

The last Nail In The Coffin – Global Collapse Is A Certainty – Malaysia Will Be “Buried Alive”!

By Matthias Chang – Future Fast-Forward

I have no wish to spoil your weekend, but I am compelled to share this ugly reality because Malaysians have all been distracted and diverted by non-issues. I never realised that I would live to experience a more horrid financial collapse than the 1997/8 Asian Crisis. Malaysia barely survived that financial mess. Yes, we had the 2007/8 global financial fiasco (called the Great Recession – a misnomer), but it did not affect Malaysia as the 1997/8 crisis did.

This message is especially for All Malaysians and the present government!

So pay close attention, and read every word of this article at least five times and all the major references which I am disclosing to you. I am not clever, and neither are you, including those people with PhDs, MBSs, BSc etc. and the so-called experts advising the Prime Minister who is also the Finance Minister. I am so anxious because I am Malaysian as otherwise I would not be bothered.

“US\$ Toilet Paper Monies Secured By Toilet Paper US Treasuries Are Worthless. The biggest scam & Ponzi scheme”

So, why have the Ministry of Finance, Bank Negara and Financial Advisers not alerted the country of this mess??? Maybe they have, but it is strange that **YOU** are so ignorant of the consequences and the calamities.

I am giving the benefit of doubt that the Prime Minister cum Finance Minister has not been properly advised or advised at all. But, not after the publication of this article, as the warning signs were blaring since 2022!

The Last Nail In The Coffin

I was aware of the TIME – BOMB but **waited because the “event” could be a one-off event** and bankers would not panic. There was panic, but the global MSM created the huge diversion and distraction and the game of musical chairs continued! “Global Too Big To Fail Banks” were being rescued, and so why would they blow the whistle?

NOW GET BLOODY ANGRY!

**THE FED HAS SUFFERED UNPRECEDENTED LOSSES
THE ECB HAS ALSO SUFFERED UNPRECEDENTED LOSSES**

Wall Street Journal reported:

*Like all central banks, the Federal Reserve was designed to make money for the government from its monopoly on issuing currency. **The Fed did generate profits, which it sent to the Treasury, every year from 1916 on—until last fall. In a development previously unheard of, the Federal Reserve has suffered operating losses of about \$42 billion since September 2022.***

*That month, the massive interest-rate risk created by the Fed's asset-liability maturity mismatch began generating cash-operating losses, and **the losses now average \$7 billion a month. This is because the Fed's trillions of dollars of long-term investments yield 2% but cost 4.6% to finance. The Fed will soon have negative equity capital, and as operating losses continue to mount, its equity-capital deficit will grow.***

Arseholes, do you understand the implications?

WSJ continued:

In a July 15, 2022 note, the Fed's Board of Governors discussed the possibility that the system could incur substantial operating losses as it increased interest rates to fight inflation. The Fed tried to play down the importance of the issue, arguing that its "mandate is neither to make profits nor to avoid losses" - a deflection that is disappointingly transparent to anyone familiar with central banking.

*The Fed traditionally avoided policies that would expose it to significant losses. In the early years, member banks could borrow from reserve banks only by posting specific collateral. The Federal Reserve Act required loans to be backed by qualifying short-term self-liquidating bills—what today we call commercial paper. Over time, loan collateral requirements evolved, but as they did, the Fed introduced policies to protect it from losses when lending to member banks. While the Federal Reserve Act requires the Fed to avoid taking credit related losses that could have an impact on taxpayers, **it makes no mention of losses from interest-rate risk exposures. The Act's authors never imagined such losses.** Monetary policy was all but assured to generate Fed profits prior to 2008. **That changed once the Fed started paying banks interest on their reserve balances and making large open market purchases of long-maturity Treasuries and mortgage-backed securities.***

In freaking layman's lingo, a Central Bank is all commercial banks' "Lender of Last Resort" and the FED is the 'Global Too Big To Fail Banks' "Lender of Last Resort" only because it is the only Bank that can "issue" (digitally or otherwise) the US Dollar Reserve Currency. **And the propaganda is that the FED can never suffer losses and or fail.**

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For Malaysia, our Foreign Currency Reserves are mainly in US\$, secured by US Treasuries etc.

