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THE INDIA-PAKISTAN BOILING POINT



A few days ago I returned to England from a visit to Singapore. The flight usually takes less than 12 hours.

However, this time the journey time was over 14 1/2 hours. Why?

The airspace over Pakistan is closed and likely to remain so for a while. This is in response to the clashes between Indian and Pakistani over the last few weeks.

I gave this subject a brief mention just as the last edition of the Market Timing Report was about to be released.



This month I want to go into a lot more detail.

As regular readers know, I am expecting a global downturn towards the end of 2019 and into 2020. There are numerous cycles coming in and the most potent of these include the 90 year cycle from the 1929 crash.

Whilst this crisis in Central Asia may seem somewhat remote to us, it is a flashpoint that we ignore at our peril.

Why?

Quite simply because both India and Pakistan are nuclear powers.

At this very moment in time, it is very difficult, if not impossible, to imagine any conflict involving nuclear weaponry.

The cycles tell a different story. Let me come to that in a moment.

According to 2018 report by the Stockholm International Peace Research Institute, Pakistan has 140 to 150 nuclear warheads compared to India's 130 to 140 warheads.

India has the capability to launch nuclear strikes by land and air. In 2018 her first ballistic missile submarine "INS Arihant" became operational thus allowing the nation to also launch from the sea.

For India, China has been seen as the major enemy and hence, the development of this weaponry.

Pakistan does not presently have a seaborne capability.

The bottom line is these nations are neighbours. They can attack each other very easily.

The ramifications of nuclear conflict are substantial.

Even a limited nuclear war could easily wreck global climate and trigger a worldwide famine.



That's not to mention the closure of airspace. This area is one of the busiest in the world with airlines from pretty much every nation flying through it. This includes the USA as well as Australia.

Fallout from this area would severely damage crops for thousands of miles around. This would particularly impact the wheat market in Russia. This is known as a global nuclear famine. It can also potentially affect fisheries.

As well as the immediate damage to collateral within those nations, there is a further threat in the form of a phenomena called "firestorms." Firestorms release many times the energy stored in nuclear weapons themselves. This in turn creates a microclimate. This is what creates a "nuclear winter."

Significant damage would occur to the globe's ozone layer. This leads to cooling around the world.

Let's now take a look at the evidence.

Regular readers know that when multiple cycles come together, major events take place. The same long-term cycles that are prevalent in markets also appear in the recurrence of wars.

It's a fact.

It's all to do with human psychology and the mathematical cycles that lie behind mass behaviour.

For centuries the Indian subcontinent had been subject to British rule. The East India Company had exploited the region for hundreds of years providing many different spices, teas and other commodities to the west.

It would be easy to fast forward to 1947. That was 72 years ago.

Again, those of you that have studied my work will know the importance of the 72 year cycle.

As a brief recap, take the 1929 crash and add 72 years to that time period. One arrives at the date of 2001. That was pretty much when the tech boom of the 90s finished. More importantly, take 1929 crash and go back 72 years earlier. You arrive in 1857. That year saw the biggest financial collapse in modern day history not only in America but also in Europe.

But the cycles go much further back than that.

In fact 1857, rather strangely, comes back into the mix.



The East India Company was effectively a sovereign power on behalf of the British Crown.

The Indian Rebellion of 1857 was a major uprising in India against the rule of the East

India company. The rebellion was quashed.



Adding the 90 year cycle to 1857 takes us to 1947. The 90 year cycle can be seen as 3 cycles of 30 years or 2 cycles of 45 years. Whichever way you choose to look at it, it's a significant time cycle and one that should never be ignored.

Again for the benefit of new readers, taking the 1929 crash and heading back 90 years earlier in time would take it to 1839.

Both America and Europe went into major economic disruption and decline including stock market crashes between 1837 and the mid-1840s. This was known as "the long depression."

Of course as I already mentioned, adding 90 years to 1929 takes us to 2019. We are in the window for something big.

Returning to 1947, the Indian Independence Act is passed. As of 15th August, there would be two fully sovereign dominions of India and Pakistan. Pakistan would be predominantly Muslim and India predominantly Hindu.

This immediately led to much violence with many Muslims from the new India fleeing to Pakistan and Hindus and Sikhs fleeing the new Pakistan to be within the confines of India. Many left in a hurry leaving all property and possessions.

However, the Indian Independence act did not allow for the states of Jammu and Kashmir.

These states are contiguous to both India and Pakistan and were ruled independently by Maharaja Hari Singh. He was a Hindu but the population of this area is predominantly Muslim.

Hence, this area has become the biggest bone of contention with each nation wishing to claim sovereignty.





The 18 year cycle (one quarter of the 72 year cycle) from independence and partition came in in 1965.

Right on schedule.

Pakistan launched Operation Gibraltar.

The plan was to infiltrate forces within Jammu and Kashmir and precipitate insurgency against India within the region. A seventeen day war ensued with thousands being killed on both sides when India responded with force and attacked West Pakistan.

The Soviet Union and the United States intervened diplomatically and in the subsequent Tashkent Declaration India gained an advantage over Pakistan.

Next up, the 24 year cycle (one third of the 72 year cycle). With clinical timing the two countries are at war again in 1971.

Different agenda, same war.



This time the conflict was initially between East and West Pakistan with India intervening on the part of East Pakistan. Casualties were very heavy. It is said that "Pakistan lost half its navy, a quarter of its air force and a third of its army."

East Pakistan becomes Bangladesh.

1999 sees the next Indo Pakistani War. This takes place 52 years after partition. This was somewhat measured but several thousand were killed. Pakistan suffered a major defeat.

The 20 year cycle from 1999 takes us to 2019.

48 years or 2 cycles of 24 from 1971 takes us to 2019.

54 years or three quarters of the 72 year cycle takes us to 2019.

72 years from partition takes us to 2019.

But the story doesn't end there.

Worryingly, matters become more sinister.

On 18 May 1974, India conducts "Smiling Buddha," its first nuclear test – representing the 45 year cycle and half the 90 year cycle.

Move on one cycle of 24 years.

On 11 May 1998, "Operation Shakti" takes place with the detonation of one fusion and two fission bombs. Further tests occur within the following days.

Meanwhile, over in Pakistan on 28 May 1998, five nuclear tests were conducted. The message is clear. Two major nations are already gently squeezing the triggers of their weapons. This is not going to be a short personal altercation. If it gets out of hand, then the whole world will suffer.

The cycles are coming together both for this year and into next year and are likely to be a serious flashpoint.

The latter part of 2020 will see see the 22.5 year - half of the 45 year cycle and a quarter of the 90 year cycle - from the 1998 tests.

2020 will also see the 75 year cycle (three quarters of the 100 year cycle) from Hiroshima and Nagasaki.

History rhymes more than it repeats. This is potentially going to get a lot worse before it gets better.

However, it need not be cataclysmic.

Let's hope diplomacy prevails.

Key dates to watch are:

17th 20 April 2019

16 May 2019 – watch for an escalation of conflict around this point.

4 June 2019

3 July 2019

13th to 14 September 2019 – a significant news point.

4 October 2019 – again potential escalation in conflict.

25 November 2019

1st week of December 2019

12 December 2019 – potential flashpoint

20 December 2019

7 February 2020

16 February 2020 – critical time

10 April 2020

These dates could easily have ramifications for the world's markets.

These dates are likely to major ramifications for the GOLD market.

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