Struthers Report V28 # 1.3 Outlook 2022, Will Covid crash markets again, Fed, Gold, SASY, GRB Jan. 10, 2022

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Outlook 2022

I usually don't do my market outlook for the year this early, but it is more obvious what will happen than most years and I want to warn you early that the odds of a market crash are very high. I have not been this bearish since 2007 and 2008. The crash we saw in 2020 was only a mini crash and I warned about that one at least one month ahead of time. I think we have more time this go around, but I am suggesting to raise cash levels to 30%, up to 50% of your portfolio in Q1 2022. That is my plan.

First off Covid-19. You have to understand that **government and public health response to Covid-19 is the #1 issue** effecting economies and different stock market sectors in a bullish or a bearish way and all ways in between. **Policy reaction is the major cause of inflation and supply chain failures.** I know it is a controversial topic and it should not be. Many are avoiding it and financial advisors that are not taking this into consideration are doing a disservice to their clients.

I have commented for many months that the first real test of these experimental shots would be this flu season. We are not even into the worse of the flu season and I don't have to tell you the results. These shots are a catastrophe as they are doing nothing to prevent or alleviate Covid-19 and are in fact causing way more harm that good. **Numbers don't lie but politicians do. They will never admit they made a mistake.** There is narrative that these shots help with less hospitalization and death, but no proof. Studies have proven that Delta was less deadly than the previous A and B variants and Omicron is a lot less dangerous than Delta. The main stream media even admits this.

There is very little proof if these vaccines work and there never will be. The big problem, the original Emergency Use Authorization (EUA) was based on 14 days trial data from big Pharma and since they gave their blinded placebo control group the vaccine, vaccinated data cannot be compared to non vaccinated.

In fact there is no current study or in progress that uses a non vaccinated control group. There are plenty of non vaccinated people that would participate in a study, but big Pharma or any other official entity will not do one. There is a reason for this and it would be that the r**esults would come out unfavourable for these shots.** What we do have is real world data studies, but a lot of the data is very corrupt and misleading. Tests give too many false positives making case numbers questionable. They also fudge hospital data. For example if you looked at the CTV News on Ontario hospitalization where way over 1/2 were fully vaccinated and even that data is questionable because they have a large unknown vaccination status number.

Furthermore and a much larger factor that I have mentioned before, the guy that comes in from a car accident or heart attack, whatever, that tests positive and so is listed as a hospital Covid case. Finally the government is admitting this. Brampton Ontario mayor Patrick Brown "*approximately 50 per cent of people in hospital diagnosed with COVID-19 were admitted for another reason."* Now they are going to change this and these people will no longer be counted as Covid hospitalizations. **Why now?** Because in the past they **used this to inflate unvaccinated numbers,** but now that it is most fully vaccinated in the hospital, **they can make this change to reduce the fully vaccinated numbers. Talk about BS politics.**

I heard on main stream media that the Biden administration is giving out 500 million free rapid tests in January and Canada is going even crazier since we have 1/10th the population but Trudeau is sending out 150 million in January. What will this do? **This will just create positive test cases whether you are sick, have Covid or not. We will see record case numbers in January and that is when this wave will peak.**

On hospitalization, I just watched a video of a really good real world study by 3 doctors from McMaster University in Hamilton Ontario. They used data from several countries from a Canadian Military data base. There study was about transmission of Covid -19 among unvaccinated. [How many unvaccinated have to be eliminated to prevent 1 transmission]? This guy is fully Vaxx'd and pro vaccine.

The worst case is in the home, close with friends and family, transmission here is the highest around 33% (Delta) for a secondary attack rate, meaning an infected person is in the house. What do lock downs do? Keep people at home. Where was the lowest risk – in hospitals and health care from unvaccinated workers, probably because of their extra precautions. That secondary attack rate was between 0.15% and 0.44%. At the high end, that meant you would **need over 200 unvaccinated nurses and doctors in one hospital or setting to cause just one case of Covid-19 and odds say it would be a mild case. Obviously firing these people was very very bad policy.**

Here are a few key points of a long video, for the most part, just go up to 24 minute mark

- Medicine is risk management. In most cases, science including (drugs, vaccines, treatments) fail;
- The risk is so small that unvaccinated will spread Covid-19, that you would have to have between 700 to 800 of them at your dinner party to cause one infection;
- When people are afraid they will do draconian things that are not right;
- He sent their data to experts in public health and they refused to debate it;
- John Loannidis was slaughtered publicly for having a different opinion and he is an expert from Stanford that wrote over 1200 papers. If they could destroy a guy like this, could easily do it to anyone, so majority in medical profession stay silent;
- The pandemic of the unvaccinated rhetoric will come back and haunt these people touting it.

