



Written by [Alex Newman](#) on August 21, 2012

Top Investor Warns of “Financial Armageddon” as Soros Dumps Bank Stocks, Buys Gold

In what analysts say is another indication that the economy will get worse in the not-too-distant future, recent filings by billionaire financier George Soros show he dumped virtually all his holdings in major financial companies like JP Morgan, Goldman Sachs, and Citigroup. His multi-billion-dollar U.S. fund also loaded up on gold, with the portfolio now holding more than \$130 million worth of the precious metal.



Data compiled by analysts based on Soros’ most recent [13F filing](#) with the Securities and Exchange Commission (SEC) showed that during the last quarter, his American fund sold more than a million shares of the big financial companies with a value of almost \$50 million. During that period, Soros Fund Management also more than doubled its position in the SPDR Gold Trust to nearly 900,000 shares.

“When a major global player with direct ties to the White House, Wall Street, and the banking system starts off-loading stocks and starts stacking gold, it suggests a very serious market move is set to happen,” [observed](#) commentator Mac Slavo, a generally pessimistic analyst who follows financial news closely and has long predicted unprecedented economic chaos.

Despite his far-left political agenda, Soros has a solid track record of making wise financial moves. Americans should pay attention. “Soros is getting out of those companies which are most at risk should the financial system buckle like it did in 2008 and he’s shifting his assets into what may be the only asset class left standing when it’s all said and done,” Slavo concluded.

Major banks have already started drawing up plans for a potential financial calamity, news reports in recent weeks [revealed](#). But Soros was hardly the only heavyweight investor whose recent actions foreshadow potential economic trouble to come.

Another billionaire investment legend, John Paulson, who successfully predicted the sub-prime meltdown and made a fortune in the process, also added a significant amount of gold to his already-gold heavy hedge fund portfolio — an increase of more than 25 percent in the last quarter worth some \$700 million, regulatory filings show. Paulson’s largest holdings are in the SPDR Gold Trust, and Bloomberg [reported](#) that almost half of his U.S.-traded equities are now tied to bullion.

Central banks around the world, meanwhile, have been on a gold buying spree in recent years that looks set to accelerate, according to analysts. The World Gold Council recently [reported](#) that central bank purchases hit a new record since they began gobbling up huge quantities of the precious metal several years ago.

If current trends continue, it will be “new territory” in terms of monetary authorities’ bullion buying that has not been seen since the 1970s. Consider that in just the first half of 2012, central banks acquired more than 250 tons of gold — about 25 percent above the same period last year. Experts expect that to continue.



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There are also [unconfirmed reports](#) from metals traders and analysts that the communist dictatorship ruling over China plans to buy thousands of tons of gold, perhaps as early as this year. The regime already holds over \$1 trillion in U.S. dollars and American debt, and experts say it may be seeking to diversify before a potential dollar collapse wipes out much of the value of its massive foreign reserve holdings.

In a recent interview on CNBC, billionaire investor Jim Rogers — another star — offered some context as to what may be coming. Warning Americans to prepare for “financial Armageddon,” he said the coming economic catastrophe will likely hit sometime after the upcoming U.S. elections. That is because German Chancellor Angela Merkel and President Obama, he explained, will both be facing voters soon and would prefer to maintain the appearance of normalcy — at least until then.

“The Americans and the Germans — they want to do everything they can to hold the world up until after the next election,” Rogers explained during the interview, adding that the world is “drowning in too much debt” and that the solution was obviously not the creation of even more debt. After the elections, considering the wild money printing by central banks and the out-of-control government spending, “it’s going to be bad,” Rogers added.

While Rogers may sound pessimistic, a team of respected economic experts cited in news reports and a new documentary believe the looming economic calamity may hit even before the next election. According to the heavyweight analysts, they discovered a “frightening pattern” that points to an imminent meltdown of the global economy that would be unprecedented in all of history. More than a few governments are taking them seriously, too.

“What this pattern represents is a dangerous countdown clock that’s quickly approaching zero,” [explained](#) Chief Investment Strategist for Money Map Press Keith Fitz-Gerald, a member of the team with a long track record of astoundingly accurate market predictions. “The resulting chaos is going to crush Americans.”

Economic trends forecaster Chris Martenson, another team member with an impressive CV, agreed with Fitz-Gerald, saying the looming dangers — largely caused by government — could potentially be catastrophic. “We found an identical pattern in our debt, total credit market, and money supply that guarantees they’re going to fail,” he was [quoted](#) as saying by *Money Morning*. “This pattern is nearly the same as in any pyramid scheme, one that escalates exponentially fast before it collapses.”

“Governments around the globe are chiefly responsible,” Martenson added.

Even more alarming, perhaps, is that the “frightening” trends are not contained just within the financial system. If and when it goes down, the world’s ability to feed itself may go down simultaneously. “What’s really disturbing about these findings is that the pattern isn’t limited to our economy,” Martenson explained. “We found the same catastrophic pattern in our energy, food, and water systems as well... Food, water, energy, money. Everything.”

Other economic analysts on the team offered similar gloomy forecasts. They warned Americans to prepare for a potentially devastating and even life-threatening collapse of all of the systems humanity depends on for its existence. Despite the increasing urgency of the warnings that have been issued for years, however, polls show few people are prepared to deal with such a major catastrophe.

At least the feds seem to be preparing. Also troubling and likely related to the brewing economic storm, according to analysts, are the federal government’s recent purchases of mass quantities of [hollow-point ammunition](#) and riot gear. More pessimistic commentators believe the U.S. government is preparing for



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an imminent, sudden collapse of the economy that would be unprecedented in human history.

Experts say that with the threat of continued ever greater “quantitative easing” — debt-currency printing — by the [U.S. Federal Reserve](#) and the European Central Bank (ECB), paper currencies could be demolished first. Other than the increasing gold purchases, analysts have pointed out as evidence that top insiders like banking magnate Lord Rothschild are [preparing](#) for such a scenario by betting hundreds of millions of dollars against the euro.

Warnings of a monetary implosion have been around for years — even decades — but recent developments may signal that the breaking point is approaching faster than ever. Governments and big banks, including most recently the [government of Finland](#), have already begun preparing for a potential euro collapse. Analysts say the dollar has only held up so well thus far because the single European currency appears even more unstable.

Billionaire Soros, of course, has issued similar warnings of doom in recent years. As *The New American* reported earlier this year, the far-left financier has also been sounding the alarm bells about a potential [economic collapse of the West](#) — along with the government crackdowns that would inevitably follow in the wake of such an implosion. For the American people, experts from across the political spectrum say, the time to prepare is right this instant.

Photo of billionaire financier George Soros: AP Images

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