

MARKET STOCKS YOU SHOULD OWN WITCH™

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Market Witch is a compendium of theory, context, and information about the equities markets and the factors which affect them. Market Witch offers the broadest and most comprehensive perspective of any financial monthly you can buy. We focus upon what occurs in our culture, and others, that affects the equities markets, how we profit from it, and how you can, too.

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SANTA CLAUS DRIVES A CHRIS-CRAFT: LIFE AT THE NEW NORTH POLE

INDIA's TATA's

The MW STRONG BUY Lists

Santa Claus lives here:

[Northwest Passage & the Northern Sea Route](#)

on the ice sheet between the Northwest Passage (USA & Canada) and the Northern Sea Route (NorthEast Passage) (Russia). There *is* no 'orderly balance' in nature: our world is chaotic scary & changeable. Weather *may* be our fault, but it probably isn't. The Northern polar region is likely to become open sea. What it means economically:

A quick prologue: Nature, never especially friendly toward hominids, has been on a rampage so far this year. Earthquakes in Haiti Chile Turkey Sumatra Solomon Islands starting off with a 6.5 one just off the North California coast on New Years Day and heading toward an 8.9 a 7.9 and a 7.6 in Chile. Plus record snows then record floods in Europe. And record drought then floods in Australia. The fiercest winter in a century in the US, including all-time record snowfalls and snow in Dallas/Ft Worth and Central Florida.

A whole lot of things are going on at once.

These include:

-Changes in our sun's sunspot activity, which always affects weather and the activities of animals & plants

- Changes in the patterns & flow of the world's ocean currents, which can make warm places cold and cold places warm

Changes in the positions of jetstream wind currents, which has moved weather patterns off where they were before

-A change the earth's electromagnetic field, which shields the earth from deadly solar rays and which can affect the earth's heating and cooling. And which some scientists believe may be about to change polarity fields (PhD's call this a 'geomagnetic reversal' and it may only happen once in 750,000 years) (view the earth as a dynamo, a magneto, an iron-core generator, to better understand how this works)

-A possible Early Warning of a true geologic pole shift, the earth changing its tilt on its axis, a concept fashionable in hip circles since the Haight Ashbury as retribution for our failure to husband the earth but which has been around for centuries. The Chile quake caused a tiny version of this, altered the pole angle minutely, moved the city of Santiago by ten feet

-A possible strengthening of the world's volcanic activity, which can affect earthquakes, or a change in earthquake activity, which can activate increasing volcanic activity

These shifts-including some enormously (eons) long, some moderately short by Nature's standards (a century) some quickies (3 5 12 years) are moving/have moved the weather belts... and arctic weather sweeps central USA, while the true arctic weather has been mild. Meanwhile, @ the South Pole, where there actually is a land continent, the ice is growing thicker. Go figure.

There is a tendency to blame all this on Corvette dealers, cattle farmers, incandescent lighting in cities so bright it can be seen from deep space, too many trucks cars & freeways, etc etc. More likely these changes would be happening whether man lives here or not although we don't think 7 billion humans on the planet at any one time is a good idea. One thing for sure: Century 21 is much different from Century 20.

Beliefs don't count for a lot: if you believe in 'intelligent design' an Earth Correction is under way... and we humans may be mice under a bulldozer.

If you believe we're alone & godless in a cold unfeeling & unsympathetic universe, we may be about to have more trouble maintaining stability and civilization & survival than usual.

At MW, we do not care about the political aspects of climate change. We are interested in economic outcomes & economic consequences.

One consequence of the warming of the North Pole: the arctic tundra-and the permafrost under it (2000 feet deep) is softening & melting.

A second one: the Arctic Ocean's Polar Ice Cap is melting. A result is that a new all open-all-year shipping route around the top of Alaska and Siberia is beginning to open. Estimates range from 2013 to 2050. As usual no one knows. But so much polar ice has melted during the past 20 or so summers that the legendary Northwest Passage (our US/Canadian side of the polar passage) will almost certainly open. At first for part of the year. But possibly, in a half-century, all the time.

What this will do: it will cut thousands of miles off shipping trips between Asia & Europe and between Asia and the East Coast USA, between Northern Europe and West Coast USA. A great deal of shipping traffic will no longer travel a longer route, through the Panama Canal. Shipping will go right through Santa's Workshop.