Let's get real! What will happen if Bank Negara announced that it has suffered losses? When the FED can suffer losses and likewise the ECB, can Bank Negara claim that it is be exempted from losses? Give me a break!

Now read carefully:

Financial statements of the ECB for 2023

22 February 2024

- *ECB reports loss of €1.3 billion (2022: zero) after release of €6.6 billion from provision for financial risks.*
- *Loss carried forward on ECB's balance sheet to be offset against future profits.*

*The European Central Bank's (ECB's) audited financial statements for 2023 show a loss of €1,266 million (2022: zero) which will be carried forward on the ECB's balance sheet to be offset against future profits. **This loss takes into account the full release of the provision for financial risks, amounting to €6,620 million, which partially covered losses incurred during the year. There will be no profit distribution to the euro area national central banks (NCBs) for 2023. The ECB is likely to incur losses over the next few years, but is then projected to return to making sustained profits.***

But the ECB has no balls to say the precise date for returning to "profits" even if and when creative accounting is employed.

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Fast forward to recent times:

Fed's operating losses swelled to record US\$114.3 billion in 2023

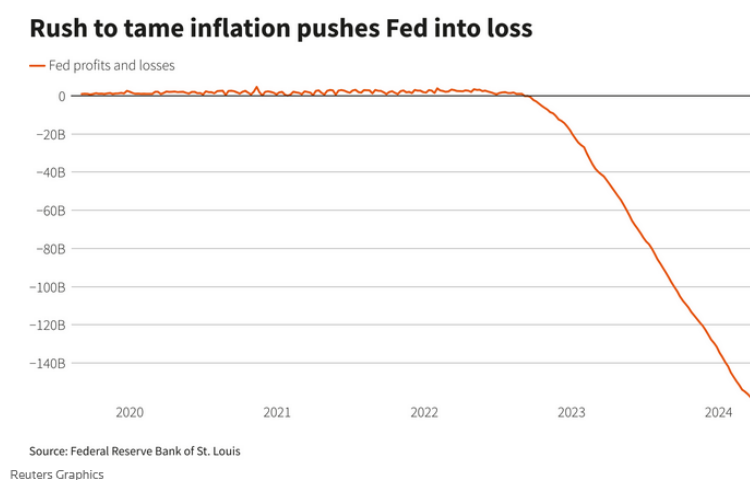
THE Federal Reserve's expenses exceeded its earnings in 2023 by US\$114.3 billion, its largest operating loss ever, forcing the US central bank to forgo remittances to the Treasury as interest rates remain elevated.

Interest expenses, which includes reserves balances at the Fed's reverse repo operations, nearly tripled to US\$281.1 billion in 2023, according to audited financial statements released on Tuesday (Mar 26). Meanwhile, the Fed's interest income earned on its portfolio of assets totalled US\$163.8 billion last year, compared with roughly US\$170 billion in 2022.

After covering its day-to-day operating expenses, the Fed is required to send the money it earns on its securities portfolio to the Treasury, where the revenue helps offset federal deficits.

When expenses exceed earnings, as they have since late 2022, the Fed issues a deferred asset to the Treasury, which the central bank said has no implications for the conduct of monetary policy. This deferred asset grew by US\$116.7 billion last year, to a record US\$133.3 billion, the Fed said.

No implications as alleged??? We are not suckers, even as suckers are born every day!



A picture paints more than a thousand words – from Reuters!

So, is Matthias writing about BS or are you the wanker – an “Intellectual masturbator”?

Remember what I wrote about **“Logarithmic Decay”** and the graph to illustrate. Almost identical!!!

