

China's economic rescue missed by main stream media

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While the rest of the world is transfixed by the latest bailout of the Euro zone, China has stealthily conducted an economic rescue on quite a large scale.

RIO have uncovered important data out of China last week which strangely received very little to no media attention. China's Local Government utilized a structured financing vehicle to restructure \$463 billion in bad loans made to various infrastructure and development projects as part of the Chinese stimulus package. This is nothing short of a bailout similar to that of TARP when Treasury Secretary Hank Paulson transferred billions of toxic debt to the US government's balance sheet.

Although this bail-out of \$463bn is only half the size of the TARP introduced by Paulson as part of his solution to the 2008 crisis, **the reason why this is bigger than perceived is that, for an economy which is only one-third the size of that of the US, once an adjustment is made for GDP China has just announced an emergency bailout one and a half times larger than TARP! And one and a half TARPs implies a financial crisis one and half times the order of magnitude of 2008.**

In other words, China has very quietly and stealthily buried a massive bailout receiving just one Reuter's mention in passing. Investors seem not to have noticed this news release. While nobody seems to care they should certainly do so, since China is full to the gunnels with excess dollars. All that has happened is that the Chinese government, in order to bail out its own problem, effectively diverted money in the form of a government fund that would have been otherwise recycled to purchase US paper.

The result has been a crisis that has been silently averted below the radar of most investors by a centrally planned regime managing to do what the Fed and the ECB have been coping with so well for the past 3 years.

As always RIO brings you the news before the main stream media has uncovered the story! This should break in the coming weeks. To make my point very clear information is quite literally money when investing. Having access to the facts before its picked up on by main stream media I can take an investment position before the arrival of the investment heard with predictable result!

William Gray