Very important that this study data was before Omicron (November) and before it became common knowledge that vaccinated also spread Covid-19. It looks like with current data if you eliminated 100 unvaccinated from your dinner party, you would also have to eliminate 80 vaccinated people.

The conclusion is that eliminating unvaccinated does practically nothing.

Now there is one data set that cannot be fudged or at least very much and that is deaths. It is very hard to fake a death or bring one back to life. They can play with the data on what caused the death but some statistics just cannot be altered enough to hide the truth.

World wide death rates have been very consistent over time with odd events causing spikes higher, like WW1 (40 million) WW2 (75 million), the original influenza pandemic in 1918 (50 to 100 million) and before that, the black plague in the mid 1300s. There was little change in the death rate in 2020 with the worst or most deadly of the Covid-19 cycles in that year. The deaths were elderly that would have passed anyway.

The whole idea of a vaccine is to prevent deaths, but these mRNA ones are causing more deaths than they are preventing. You cannot argue with the numbers, dead people cannot lie.

I have already provided the evidence from UK death statistics where the death rate in vaccinated people has doubled.

I next found data reported by New Brunswick Public Health in Canada that their death rate has about doubled.

In this case, a 3rd time is not a charm, but confirming what can no longer be denied, these experimental shots are very dangerous.

In one of my issues, I wrote about insurance companies don't care about Covid-19, but something very startling has come up in the US since Q3 2021 and just reported a few days ago. One America is a $100 billion insurance company in Indianapolis USA since 1877.

"We are seeing, right now, the highest death rates we have seen in the history of this business – not just at OneAmerica," the company's CEO Scott Davison said during an online news conference this week. "*The data is consistent across every player in that business."*

Davison said the increase in deaths represents "*huge, huge numbers,*" and that's it's not elderly people who are dying, but "*primarily working-age people 18 to 64*" who are the employees of companies that have group life insurance plans through OneAmerica.

"*And what we saw just in third quarter, we're seeing it continue into fourth quarter, is that death rates are up 40% over what they were pre-pandemic*," he said.

"*Just to give you an idea of how bad that is, a three-sigma or a one-in-200-year catastrophe would be 10% increase over pre-pandemic*," he said. "***So 40% is just unheard of.***"

Most of the claims for deaths being filed are not classified as COVID-19 deaths, Davison said.

He said at the same time, the company is seeing an "uptick" in disability claims, saying at first it was short-term disability claims, and now the increase is in long-term disability claims.

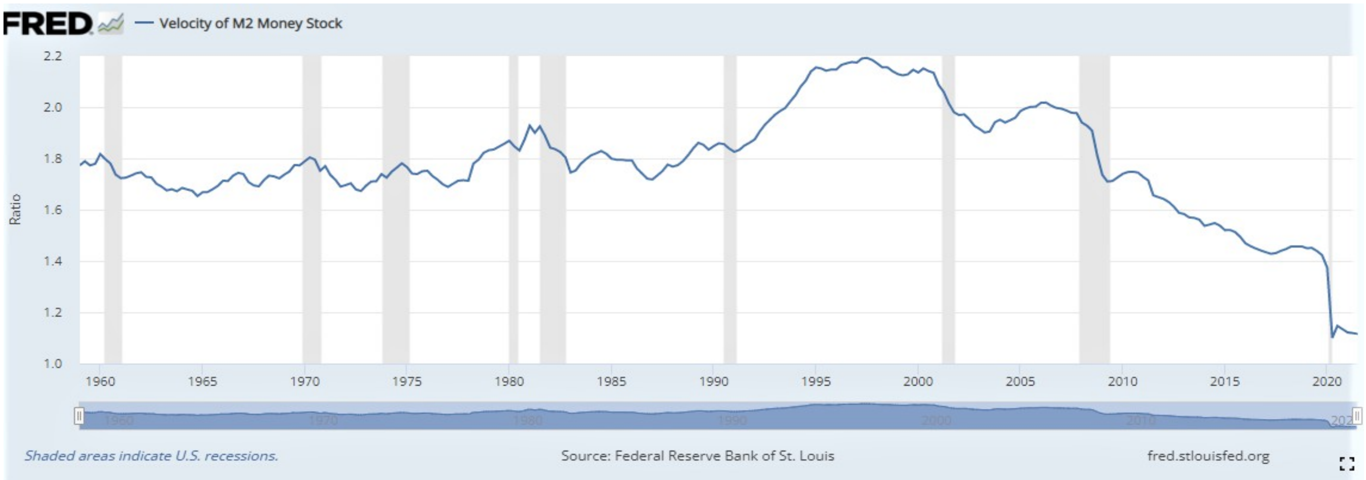
Whatever it is that is causing this, it is bigger and more deadlier than COVID and it's affecting nearly everyone. This is a 12 sigma event, meaning it would not happen in the history of the Universe estimated at 14 billion years.

