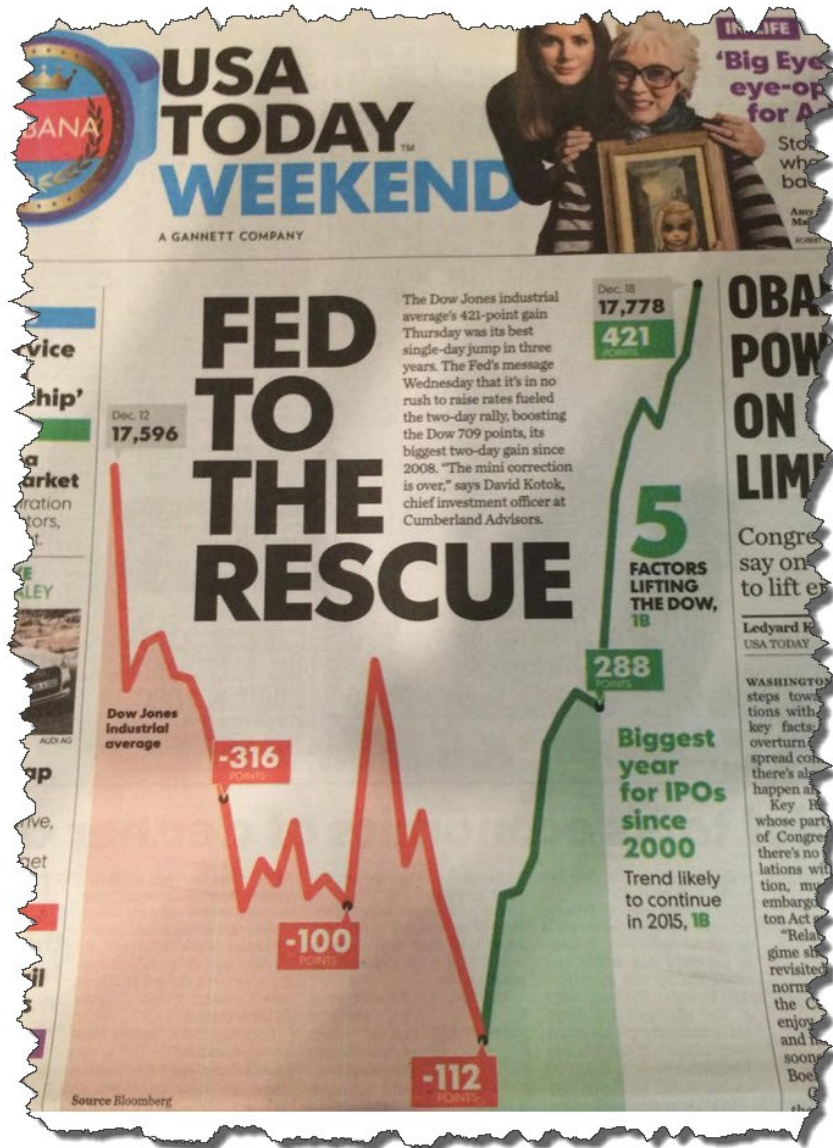
<http://www.zerohedge.com/news/2014-12-16/usdrub-pair-will-be-discontinued-due-recent-instability-russian-ruble>

16) "Houston, we have a problem." – FED TO THE RESCUE! (19. Dec.)

Once again, on the heels of the turbulence, major central banks made smoothing statements - Intervention by the US central bank to avoid a stock market crash at all costs:

The Dow Jones industrial average's 421-point gain Thursday was its best single-day jump in three years. The Fed's message Wednesday that it's in no rush to raise rates fueled the two-day rally, boosting the Dow 709 points, its biggest two-day gain since 2008.

So we leave the year 2014 with the learning: There are no fundamentals anymore; welcome to the new normal.



http://usatoday30.usatoday.com/NEWS/usaedition/2014-12-19-DOW-CHART-19_ST_U.htm