Major Bank Official: Banks Are “Preparing for an Economic Nuclear Winter”

By Matt Agorist | Activist Post

After years of giveaways to megabanks, marketed to the taxpayers as ‘quantitative easing,’ the crutches shoved under the banker-controlled global stock trade are about to snap. Bankers now say they are preparing for the collapse.

In June of 2015, former Congressman Ron Paul predicted that these crutches would fail, and the financial bubbles created by them would send the stock market into a free-fall.

The consequences will not be minor. Surprises will be many, since we are in uncertain waters and the world has never faced the gross misallocation of capital that exists today. The process is self-limiting. It will come to an end, and it’s not going to be far into the future.

Now, as chaos in the EU and weak corporate earnings create a tornado of uncertainty, banks are preparing for the worst.

According to CNBC quoting a major lender, banks are "preparing for an economic nuclear winter situation."

The chaos in the market has major bank officials running for the hills. According to *CNBC,* European banks, in particular, have had a very tough six months as the shock and volatility around Brexit sent banking stocks south. Major European banks like Deutsche Bank and Credit Suisse saw their shares in free-fall after the referendum's results were announced. In the U.K., RBS was the worst-hit, with its shares plunging by more than 30 percent since June 24.

On Sunday, a source, speaking on the condition of anonymity, due to the fact that revealing this information can get bankers kill ed, a source from a major investment bank told CNBC “that financial services firm s have put together a strategy in place that takes into account **the worst-case sc**

enario that could happen by the end of this year.”

“This could mean triggering Article 50, referendum in other European nations leading to a break-up of the euro or sterling hitting below $1.20 or lower. **The banks are ready for anything now,”** the source said.

This grim warning comes after the Royal Bank of Scotland has warned its investors of a “cataclysmic year.” In an [eerily ominous note to its clients] early this year, the megabank predicted another worse case scenario.

Sell everything except high quality bonds. This is about return of capital, not return on capital. In a crowded hall, exit doors are small.

In the note, RBS’s credit chief Andrew Roberts told investors how Quantitative Easing has failed and was expected to fail.

We have been told for 7 years now since the credit crunch, under QE, to borrow money and invest it in one of 3 things: 1) EM 2) credit 3) global equities. This is a big picture, **multi-year bet** that has been taken, **which has worked fine, and stopped working 10 months ago,** (this is NOT NEW).

As the *Guardian*'s Larry Elliott points out:

Markets have been supported for some time by low-interest rates, stimulus measures from central banks including quantitative easing, and hopes of economic recovery. But with the Federal Reserve raising rates and the Bank of England expected to follow suit, that prop is being removed.

Those who pay attention to the effects of central bankers looting their respective countries have long pointed out the mathematical certainty that is an economic collapse.

The collapse of global markets is inevitable as it is a natural correction to the wholesale fleecing of the citizens through the unscrupulous actions of central banks.

Ron Paul sums up the situation perfectly:

The credit and new money, when created by a central bank, is delivered to the market in a political fashion for which the one percent receive special benefits. It allows the pyramiding of debt to fractional reserve banking, which compounds the long-term problems.

It may be fun while it lasts, but it always ends with a crash.

Matt Agorist is the co-founder of TheFreeThoughtProject.com, where this article first appeared. He is an honorably discharged veteran of the USMC and former intelligence operator directly tasked by the NSA. This prior experience gives him unique insight into the world of government corruption and the American police state. Agorist has been an *independent journalist for over a decade and has been featured on mainstream networks around the world.*

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