Some other newsletter comments here, such as
In Phoenix, the death rate of city employees (14,000 employees) in 2021 **doubled** from the 10-year average. That's not a 40% increase. That's a 100% increase. There is clearly something going on that is not unique to Indiana.

Of course he cannot mention vaccines or would be attacked, but this should scare the shit out of vaccinated people. I know it scares the shit out of me for the vaccinated people I know. There was a nice chart in one article, but I could not find it as of this writing, to give you a visual of this huge increase.

What this means from an investment stand point is this whole Covid-19 thing is a very long way from being over and we could see a lot more startling developments that could spook markets.

I have used this chart a few times because it is so important. Money is not moving in the economy. The economy is very sick and on it's death bed like a 90 year old Covid-19 patient with 4 underlying conditions. Even though at lot of Covid-19 stimulus money went directly to consumers in 2020 and 2021, they did not use much in the economy. Instead they opened up stock trading accounts and platforms like Robin Hood launched like a rocket.



It is totally useless to predict stock markets and valuations on fundamentals. Markets are not much different than casinos, they are just a bet. However you are in a corrupt and manipulated casino. The dice are loaded and just waiting for something to expose the game and it comes crashing down.

One of the best stock market predictors is the January effect. As January goes, so does the year and as the first 5 trading days go, so does the month. Not often we see a down January, especially the first week and that is what we have with the NASDAQ and Russel 2,000 leading the pack down. NASDAQ has already broke support around 15,000, the S&P 500 has a way to go yet. The tech growth stocks are leading the way down, because they were a bet of the end of Covid-19 and a recovery in a new tech economy.

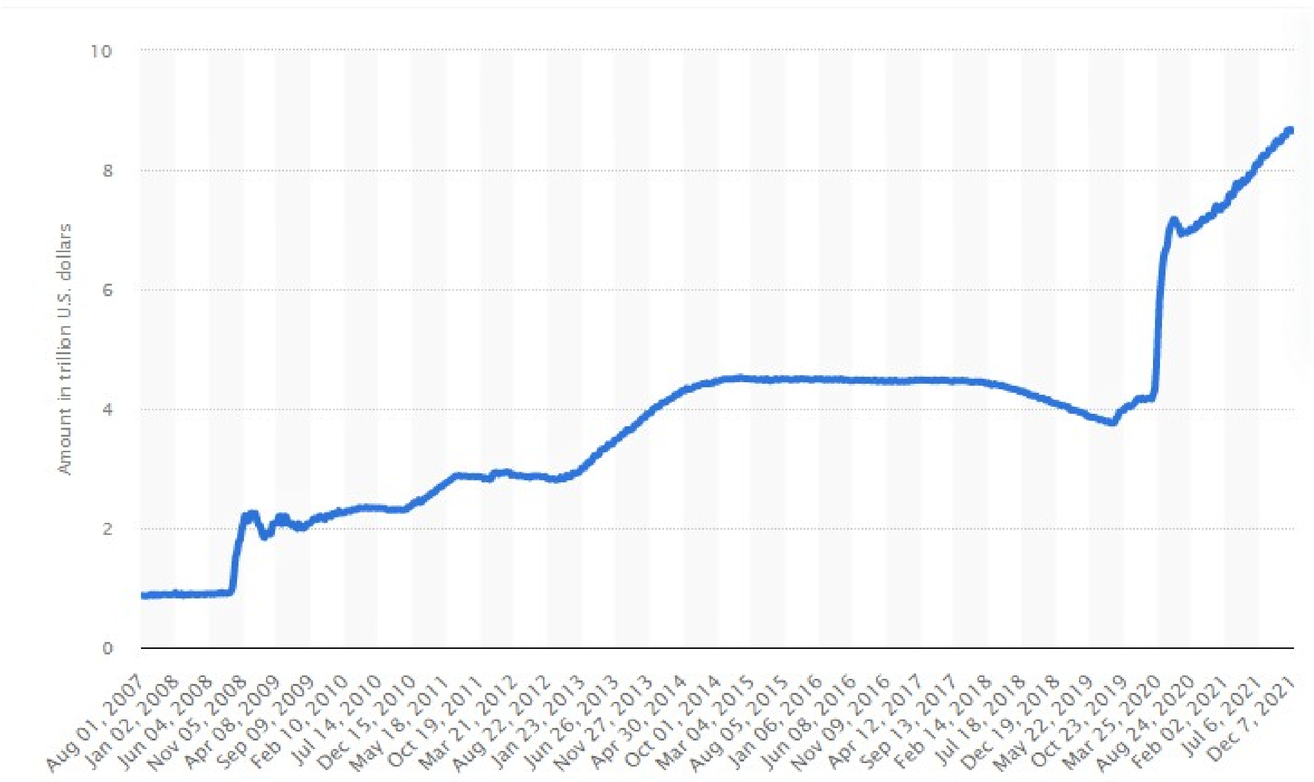
What are the Casino's largest players doing?

