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Five Trends That Will Change The World in 2016

By Rick Joyner

A geopolitical shift has taken place at the end of 2015 that could change the world more than we have seen since the collapse of the Iron Curtain. Core beliefs and values are being challenged across the globe. With such a major change of direction happening, where are we headed?

The following are the five major events that will likely define our immediate future and impact world affairs for the foreseeable future.

- 1) China stock market crashes
- 2) Falling energy prices
- 3) Russian military intervention into the Middle East
- 4) Paris and San Bernardino terrorist attacks
- 5) The Trump candidacy

We will look at each of these for the message they have, but first we will briefly discuss the most basic change factor in world affairs—initiative. In military operations and world affairs, having the initiative is necessary for success. The one with the initiative can control the battle or geopolitical situation, requiring their opponent(s) to react to them rather than the other way around. Therefore, those with the initiative have a major advantage in the confrontation. For this reason, the most important factors to look for to discern the nature of events and where they are heading are:

- 1) Who has the initiative
- 2) What are their intentions or goals
- 3) What are their resources and strategies for sustaining the initiative



Now we'll look at each of the five events having a major impact on the world and their potential consequences.

The China Stock Market Crash

China's economic growth has been a key factor impacting the world economy this century. Without it, the recovery after 9/11 or the crash of 2008 would have been more difficult, if not impossible. China is now one of the biggest economic forces in the world, rivaling the impact of both the U.S. and Europe.

Factors:

On June 12, 2015 The Shanghai Index lost one third of its value. It rebounded, but this began the most turbulent volatility of a major market possibly in modern times, even eclipsing the 1929 crash. Understanding its cause and impact on the world economy is important for understanding what we can expect the world economy to do in the foreseeable future.

One report estimated that one hundred million Chinese investors were virtually wiped out in a day. Many more than this number was also severely hurt by this crash. The Chinese economy had produced more millionaires and billionaires and created and expanded a middle class faster than any economy in history. It delivered more people out of poverty in a shorter time—a truly remarkable achievement.

China also created a huge number of consumers that drove industry around the world. The June crash, dramatic recovery, and then a worse crash over a few week period unnerved more than the Chinese—it alarmed everyone who understood the interconnection of world economics. This will no doubt majorly impact the rapid growth of the Chinese's purchasing of the world's goods, with huge ramifications.

The Western media hardly covered this remarkable event, possibly because only about 1.5% of Chinese stocks are held outside of China. Another reason is China's control over its media. In the free media, panic can be created and driven by the media. China clamped down on their media, likely preventing a far worse catastrophe. They also quickly shut down trading by major companies and stockholders.

This strategy can work in the short term, but the lack of transparency also breeds suspicion, long-term concern, or fear that can hurt a free market even more. The Chinese leadership is smart enough to know this, but the potential for catastrophe in the short term was so great, they felt they had to take drastic measures.

Chinese authorities blamed the crash on rumors and fear mongering. If true, fear and rumors will be a continuing problem for the Chinese without transparency. Their markets stabilized because of the controls, but when those controls were lifted a little, the markets fell another 40%. They've recovered some, but the factors that initiated these



shockwaves have not been addressed—the lack of transparent accounting and the true value of their currency, the Yuan, that was arbitrarily set by the government.

Although it's impressive how well the Chinese government handled the crash without prior experience in anything like this, the IMF's recent decision to designate the Chinese Yuan a reserve currency seems to be more political than economic. This was likely a move to help stabilize the Yuan, but this too could have a destabilizing affect on other world currencies—we'll see.

It is no secret that the Chinese would like to see their currency replace the dollar as the world's top reserve currency. Even with their problems, they are headed that way because of the over-regulation and over-taxation shackling the U.S. economy.

BOTTOM LINE:

This will not likely bode well for the U.S. dollar or economy. The potential effect of the Chinese market turmoil to destabilize the rest of the world is substantial. Again, Chinese economic growth, and the creation of such a huge middle class and consumer base, may be the single biggest factor sustaining the world economy after the 2008 crash. Basic economic indicators point to increasing weakness in the world economy at a time when one of its biggest economic engines, China, will slow down.

A slide into a recession in 2016 looks not only possible, but seems inevitable. The recovery since 2008 would not likely exist with China, and it has still only been a shallow, weak recovery. Now the world cannot count on growing Chinese consumption to bail them out.

