

# Unsettled Markets and “Financial Exhaustion”: What Happens when you Raise Interest Rates on a Wobbly Creditor System?

By [Bill Holter](#)

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Region: [USA](#)

Theme: [Global Economy](#)

*Doom and gloom: this is the new troll term to describe the financial realities being described by those who use math and pure logic to derive conclusions.*

*What other conclusions can one come to than “it’s been a great ride but it’s nearly over”?*

*We are only a week away from the Fed meeting where interest rates may come off of “zero” (I dare them).*

*Just reported was an unemployment rate at 5.1% ...while 47 million Americans are on food assistance. Totally “unexpected” was the chemical “explosion of the week” in China [Another Chinese Chemical Plant Explodes, Huge Clouds Of Black Smoke Billow Skyward](#).*

*I ask, what happens when you raise interest rates on a wobbly creditor (system) living day to day shuffling funds around just to settle? What happens when one of these well known creditors cannot and do not “settle”?*

I am talking of course about derivatives. You know, those wonderful contracts that allow creditors (even entire countries like Greece, Italy etc.) to hide true debt because they are “insured”. What happens when the insurance does not pay or the insurer goes broke?

As for unemployment, how can nearly 15% of your population eat on food assistance while the country is at or near “full employment”?

Does anyone, even for a moment believe the country is at full employment? How does a country survive when more than half the population “gets” while the other, less than half “gives”.

All of these social programs may have been noble in their infancy. Now they are used and abused as a “way of life”. The only problem is the unsustainable nature means there is an end date ... an “exhaustion” so to speak!

I could of course write 24/7 for a month or more on what has gone wrong and what is unsustainable.

The point of this writing is not to give you new information or dots to connect. The dots have been identified and connected by many in what is termed the “alternative media”. Is

common sense logic and truth actually “gloom and doom” for sensationalism or is it getting out because for some, truth still matters?

In my opinion truth doesn't “still matter”, it is ALL that matters and WILL matter.

I write this to tell you “be careful what you wish for”. I receive several hundred e-mails each day. Some are nuts, a few are trolls, some are well intentioned but uninformed, some are inquisitive and others demanding. The one response that seems to be standing out and growing are of the “I just want to get it over” type. I understand this and sometimes I feel the same way. It is a feeling of exhaustion while waiting for the exhaustion to happen! The problem with this is we are wishing for a “crashed” standard of living. Our current standard of living has been on borrowed money and is on borrowed time, I have to say it's really been fun while it lasted!

Why do I write this now? It is safe to say, if you look around it is obvious.

The computer algorithms have taken over, the little guy is long gone and we watch as volatility increases with volume continually decreasing ...THE classic sign of exhaustion.

Markets all over the world have unsettled and the carefully choreographed stability is being shaken. Debt, which the entire system has been built on has now come front and center with skepticism. Central banks far and wide (including The Fed) are having their “omnipotence” questioned ...and thus so are their issued currencies.

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### **About the author:**

Bill Holter writes and is partnered with Jim Sinclair at the newly formed Holter/Sinclair collaboration. Prior, he wrote for Miles Franklin from 2012-15. Bill worked as a retail stockbroker for 23 years, including 12 as a branch manager at A.G. Edwards. He left Wall Street in late 2006 to avoid potential liabilities related to management of paper assets. In retirement he and his family moved to Costa Rica where he lived until 2011 when he moved back to the United States. Bill was a well-known contributor to the Gold Anti-Trust Action Committee (GATA) commentaries from 2007-present.

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