They are cashing out. This was as of December 1st, CEOs, founders and insiders have been cashing in their stock at the highest pace on record. As of Monday, sales by insiders are up 30% from 2020 to $69 billion, and up 79% versus a 10-year average, according to InsiderScore/Verity, which excludes sales by large institutional holders. I could not find much on how December went, but there is no reason to expect any change.

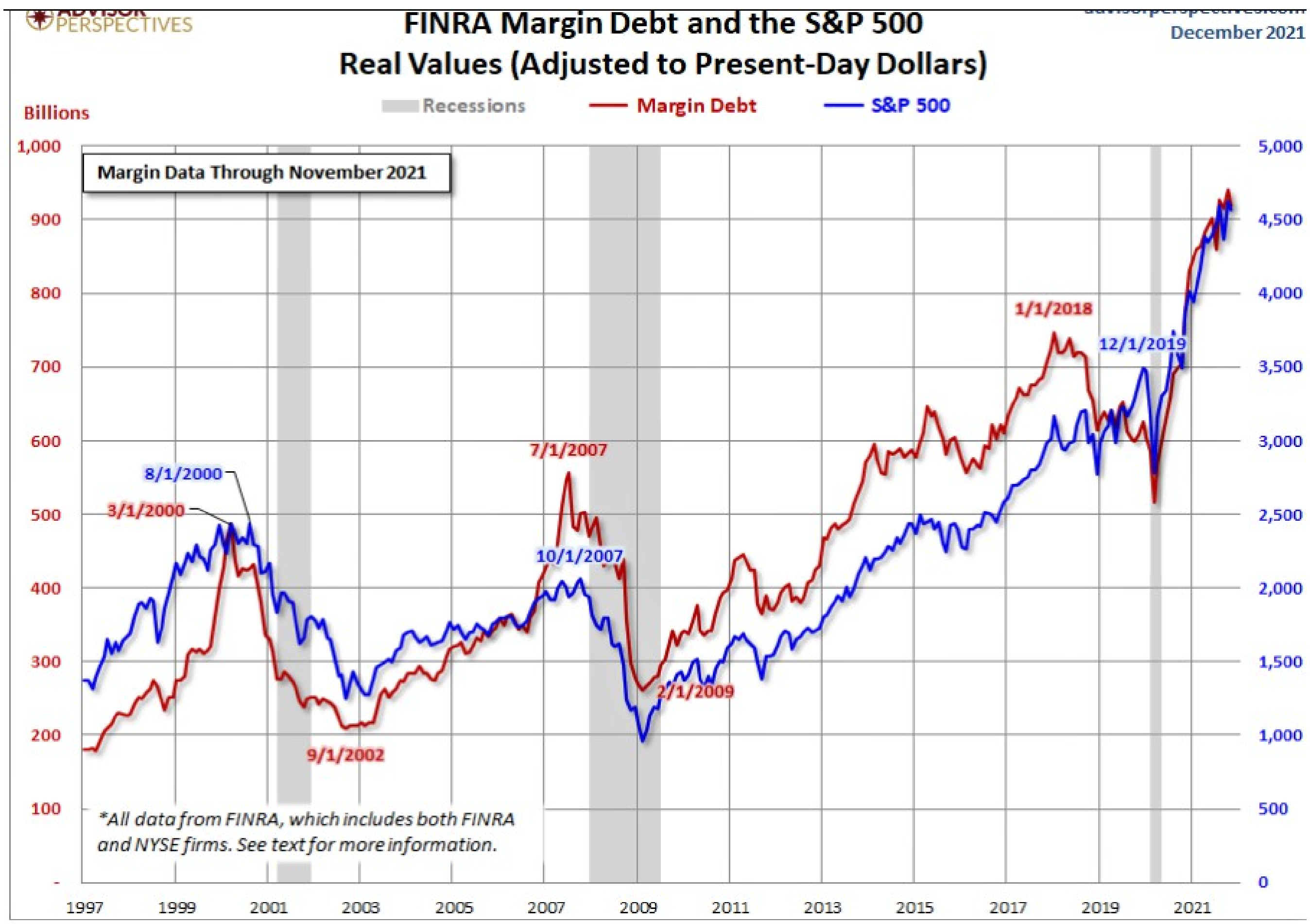
Stock market crashes usually occur in a Fed tightening cycle and we are headed into one in 2022. FOMC minutes released last Wednesday showed that officials were fully on board with a faster scale back of the central bank's asset purchase program, which would give it greater flexibility to raise interest rates and could happen as soon as March.

