# Article information:

MyEWI | Club EWI | Preparing for Difficult Times  
<https://my.elliottwave.com/products/club/content.aspx?id=940655>

# Article summary:

1. The article discusses the risks in banking, including bank closures, restrictions on withdrawals, and the vulnerability of banks to runs during a depression.

2. It emphasizes the importance of liquidity in banks and suggests that depositors should choose safer banks with higher liquidity ratios.

3. The article provides recommendations for safe banking in the United States and worldwide, including using independent bank-rating services and considering smaller, more conservative banks. It also mentions a little-known Caribbean-based bank with a high liquidity ratio that may be a safe option for depositors.

# Article rating:

Appears moderately imbalanced: The article provides some useful information, but is missing several important points or pieces of evidence that would be required to present the discussed topics in a balanced and reliable way. You are encouraged to seek a more balanced perspective on the presented issues by exploring the provided research topics and looking at different information sources.

# Article analysis:

The article titled "Preparing for Difficult Times" discusses the risks in banking and provides suggestions on how to prepare for a potential bear market. While the article raises some valid points about the vulnerabilities of banks and the importance of liquidity, it also contains several biases, unsupported claims, and missing evidence.

One potential bias in the article is its negative portrayal of government intervention in banking. The author criticizes the FDIC's deposit insurance scheme, arguing that it removes banks' motivation to be conservative with customers' money. However, the article fails to acknowledge that deposit insurance is designed to protect consumers and maintain confidence in the banking system. It also overlooks the fact that without such insurance, bank runs and financial panics could be more frequent and severe.

Additionally, the article suggests that smaller, locally-run banks are safer than larger institutions. While it is true that smaller banks may have lower exposure to risky assets, they may also lack the resources and diversification of larger banks to weather economic downturns. The article does not provide a balanced assessment of the pros and cons of different types of banks.

Furthermore, the article makes unsupported claims about the risks posed by derivatives held by banks. It states that if a speculator on the other side of a derivative trade cannot pay off their obligations, it could lead to bank failures. However, it does not provide any evidence or data to support this claim or explain how widespread this risk actually is.

The article also promotes a specific offshore bank as a safe option for depositors without providing sufficient evidence or analysis to support this recommendation. It mentions a high liquidity ratio and attractive interest rates offered by this bank but does not provide any information about its regulatory oversight or track record during previous financial crises.

Overall, while there are valid concerns raised in this article about banking risks and liquidity issues, it lacks balance and critical analysis. It presents certain viewpoints as facts without providing sufficient evidence or considering alternative perspectives. Readers should approach the information presented with caution and seek additional sources to form a well-rounded understanding of the topic.

# Topics for further research:

* Government intervention in banking and its impact on financial stability
* Pros and cons of deposit insurance in maintaining confidence in the banking system
* Comparison of the safety and stability of smaller
* locally-run banks versus larger institutions
* Risks associated with derivatives held by banks and their potential impact on financial stability
* Evaluation of offshore banks in terms of regulatory oversight and their track record during financial crises
* Analysis of liquidity ratios and interest rates offered by different banks and their implications for depositors' safety.

# Report location:

<https://www.fullpicture.app/item/27ffbe1254263eec5ad6be322a1f5017>