This is all *starting* to happen already. In the summer of 2008, two German tourist ships made it through the NW passage. *Now, travel agents are booking reservations for seatourism trips through the NW Passage. You can buy one now. It's about \$7thousand*

Commercial shipping operations-which adhere to different and more stringent regulations, require more long term planning and which cannot risk having to retreat and go from arctic circle to Panama Canal- and cant just *turn around & go home, as tour ships can-* are likely to follow these pioneer tour ships in five years...once the Passage seems more dependably navigable.

A single container ship-drybulk- using the Northwest Passage route to reach NYC from China could save up to \$2million in fuel costs and Panama Canal tolls. That'ss \$2million per ship per voyage, got it? A lot of money.

The Northwest Passage is projected to open to regular shipping commerce, during the summer, in five years.

And a few years later: open water for at least three seasons of every year.

The Russian side of this Passage, called the Northern Sea Route, sometimes called the NorthEast Passage, has been in use *since the 1930s*.

Why? Because the Russians don't see Winter as an obstacle. They use icebreakers to break a channel through, on their side, and they have for 80 years. In the summer of 09, two German commercial cargo vessels made it through, the first non-Russian ships ever to do so.

The United States is no longer entrepreneurial and instead of exploiting resources, spends its time apologizing to the rest of the world for having been rich successful and smart (we no longer are any of these things tho we may be able to get them back). So US interest in an open Arctic Circle mostly has

to do with border issues and “security” issues (as we shall see in a moment not everyone feels this way).

The opening of North Alaska waters and the NW Passage *does* throw a new set of responsibilities in the lap of the Coast Guard.

It will mean that under current legal structures the US Coast Guard must become responsible for the security & defense of more than 1000 additional miles open Alaska coastline, from the Bering Strait to the NW corner of Canada’s Northwest Territories.

(we view ‘defense’ in the arctic as a minor concern: everyone will simply want to get their ships & cargo through thru the NW passage and get to where they’re going, unload the cargo and cash the check. Who hates us? The Taliban? Islamicists? Attacks in the Arctic? These are not cold-weather people. They dont even wear socks)

Cargo ships are even now being built and already in the water that are so large that they cannot fit through the Panama Canal, which will likely in ten years or so become a 20th century relic, a matter of mostly historic interest.

As the Arctic Circle becomes open water, this top of the world trade route will become one of the busiest places on earth.

Look at a world map, and look at earlier historic maritime trade chokepoints: Gibraltar, Suez, Panama Canal, the Bosphorus.

The Bering Strait, on one coast owned and controlled by Russia and on the other coast controlled by the US, is about to become, will become, the busiest shipping lane on the planet and the new 21st century chokepoint for world shipping. We will not only see this happen in our lifetimes; we may see it by the end of the decade.

An issue that no one NO one has talked about:

Russia and the USA *could* charge a *TOLL* to bring cargo through the Bering Strait. Historically, we cant find ANY reference to countries charging a toll fee for passage through any natural straits: Bosphorus, Gibraltar etc. But Countries *have* historically charged toll fees for Suez, Panama, St Lawrence Seaway, etc.

ONE THING FOR SURE: NATIONS WHICH AT ANY GIVEN TIME CONTROL THESE CHOKEPOINTS HAVE HAD- AND WILL HAVE IN THE FUTURE-REMARKABLE POWER OVER BOTH CONTEMPORARY COMMERCE AND THE HISTORY OF THE WORLD. Right now those countries are Denmark & Canada to a lesser extent and to a greater extent RUSSIA & the USA.

Even more important: The North Polar Region, unlike Antarctica, which is a continent, like Africa,

has no land mass. It is a shallow sea, with ice over the surface. But under it, in the relatively shallow sea floor, are an estimated 22% of the world's undiscovered petroleum and natural gas reserves. Probably a lot more. Plus of course all those mineral resources.

Then of course there are the unspeakable mineral wealth deposits of Siberia and in Canada's Northwest Territories. Gold silver iron al titanium copper zinc platinum diamonds etc etc etc.

Then of course there is all that methane that theoretically could be released (and used as fuel) if the permafrost were to soften and we were to bother to harness the escaping methane...

But for the moment let's just stick to the arctic sea floor. The area under Santa's Workshop.