Excerpt: "*It may become warranted to increase the federal funds rate sooner or at a faster pace than participants had earlier anticipated. Some participants also noted that it could be appropriate to begin to reduce the size of the Federal Reserve's balance sheet relatively soon after beginning to raise the federal funds rate. Some participants judged that a less accommodative future stance of policy would likely be warranted and that the Committee should convey a strong commitment to address elevated inflation pressures."*

The Fed has nearly 9 trillion on it's balance sheet. So far they are only reducing the pace of the increase. It is important to **watch what they do, not what they say** and we can monitor this chart. I would bet they cannot reduce this to $8 trillion without the market crashing. The amount of life support with Covid-19 is off the charts going up more than a double adding $5 trillion, since spring 2000.



This is probably the scariest chart. You always see sharp and steep rises in margin debt ahead of crashes. It is sort of like every last buyer gets on board. The rise since the 2020 low is about +75%, only the 1999 jump leading to the 2000 crash was a bit more at around 90%. The high debt level exhilarates down moves because margin investors are forced to sell at any price.



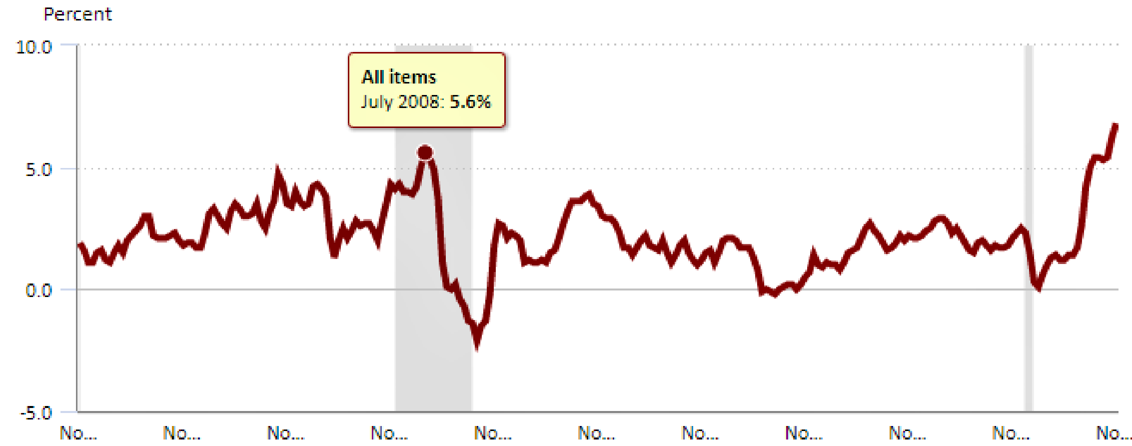
Shortages, supply disruption and inflation will worsen

According to the latest JOLTS survey, there are now almost 11M job openings across the U.S., a near-record high level. The number of workers voluntarily quitting their jobs also surpassed 4.5M in November, which was even above the prior record of 4.4M reached in September.

To start the first week of 2022, many employees called in sick, with a wave of omicron and the flu knocking out 3% of the U.S. workforce. The situation is being compounded by a severe labour shortage hitting the country, leading to series of economic disruptions that are most pronounced in the essential healthcare and education industries. This problem is much worse in Canada with governments draconian lock downs.

