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Financial Reality Check

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UNITED States of America – Today we are going to discuss the need for the equity market to be significantly lower in order for Federal Reserve Chairman Bernard Bernanke to step in with his munificence (laugh out loud).

Critically, this is less about the absolute level of the S&P 500 (so anyone expecting the Fed Chairman to step in with the S&P 500 within a few percent of multi year high is dreaming) but, as Barry Knapp from Barclays Bank notes additional monetary stimulus is a function of both inflationary and deflationary expectation (as opposed to a shallow drop in the S&P 500).

Right now there is a level balance between inflationary and deflationary expectation. It is the risk of deflation that will trigger a policy reaction.

Current conditions are not even close to levels that have warranted additional stimulus in the past, which we estimate to be a 2% 5Y5Y forward inflation break even rates. In order for that level to be triggered based on the post crisis relations between equities and inflation expectations the S&P 500 trailing earnings yield would need to rise over 8.2% implying an S&P 500 level 1200.

Tracking inflationary and deflationary expectations is critical to any new QE hope, and for now, there is none on the horizon no matter how much everyone clammers for it.

P.S. We can now divulge that Bundesbank president Jens Weidmann has told Der Spiegel magazine that he will veto any new ECB bond purchasing program. Weidmann believes any alleged new stimulus aka writing new derivatives to replace old derivatives has becomes a drug addition for certain European banks.

We can now report that Weidmann is working closely with both the IMF (International Monetary Fund) and the U.S. Inspector General on a program of worldwide bank re-consolidation and re-collateralizaton.

P.P.S. This all dovetails to both the Chinese and Japanese central banks who are currently in the process of buying U.S. dollars. The Chinese and Japanese need this U.S. currency to fund their vendor financing as to issues letter of credit.

P.P.P.S. The Attorney General of New York (where is Eric Holder?) is compiling new evidence linking Royal Bank of Scotland (RBS) and HSBC of London to using the proceeds from their Iranian money laundry program to boost the price of both the stock and commodity markets (create asset bubbles).

Note: As we reported in previous intelligence briefings, this money laundry operation was all part of a ponzi scheme that would allow private investors aka crooked banks and hedge funds to bypass the German Bundesbank and give the National Bank of Greece a short term bridge loan aka bail out.

In closing, I want to alert the American People that U.S. banks are still allowed to borrow against money market funds and use the personal savings of average Americans as margin to engage in proprietary trading.

Question: Where is your money market fund? Is it in crude oil futures or, is it at the National Bank of Greece?

Hello CFTC, NFA, SEC and FDIC!

We can now divulge that Dutch bank ABN AMRO was to be used as the clearing house for the Greek asset bubble ponzi scheme with a tie in to the Central Bank of Austria.

At this hour the Dutch Premier now opposes any Greek bail out.

*** * * UPDATED REPORT #2 * * ***

The U.S. Inspector General, along with IMF President Christine Lagarde and German Bundesbank President Jen Weidmann, have told U.S. Treasury Secretary Timothy Geithner and current Federal Reserve Chairman Bernard Bernanke and former Federal Reserve Chairman Alan Greenspan:

CEASE AND DESIST and STOP USING THE WANTA-REAGAN-MITTERRAND PROTOCOL FUNDS AND YOUR ASSET BUBBLE PONZI SCHEME THAT INVOLVES AN ATTEMPTED ILLEGAL BACK DOOR BAIL OUT INVOLVING THE NATIONAL BANK OF GREECE AKA J.P. MORGAN AND GOLDMAN SACHS.

The aforementioned parties have told Geithner, Bernanke and Greenspan to stop writing derivatives on U.S. Taxpayers' money that does not belong to them.

Note: Current alleged U.S. pResident Barack Hussein Obama-Soetoro is using Geithner to offer bribes to the National Bank of Greece to delay their exit from the European Union until after the November election.

Bloomberg News continues to lie and spin on the behalf of their crooked bank benefactors. A Bloomberg News stooge reporter out of Asia just reported that China needed to boost exports by adding new stimulus.

That, of course, is BULLSHIT!

As we have reported, China and Japan are actually buying U.S. dollars so they can issue letters of credit to fund their vendor financing after Geithner, Bernanke and Greenspan, along with crooked banks and hedge funds, went out of control in an attempt to attack the U.S. dollar to do a money laundry bail out of the National Bank of Greece.

Further note: Massive illegal electronic front running to continues tonight in all financial markets with the front running being orchestrated by the crooked hedge funds and banks.