Under a 1982 international treaty called the Convention of the Law of the Sea, Arctic nations (Russia & Canada but also Denmark, which owns huge Greenland, a place the size of Western Europe, and also Norway) can claim sea floor as national territory if they can prove and show, by mapping the ocean floor, that the areas are natural extensions of their continental shelves.

The implications are staggering. At stake: ownership of tens of trillions in resource assets. The greatest divvying up of lands on earth in centuries. Possibly ever.

The US of course is, as is de rigeur in our apologetic modern times, clueless and woefully behind in this race to develop its territorial arctic claims.

Russia and Norway have already submitted claim applications to a United-Nations-based commission that will assist in determining ownership. Russia and Canada already have beefed up Arctic military forces in the arctic, which is something we should be doing but aren't. And Canada already has installed sensors on Devon Island to detect rogue ships.

Meanwhile the US is concerned with the rights of terrorists and whether to try them in a civil court in Manhattan, trying to hush up Ft Hood, and trying to make Americans OK with commercial air travel despite Nazi-like public air travel hurdles. And worrying about whether it is Ok for a US kid to buy a Snickers Bar™ at school.

US turf in the Arctic Circle obviously should be handled by the Navy. As Russia is doing. Russia, with its serious Arctic- acclimatized navy and its fleet of icebreakers (the US has two) has dominated this region for 80 years. The US stands to gain undersea continental shelf territory the size of California, with correspondingly rich resource wealth.

But if we're not careful, Russia will get it. It may already be Russia's. In 2007 dropped a titanium flag on the ocean floor at the North Pole, under Santa's Workshop. Some Russian legislators already believe: "the Arctic is ours."

Worse still: the US didn't ratify this 1982 treaty because some US senators, citing "national security"

(@!1!2#1?? Please explain this to us) blocked ratification of the treaty for more than two decades. Now the US, busying itself with gay marriage cholesterol and other important matters has little say in the guidance and guidelines for these territorial claims.

This is a transition that is beyond our control. Despite what the USA's liberal/progressive media press special interest groups and politicians tell you, it is probably not our fault.

Some nations- notably Russia Canada and Denmark- will get rich from this. The US probably will not.

Of course some- or all of- these earthly Nature and weather factors and markers we mentioned @ the prologue beginning of this piece could move and shift and drift yet again...and the weather could change back. The whole entire area could simply ice over once more...forcing Santa to sell his Chris-Craft and give up his speedo and his water skis and go back to reindeer and a sleigh. And leaving the polar bears the permafrost and the Russian icebreakers.

WATERWORLD: SHIPPING & SHIPBUILDING

-Frontline (FRO) (Bermuda) a favorite. Global. Transoceanic shipping. 83 tankers 41 drybulk cargo, 30 SuezMax crude tankers etc. also involved in commercial ship purchase sales & leasing. 3.3% div. STRONG LONG-TERM BUY

-Ship Finance Ltd (SFL) (Bermuda) a favorite. global oceanic shipping, conservatively managed.

33 tankers 8 bulk cargo/iron ore carriers, plus drybulk carriers chemical tankers, 8 container vessels and in process of taking delivery on five more, plus a complete array of offshore maritime petroleum biz ships drilling rigs & service vessels for lease. Div \$1.20 yield 6.2% STRONG LONG-TERM BUY

-AP Moeller Maersk A/S (MAERSK B: CPH) (MAERSK B:CPH)(LSE:0JGD) (USA AMKAF:PK) (Denmark) global shipping, oil drilling & production, & shipbuilding, plus 20% ownership of Denmark's Danske Bank. Operates THE fastest biggest and most advanced cargo ships on the planet. These are machines too big to get thru the Panama Canal but Pole-ready as Arctic Circle opens. Operations in 130 countries. *We like the Copenhagen shares (up 74.3% YOY) or LSE shares best but the USA shares are up 23% YOY as well* STRONG BUY

-Nordic American Tanker Ships (NAT) (Bermuda) Oil biz. Well-managed. 15 double hull SuezMax tankers. UNDERVALUED

-Paragon Shipping (PRGN)(Greece) fleet of 7 Panamax drybulk freighters and two huge Supramax drybulk tankers and more, \$242mil smallcap, profit margin 43% QEG YOY 27.6%, UNDERVALUED

-Star Bulk Carriers (SBLK) (Greece) \$170mil small cap 12 vessels: ore and drybulk. Dividend 7.2% UNDERVALUED

-Kirby (KEX) just about all aspects of the maritime oil transportation biz. They repair diesel engines, they have 863 tanker barges 213 towboats. EPS 2.36 P/E 15.2 profit margin 11.64% well managed, should pay a div.