The turmoil in China will impact the world economy negatively by slowing its consumer spending. At the same time, China is seizing the initiative to become the world's reserve currency, giving them increasing leverage over the world economy. This is not the result of strength in their economy as much as Chinese leadership and decisiveness. As Donald Trump accurately pointed out, "Their leaders have been smarter than ours."

Without a major change in U.S. economic policy, China is in the best position to take and hold the initiative in world economics for the foreseeable future. This is happening in spite of the fragile nature of the Yuan. Chinese equity markets have more to do with the incompetence of U.S. and European economic leadership than brilliance on the part of the Chinese. That China has seized the initiative in the world economy after suffering such dramatic turmoil in its own economy is a clear indication of the kind of jeopardy the world economy is in.

Falling Energy Prices

Along with the growth of Chinese consumerism, falling energy prices have been a major driver of the world's economy in recent times. The effect has been like having a trillion dollar stimulus infused into the U.S. and E.U. economies each year. Combined with



“Quantitative Easing” (QE), the artificial dumping of almost another trillion dollars into the economy each year, the U.S. economy is just barely inching along, indicating how gummed up the works are in our economic engine.

Falling energy prices may have bought us more time to fix serious issues in the economy, but without decisive leadership that will actually fix things, we will inevitably suffer the worst economic disaster in our history. Falling energy prices are mostly the result of falling demand for energy, a sure sign that much the world’s economy is weakening.

Russian Intervention in the Middle East

Russia’s economy has been devastated because it is a petroleum-based economy, and falling energy prices have it near collapse. However, Putin has emerged as the most decisive world leader. He has seized initiative in world affairs and become a major player in world economics.

Putin’s move into the Middle East was not just about propping up the Assad, a man Putin has shown disdain for, in Syria. Neither is his alliance with Iran the result of his love for that regime. He has brilliantly positioned Russia to use both of them in a bold move to threaten Saudi Arabia and the other oil producers in the region. This will drive up oil prices, thereby saving the Russian economy.

This is bold and brilliant, and a decisive man like Putin will likely carry it out. The recent shooting down of a Russian plane by Turkey gave him more cards to play. Cutting off Russian tourism to Turkey can devastate that country’s economy. It also has the potential to create major turmoil in NATO, ultimately securing the Russian southern flank by bringing a capitulating Turkey under Russian control. Putin is smart enough to play the cards he’s dealt, and it’s not likely the Russian/Turkish crisis will go away until Putin has gained a great deal.

Another factor is that almost all NATO countries are dependent on Middle Eastern oil. If Putin is ambitious (and he seems to be), he could break up NATO and bring many of the nations under Russian influence. This would force the E.U. to stand down and not interfere in his actions against Ukraine or other former Soviet states while freeing him for other adventures.

America alone has the power to counter Putin, but his decisiveness combined with the ineptness of American leadership could not be setting the tables better for him. The U.S. and Canada could now be producing enough energy to support the E.U. so that it does not have to depend on Saudi Arabia or Russian energy sources, strengthening NATO at a time when it is increasingly needed. Policies like killing the Keystone Pipeline could have bad consequences. At the very least, this will likely prove a major missed opportunity strategically.



BOTTOM LINE:

Expect energy prices to rebound in 2016, though they could drop even more before this happens because of the weakening world economy. When they start back up they could return to previous levels faster than they fell. This will be like a reverse of the stimulus at the worst time for Western economies, wreaking economic havoc on the U.S., the E.U., and many other countries.

Russia does not need energy from outside sources, but they do need the price of energy to go up. China is desperate for dependable and cheap energy. They did not join Putin's Middle East adventure without a purpose. China will likely soon have virtual control over Saudi Arabia as part of this deal.

Understanding the power of the Russian/Chinese alliance combined with weak American resolve has much of the world looking to Russia and China for leadership. The end result could be the worst economic disaster in history for the U.S. and the E.U. At the same time, Russia can get back on its feet economically and China will be the most powerful economic force in the world as the stable source of cheap energy (for them).

Together, Russia and China are systematically and effectively seizing the initiative in the world economy, and by that world affairs. No other leadership in sight can counter it. This is the extraordinary geopolitical shift now taking place. Its implications are as far reaching as the fall of the Iron Curtain, but this time to the advantage of the former communist states. This leads us to the fourth factor to have a major impact on the trajectory of world affairs.



