



PROPHETIC TIMES

WEEKLY WORLD NEWS UPDATE

OAKLAND, CALIFORNIA

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DOLLAR IN FULL RETREAT, NZD STORMS 30-YEAR PEAK

July 13, 2011 Reuters reported: "The U.S. dollar was on the run in Asia on Thursday after a ratings warning from Moody's and a hint of further policy easing from the Federal Reserve unleashed a wave of panic selling, much to the relief of the hard-pressed euro.

The New Zealand dollar was a stand out performer, soaring to 30-year highs after data showed the economy grew far faster than expected in the first quarter. The kiwi flew to \$0.8491, a rise of 3.7 percent in just two sessions, as the upbeat news revived the chance of a rate hike before year-end.

That stood in stark contrast to the United States, where Fed Chairman Ben Bernanke had canvassed the idea of further quantitative easing should the economy stall

"Three months ago all the focus was on the exit from unconventional policy; now Bernanke mentions the conditional possibility of QE3," said Paul Meggyesi at JPMorgan. "This is unambiguously bad for the dollar and good for risk."

Investors seemed to agree, sending commodities and gold higher and lifting growth-leveraged currencies like the Australian dollar. The U.S. dollar slid to a fresh record low against the Swiss franc around 0.8089 francs, while the euro leaped to \$1.4253 having been as low as \$1.3984. The dollar also deflated to 78.83 yen with only talk of semi-official bids preventing a break of major support around 78.40/50.

Against a basket of currencies, the dollar was down at 74.773 .DXY, having tumbled for a high of 76.053.

In a double whammy for the U.S. currency, Moody's warned the country could lose its top-notch credit rating if lawmakers fail to increase the country's debt ceiling. In a statement, Moody's said it sees a "rising possibility that the statutory debt limit will not be raised on a timely basis, leading to a default on U.S. Treasury debt obligations."..."



IRELAND DOWNGRADED TO 'JUNK' IN SPIRALLING EURO-CRISIS

July 13, 2011 The EU Observer reported: "US-based credit rating agency Moody's on Tuesday (11 July) downgraded Ireland's debt to junk status, amid growing market concerns about the stability of the eurozone as the debt crisis reaches Italy and Spain.

Citing the "growing possibility" that Ireland may need a second bailout at the end of 2013 and the "increased" likelihood that this bailout will require private sector participation, Moody's downgraded the country's rating by one notch to Ba1 status - meaning that its bonds are now considered "non-investment grade" and pensions funds, for instance, are no longer allowed to purchase them.

Moody's made the same move last week when it downgraded Portugal's rating by three notches to Ba2 status. Greece's rating is considerably lower - Caa1 which stands for "substantial risk", just three steps before what a rating agency considers "default" and with no perspective for investors to recover their money.

With EU finance ministers insisting - following pressure by Germany, the Netherlands and Finland - on having private creditors involved in a second Greek bailout, Moody's warns that "the outlook remains negative" and that similar pressure will be felt on each of the countries next in line for a second refinancing.

"Although Ireland's Ba1 rating indicates a much lower risk of restructuring than Greece's Caa1 rating, the increased possibility of private sector participation has the effect of further discouraging future private sector lending and increases the likelihood that Ireland will be unable to regain market access on sustainable terms in the near future," it said.

The same is true if Greek debt is restructured, even if this is done through financial re-engineering of EU banks, says the ratings agency.

European Investment Bank chief Philippe Maystadt on Tuesday said that the eurozone will buy back Greek bonds at market rates, in order to relieve some of its €168 billion debt, whose costs are spiralling due to the bad rating.

"There is a proposal which is backed by the European Central Bank (ECB), by the European Commission, and which we are going to discuss, which would consist in enabling the European Financial Stability Fund (EFSF) to buy back Greek bonds at market rates," he said on RTL tv following a meeting of eurozone finance ministers on Monday.

Maystadt also confirmed the likelihood of a special EU summit in the coming days to deal with the spreading debt crisis that has reached Italy and Spain."...

Meanwhile, shows that the next country in trouble "in the medium term" may be France, if private sector indebtedness is considered. Solvency is a big problem in the southern countries - Greece, Portugal, Cyprus and Malta - but Italy, Spain and even France are also on a dangerous path, the study claims."

REQUIEM MASS HELD FOR HABSBURGS IN AUSTRIA

July 12, 2011 The Associated Press reported: "About 1,000 people have attended a requiem Mass for the son of Austria's last emperor and his wife at a basilica associated with the former dynasty. Otto Von Habsburg died July 4 at age 98 in southern Germany. His wife, Regina, died last year. The dynasty ruled for more than seven centuries until the end of World War I.