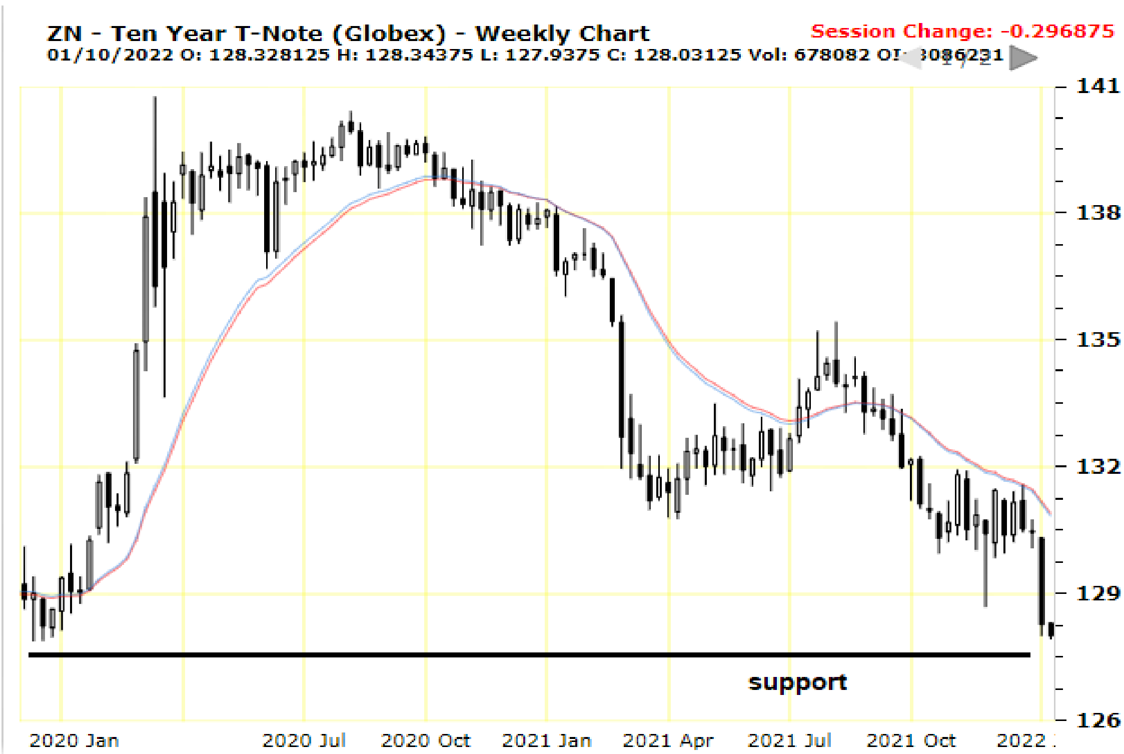
Covid-19 and more so policy reaction is a huge factor with this problem. There is countless news stories on this everyday about labour problems with workers calling in sick and even more so isolating. The so called Covid Protocols. This current Covid wave will probably peak in January but won't be down significantly to April/May, so expect this problem to continue.

This is a 20 year chart of official BIS inflation rates. We all know real inflation is much higher. Important to note the July 2008 high with inflation. The majority of the 2008 collapse started in September just after the inflation high. I expect we could see the same thing again, but inflation might have to go higher yet. This will spook the market that the Fed will have to act quicker on tightening and raising interest rates. The Federal Reserve's most-recent dot plot, which signals the central bank's outlook for the path of interest rates, currently shows a median forecast for three hikes in 2022, though several market participants are expecting more.



Hover over chart to view data.
Note: Shaded area represents recession, as determined by the National Bureau of Economic Research.
Source: U.S. Bureau of Labor Statistics.

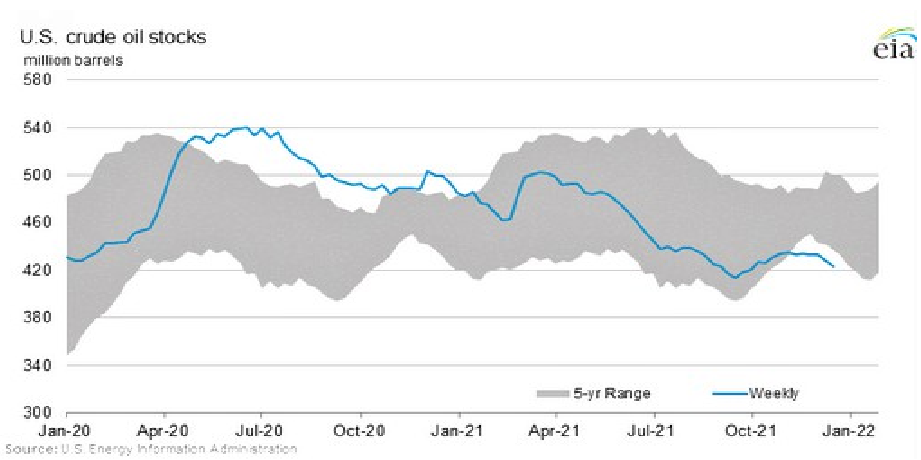
However a big difference this go around is we will probably not see inflation drop with the stock market crash and economic down turn. The current inflation wave is caused by lack of supply, not so much on the demand side. U.S. interest rates, yields have been ripping higher. The 10-year Treasury yield has climbed over a quarter of a point since the beginning of the year, soaring 30 bps to 1.81% since Jan. 1. This is the 10 year treasury price chart. Lower price means higher interest rates. The total bond rally from Covid-19 has unwound. **A drop below 128 would be very negative and this is the most negative factor weighing on markets at this time.**