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At this juncture, may I invite you to scratch your grey cells, research and read the following reports and articles,

- 1) US Congressional Research Service (INSIGHT), January 2023;
- 2) Quarterly Report on Bank Trading and Derivatives Activities 1st Quarter 2023 – Office of the Comptroller of the Currency;
- 3) BIS Quarterly Review, March 2024;
- 4) Survival of the Biggest: Large Banks and Financial Crises – September 2023.
- 5) Board of Governors of the Federal Reserve System – Financial Stability Report, October 2023;

- 6) IMF Global Financial Stability (Note / 2024 / 001) - The US banking Sector since March 2023 Turmoil: Navigating the Aftermath;
- 7) Federal Reserve Losses and Monetary Policy, January 2024;

We quote from (7) above:

Past monetary policy decisions have resulted in the Fed suffering more than \$140 billion in accumulated cash losses in addition to \$1 trillion in unrealized losses on its securities portfolio. The Fed System and the majority of Reserve Banks are technically insolvent on a GAAP basis. Fed officials claim that the Fed's losses and negative GAAP capital do not compromise its ability to conduct monetary policy because the Fed can create money to cover its losses, however large the losses may become. The Fed's narrative leaves out important details including that the Fed's ability to print paper currency is limited by law and deposits held at insolvent Reserve Banks are unsecured liabilities that are legally at risk because they lack a federal government guarantee. We calculate the GAAP capital of each Reserve Bank and the System, and estimate depositors' loss exposures under current law. We review the current legal framework in place for addressing insolvent Reserve Banks. We conclude that the framework will be ignored, and the Fed will continue to operate at a loss while deeply technically insolvent as long as depositors maintain their belief that Fed deposits are protected by an implicit federal government guarantee. Congressional action may be needed should this confidence waiver.

Many people believe that the Federal Reserve's ability to conduct monetary policy will not be affected by its huge and growing cash operating losses and the massive unrealized mark-to-market losses on its securities portfolio. Confidence in the Fed's ability to operate normally despite massive losses is rooted in the presumption that the Fed has unlimited power to create whatever amount of money is needed to pay its bills. Naturally, the Federal Reserve itself promotes such beliefs, but as we explain in this paper, these claims are not consistent with current law. The Fed does not have unlimited authority to print Federal Reserve Notes or borrow using reverse repurchase agreements. Moreover, as losses accumulate there is a growing risk that depositors' risk perceptions will intervene and impact the Fed's ability to fund its growing losses with FRB deposits.

We now quote from (4) above again:

This paper studies a newly compiled data set of annual balance sheets of more than 11,000 commercial banks across 17 advanced economies since 1870. The new data allow us to investigate banking industry structure and bank-level dynamics before, during, and after banking crises. We show that a country's largest banks (i.e., the top-5 by assets) typically gain market share in crises, as small banks fail more often or are absorbed, making the largest banks even more dominant after crises. This is despite the fact that the largest banks tend to take more risk before crises, suffer greater equity losses in crises, and contract their lending more.

Instead, the survival and expansion of the largest banks appear linked both to substantially higher rates of government rescues and to the fact that their deposit flows are more insensitive to bank losses, compared to smaller banks.

We find no evidence that large-bank-dominated systems have lower crisis frequency; in fact, conditional on crises, large-bank-dominated systems see more severe economic outcomes.

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It is unacceptable, by any measure that the entire army of so-called financial experts, has kept the Prime Minister cum Finance Minister in the dark (as I am giving the benefit of doubt to him) and we have witnessed scumbags who know little of anything diverting the attention of the entire nation by inciting tension and sectarianism and creating false crises.

In 1997/8, we had a Tun Mahathir Mohamad to save us from the financial wreckage (give credit where credit is due) and steered the country back to a safe haven/ harbour.

Stop the nonsense and diversion; and

Stop the Law-fare!

Unite the entire country and get everyone on board to prepare for the financial burial of the US\$ and economy.

If not, the blame must rest entirely on the present government led by the Prime Minister cum Finance Minister. Be the “great leader” that you aspire to be.

You and your inexperienced bunch of “know-alls” cannot and do not have the expertise to solve the challenges. They are all wet behind the ears.

Forget the past differences. The storm clouds and the dangers, we as a nation, are facing, are bigger than anyone’s ego, priorities, misperceptions and whatever support that you think you have or may garner in the future.

Time is of the essence. A challenge to your people – have your hard-core supporters even read what I had referred above and explained to you as the Prime Minister. Zilch!!!!

They know f....all!!! Period!!! Time is of the essence!!!

Do you as Prime Minister cum Finance Minister wants to shoulder the blame for the entire fiasco and bury Malaysia alive when the shit hits the ceiling fan??? Qui Bono???