In attendance at the Mariazell Basilica, where the coffins are lying in state, was Viennese Cardinal Christoph Schoenborn as the pope's personal representative.

He sat Wednesday among archbishops from the central European and Balkan countries that once formed the Austro-Hungarian empire. The somber scene was brightened by the colorful 19th century uniforms worn by members of traditional military units active under the Habsburgs. The coffins will be buried Saturday in the Emperor Tomb in Vienna.”

COMMANDER: RUSSIANS STUNNED BY IRANIAN VERSION OF S-200 AIR DEFENSE SYSTEM

July 12, 2011 The Fars News Agency reports: “A senior Iranian military commander said that the country's experts have been able to optimize the Russian-made S-200 anti-aircraft missile system so well that the Iranian version of the system has stunned Russian experts.

Speaking to FNA on Tuesday, Commander of Khatam ol-Anbia Air Defense Base Brigadier General Farzad Esmayeeli said that Iran's air defense specialists have been able to optimize the S-200 surface-to-air missile system to a remarkable extent and Iran plans to change the system's name due to the profound changes it has made in the system.

“These changes have been acknowledged and praised by those who have developed the system (Russians),” the commander stated, adding that the features of the Iranian version of the system are basically different from those of the Russian type.

Meantime, Esmayeeli pointed to the country's radar power, and stated that the Iranian air-defense unit owns systems that can easily monitor and trace all radar-evading and stealth aircrafts.

In November 2010, Iran successfully test-fired its sophisticated S-200 anti-aircraft missile systems. Iran's S-200 system is a very long range, medium-to-high altitude surface-to-air missile (SAM) system designed to defend large areas from bomber attack or other strategic aircrafts.”...”

'U.S. CONCERNED IRAN PROVIDING WEAPONS TO IRAQ MILITANTS'

July 11, 2011 Haaretz reports: “U.S. Defense Secretary Leon Panetta said on Monday the United States is concerned about Iran providing weapons to Iraq militants and will take unilateral action when needed to deal with the threat.

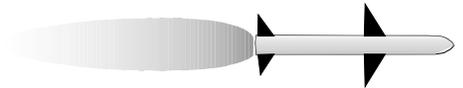
Fourteen U.S. military personnel were killed in Iraq in June, the highest monthly toll in three years. U.S. officials have blamed militia groups supplied by Iran for most of the deaths.

“We are very concerned about Iran and the weapons they are providing to extremists here in Iraq. And we're seeing the results of that,” Panetta said. “In June we lost a hell of a lot of Americans as a result of those attacks. And we cannot just simply stand back and allow this to continue to happen ...’ ...”

IRAN SAYS ITS MISSILES HAVE REACHED INDIAN OCEAN FOR FIRST TIME

July 19, 2011 Haaretz reports: “Iran said on Saturday it test-fired two long-range missiles into the Indian Ocean earlier this year, the first time it has fired missiles into that sea, according to state television.

“In the month of Bahman (January 21 - February 19) two missiles with a range of 1,900 kilometers were fired from Semnan province (in northern Iran) into the mouth of the Indian Ocean,” Amir Ali Hajizadeh, head of the Revolutionary Guards' aerospace division, told a news conference some of which was shown on television.



Iran usually tests its missiles in extensive deserts in the heart of the country, so the firing into the Indian Ocean is an unusual move, aimed to prove Tehran's longstanding claims it can hit targets beyond its borders.”...

The announcement came after a 10-day military exercise by the elite Guards that was designed to deter Iran's enemies by showing Iran is ready and able to hit back at U.S. bases in the Middle East and at Israel...”

COMMANDER STRESSES IRGC'S ABILITY TO TARGET ALL US VESSELS, BASES IN REGION

July 9, 2011 The Fars News Agency reports: “Commander of the Islamic Revolution Guards Corps (IRGC) Aerospace Force Brigadier General Amir Ali Hajizadeh said that the US fleets of warships are no longer a threat to Iran since the IRGC now enjoys the capability to hit all US vessels and bases in the region.

“These vessels (US navy ships) are no longer a threat to us given the (desirable) level of our military capabilities,” Hajizadeh told reporters in a press conference on the achievements of the IRGC's recent missile drills, codenamed ‘Payambar-e Azam (The Great Messenger) 6’.

“A large (aircraft) carrier with a length of 330 meters, 70 meters width, 6,000 forces and 70-80 aircraft aboard is an easy target for us, and if they want to threaten us, we will attack them” the commander added, but at the same time underlined that ‘Iran will never initiate a war’.

He also underlined Iran's missile capabilities, and stated that about 70% of the US bases in the region are maximum 300 to 400 kilometers away from Iran, meaning that all of them are within the scope of the IRGC's short and mid-range missiles.”...”

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