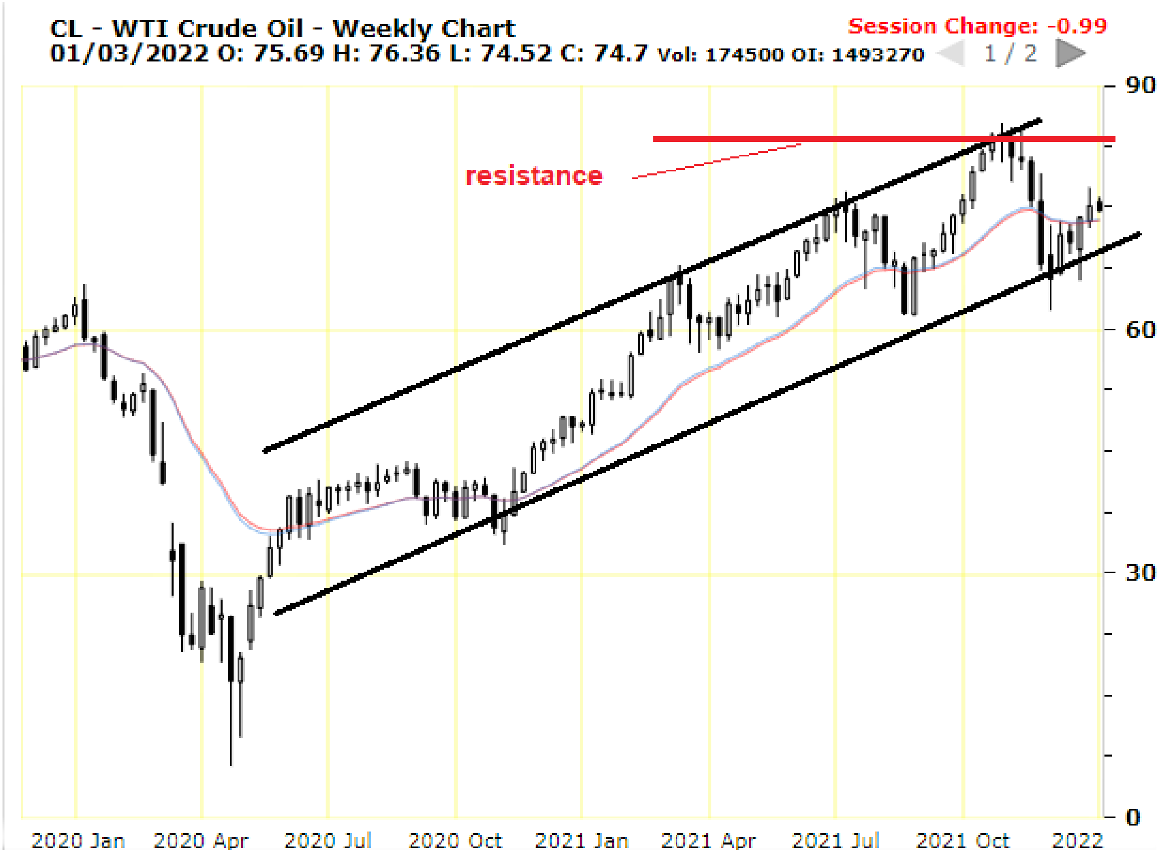
The bond market is probably the most negative near term factor at this point. It is lower today and **on Wednesday we get the December inflation numbers.** The market is expecting new highs in the inflation numbers and so am I, **BUT** and a very big but, don't forget the masters of economic data. If bond and stock markets look like they could tank, the inflation numbers could get padded, pushed to the down side and we get a short relief rally. Naturally this brings me to Gold.

There is an important long term wedge pattern that has formed, indicated by the black lines. I am expecting a break out to the upside, driven by higher inflation, year end selling is over and the risk on trade is appearing in the stock markets, so there will be a movement to gold as a hedge. Keep in mind that if markets crash, gold would sell of the next day or two after. I will keep a close watch. However, just like 2008, gold had it's big rally off that 2008 correction.

