

Anticipating The Yikes Moment

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When, as is the case today, the value of assets have been generated by a means other than price competition, the the markets of these assets are likely at some point to suddenly collapse. A yikes moment occurs when multitudes of asset owners suddenly awaken to the fact that their investments are going down no matter what. This discovery is likely to occur all at once.

Recently the entire oil market experienced a yikes moment. Suddenly oil prices fell off a cliff. The current delivery month went negative

because there was such a huge glut of oil not being purchased that it was cheaper to pay someone else to take the oil inventory than it would cost to store it.



For many decades, the oil cartel managed both production and price with respect to petroleum. The idea of a cartel has a permanent sound to it, but any cartel is weaker than it seems. Each cartel member is better off under pricing its product, Each member cheats as much as possible. Given enough time, the cartel falls apart.

The oil market collapsed because, oil prices were for years determined outside of the free market system. Market forces never disappear. Market forces may go into hibernation but they always reappear. Market forces suddenly reappeared and it all fell apart.

The same thing will happen in the U.S. stock market, world stock market, real estate and credit markets. The practice of rigging stock prices began in the Reagan administration.

The practice of stock market rigging has grown with every presidential administration since. Today the stock averages are so orchestrated, that ordinary investors no longer make much difference where stock prices are concerned.

Notice that stocks still doing well fall into certain categories. All strong stocks are in industries that have enormous political power. They are parasites. All benefit from a population that is homogenized, believes the same things, is compliant and trusts authority.

The **FANG socks, Facebook, Amazon, Google** and others completely survive by managing the opinions and beliefs of their users. Companies like this manage Americans in the same way trail bosses manage herds of cattle. This is highly profitable and their users are good with it or don't care.

The pharmaceutical industry prospers by keeping inexpensive cures off the public's radar and off the market. The root cause of censorship of reports on less expensive cures is the power the pharmaceutical industry has and uses to make others with power support their efforts.

The healthcare industry, has managed to successfully lobby for the passage of the Affordable Care Act. The result has generated a system of healthcare that is parallel the the system my uncle, who was a cattle rancher, used to provide healthcare to his animals. He had a way of corralling cattle, and then running them one at a time through a shoot so that he could vaccinate each cow in less than a minute. The Affordable Care Act accomplishes the same thing and the same herding techniques my uncle used with his cattle. Shortly after its passage lifespans in the United States began falling.

Up to this point, managing the stock market has benefited all who were long term holders of stocks as well as less politically powerful corporations. Any voices which insisted that equities be allowed to find their own price levels have had few if any stock holdings.

Most stocks are still doing very poorly. Even after the recent powerful rally, only 27% of stocks are above their 200 day moving averages. Like members of the oil cartel, others who currently benefit from stock market manipulation will go into the every man for himself and actually turn against the parasites which have enriched them up to the present.

All cartels are temporary. They destroy their host's ability to pay them for what they are selling. The first to be destroyed are the poor and then the middle class. The destruction will climb the income hierarchy until the top is released. Then the parasites will collapse and fall right on top of everyone who is already suffering.

There will be a yikes moment and that will be when people around the world suddenly and involuntarily get in touch with reality. I can't think of a way to predict a time frame of this to occur but it will.