The Paris and San Bernardino Terrorist Attacks

How could such evil deeds by as few as ten people have such an impact on world affairs? Because there is a vacuum of leadership. When President Obama used the extraordinary platform of a prime-time Oval Office address to virtually say nothing except what we shouldn't do, this increased American jitters, and rightly so. It seems every move the Administration makes to calm people is counterproductive. This is because most people are smart enough to understand the politicians try to come up with politically correct and expedient solutions instead of a real strategy.

Even so, the Paris and San Bernardino attacks did a lot to wake up the people. This awakening is helping to throw off the delusions of unrealistic idealism and political correctness. This is crucial for sustainable war that will defeat ISIS and other groups whose primary strategy is terrorism.

Although French and British leadership are waking up some, it is an awakening among the people that is creating a sharp turn to the right in Europe. Putin has chastised Europe for its attempt at multiculturalism, what he called "cultural suicide." More Europeans are agreeing with him. Now not only Europeans but also the American people see Putin as the leader most capable of defeating ISIS and other terrorist organizations.

BOTTOM LINE:

As the saying goes, “If you do not change your direction you will end up where you are headed.” This is where the world is now headed—a major economic slide in the West along with a corresponding decline in leverage in world affairs. This has the potential to destabilize populations because of the government’s failure to provide security and defense—its most basic responsibility.

The U.S. still has the most powerful economic engine in the world, but as previously stated, overregulation and over-taxation has gummed it up. Without leadership that changes both of these, America will continue its economic decline with the increasing probability of the European Union fracturing and likely NATO disintegrating. It will take the most extraordinary leadership in our history to seize the initiative from the powerful Russia/China partnership.

This leads to the fifth major factor impacting the pivotal year of 2016.

The Candidacy of Donald Trump

It is probable that you either really like Donald Trump or really don’t, but his candidacy helps us understand the times like few things can. Like him or dislike him, his candidacy is a revelation of the times we neglect to our peril.

We hear the media pundits say almost nightly, “the American people want this (or that)” when it’s obvious they are out of touch with the American people. This is likely because they are trying to project onto them what they want. It may be their job to understand current events, but the people with real jobs don’t have the time to want much depth. They often want the bottom line and to trust their leaders to know and take care of the details. This is why simple messages like “hope” and “change” worked so effectively.

What almost everyone does seem to know is that we’re like a ship without a rudder when it comes to the most important and threatening issues. In times of confusion and chaos, people gravitate to strong, decisive leadership. Like him or not, Trump is the kind of person people turn to in such times.

It was recently reported that in one day there were about 2,500 mentions of all of the candidates combined, excluding Trump. On that same day, Trump was mentioned almost 65,000 times. That was media dominance by a candidate never before seen. Even though a lot of this coverage was negative, it got Trump’s message out. He was almost totally controlling the conversation.

Like what Trump says and stands for or not, he projects decisiveness unlike the other candidates. In times of peace, likability is often considered a better quality for a candidate. In times of war or crisis, strength and decisiveness will almost always win. That’s why the U.K. so despised the pugnacious Winston Churchill during times of peace, but almost all turned to him when war became inevitable.



One more terrorist attack on American soil like the one in San Bernardino and Trump could be a shoo-in for the Republican nomination. With the way events are trending for 2016, he could be our next President.

Depending on your perspective, this scenario presents either the greatest opportunity for the U.S. to retake the initiative in world affairs and economy, or it presents the greatest danger. Coming events will clarify which it is, but conditions are careening toward the time when strong, decisive leadership that can seize the initiative will dominate our future.

There are other factors also affecting current events and trends. Many of them could arise to become a major one, but at present, this is a brief evaluation of major trends from the natural perspective. In the next *Bulletin*, we will cover the spiritual.

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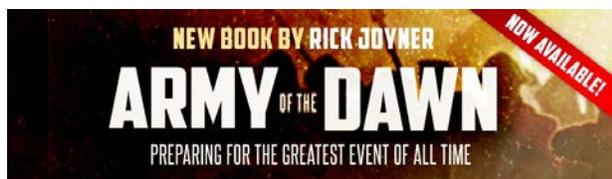
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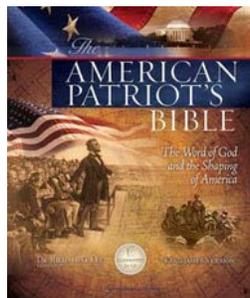
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