What is a forecast without Oil. This is probably one of the more difficult predictions for 2022. Oil first sold of with the Omicron fears, but has since recovered. This current Covid wave will hit some on the demand side as travel will be curtailed in Q1. At the same time we have a tighter market on the US supply side.



In 2021, oil broke out to the upside, above the 2018 highs and the uptrend remains intact. I am watching this current rally and resistance. If there is no break out to the upside, I may suggest selling and taking profits in our Oil stocks, particularly in the Millennium index.



Uranium

If the world is truly going to go green electric, the only way is with Uranium. There simply is not enough capacity with solar and wind. At best it could go 20% to 25% of the grid. There is no more hydro electric to dam up. Nuclear plants are proven safe and clean, but it is the waste, radioactive uranium that is left that is a problem. Technology is advancing, maybe soon they could send that to the moon. Prices shot up in the latter part of 2021 and I think they will stay high and go higher.

A recent bullish factor is Kazakhstan, that is in chaos with riots gone deadly over soaring energy prices, an Internet blackout and Russia paratroopers into secure the airport

It has the largest proven oil reserves in the Caspian Sea region and is a big crude exporter, but perhaps more important than global energy markets, the country accounts for around 40% of global uranium production. Stocks linked to the radioactive metal are climbing on the news as the situation goes from bad to worse. Shares of Cameco TSE:CCO are up and is on the Millennium Index, while volumes of Sprott Physical Uranium Trust TSE:U.UN has moved higher. I plan to add a couple more uranium stocks to our list in 2022, meanwhile, SASY has good timing acquiring an uranium project last week

Sasy Resources CSE:SASY Recent Price - $0.61
Entry Price – 0.54 Opinion – strong buy

Forum Energy Metals signed a binding letter of intent (LOI) to option the drill-ready Highrock uranium project to Sassy Resources. Forum's 100% owned Highrock property is one of eight high quality, near surface uranium projects that were drilled by Forum and partners from 2005 to 2017. Cameco's former producing Key Lake mine, which extracted over 200 million pounds of uranium by open-pit methods at an average grade of 2.3% U3O8 from 1983 to 1997, is located immediately to the north of the Highrock claim boundary.

Rick Mazur, President & CEO of Forum commented, "*With the renewed interest in uranium as a carbon-free source of energy, Forum plans to advance its uranium portfolio by drilling some of its 100% owned projects, such as Wollaston and seeking partners for its other projects, as demonstrated by the option/joint venture with Orano on our Fir Island project and this agreement with Sassy."*

Ken Wheatley, Forum's Vice President, Exploration stated, "*The proximity to the Key Lake mine, the strength of the conductive trend which we interpret to be the same basal graphitic unit that hosted the 200 million pound Key Lake uranium deposit and the quality of the gravity lows make this a high priority, near surface target for exploration."*

Highrock is situated just outside the Athabasca Basin along the same interpreted conductive lithological unit that hosts the Key Lake deposits. The property consists of two claims covering 20 sq. km;The exploration target at Highrock is a basement-hosted deposit similar in style to NexGen Energy's Arrow deposit and Fission Uranium's Triple R deposit.

Sassy paid Forum $50,000 cash upon signing of the binding LOI. The LOI between Sassy and Forum describes a staged earn-in under which Sassy will initially acquire a 20% interest in Highrock by paying Forum $50,000 cash, 250,000 Sassy shares (on February 2, 2022, post-Gander Gold date of record for share distribution) and completing $1,000,000 in exploration expenditures during 2022. Sasy can earn 100% by December 2025 with continued yearly payments, shares and work commitments.

Promotion and speculation ahead of drilling this project, plus the spin out of Gander Gold should push the stock higher in January and February. The date of record for the planned capital distribution of 8,833,333 Gander Gold shares to Sassy shareholders is Feb. 1, 2022, at a ratio of one Gander share for every 5.3816 Sassy shares owned. So you want to own this before Feb 1 to get the spin out. I commented on the bullish set up on the chart and the $0.57 resistance around December 9th. We have now broke above that resistance and next level is around $0.75

Greenbriar TSXV:GRB Recent Price $1.37
Entry Price - $1.15 Opinion – strong buy

I am making GRB my top green pick for 2021. So much has changed from my first write up with their Alberta solar and California Sage Ranch project, I am doing a new write up. In the mean time the chart set up is awesome and here is a recent Youtube Video, The Sleeping Giant. A break above $1.60 is very bullish.