-DHT Maritime (DHT)(Channel Islands) predominantly petroleum transport, three huge carriers 2 SuezMax, four AfroMax, market cap \$199 mil Enterprise Value \$434mil, leveraged, profit margin 17%, new CEO

-Paragon (PRGN) (Greece) drybulk cargo shipping, 12 ships inc two huge ones, profit margin 43%, Market Cap \$242mil, Enterprise Value \$441mil, leveraged

-Danaos (DAC) (Greece) 41 containerships plus vessels for charter to liner co's. Market Cap \$250mil Enterprise Value \$2.79 billion, profit margin 24%, annual revenue \$313mil, highly leveraged, SPECULATIVE STRONG BUY, BUYOUT CANDIDATE

-Overseas Shipholding (OSG) NYC-based, fleet of 106 vessels, tankers & bulk shipping, primarily petroleum, EPS \$2.61 div \$1.75 yield 3.90% Market Cap \$1.17bil Enterprise Value \$2.51bil, UNDERVALUED

-Navios Maritime (NMM (Greece) drybulk plus tankers, 10 PanaMax ships 1Capesize 1Ultra HandiMax, profit margin 37%, P/E 13 FWD P/E 12 div \$1.64 yield 9.4% A MARKET WITCH BEST BUY

-Seaspan (SSW) (Marshall Islands, fleet based in Hong Kong) drybulk cargo ships, Asia-Pacific service, fleet of 35 container ships, *taking delivery on thirty more over next three years, FWD P/E 5.19*

-Diana Shipping (DSX)(Greece) drybulk cargo shipping: coal ore grain and bulk containers, global, 13 Panamax 6 Capesize ships, #24 in Fortune's global 100 fastest-growing co's. P/E 9.5 FWD P/E 9.6, profit margin 50.76% UNDERVALUED

-Dryships Inc (DRYS)(Greece) global drybulk commodities/cargo shipping, 41drybulk ships, 7 capesize, 27 Panamax 2 Supramax, 3 under construction, Market Cap \$1.51bil Enterprise Value \$3.5bil FWD P/E 5.22 UNDERVALUED *PROB BEING BOUGHT BY MAERSK*

-Excel Maritime Carriers (EXM) (New York) drybulk oceanic shipping, 47 vessels, Market Cap \$482mil, Enterprise Value \$1.64bil, major holders are Blackrock & Bank of NY, UNDERVALUED

-General Maritime (GMR) Market Cap \$432mil, Enterprise Value \$1.5 bil, 55mil shares out, UNDERVALUED

-Claymore/Delta Global Shipping (SEA) (ETF) P/E 10.42 YTD return 27.58% STRONG BUY

Who Builds Ships?

Korea is the world's #1 shipbuilder. China is now 2nd, Japan 3rd. China, with its 9.5% growth rate, overtook Japan a few weeks ago

-Hyundai Heavy Industries (Korea)(KSC:A009540) (USA: HYHZF)world's largest shipbuilder. Korea shares up 27% YOY, USA shares cost a fortune but are a LONG-TERM STRONG BUY

-Samsung Heavy Industry (Korea) (KSC:010140 (USA: SMSHF) Korea shares up 16% YOY, little data available for USA shares

-CSSC (China State Shipbuilding Corp) (Jiangnan Heavy Industries LTD) (SHH: 600150)

-Guangzhou Shipyards Intl (SHH: 600685)

-Mitsubishi Heavy Industries (Japan) (TYO:7011) (USA: MHVYF)Japan's largest, \$21.7bil annual sales TYO shares up 23% YOY, USA shares are up 37% YOY and are a STRONG LONG TERM BUY

-Mitsui Engineering & Shipbuilding ((Japan) (TYO:7003) (USA:MIESF) Japan shares are up 42% YOY, USA shares are up 28% YOY and are a STRONG LONG-TERM BUY

Notes: Oceanic global shipping was THE most-damaged global service trade following the USA-caused global financial collapse of 08 & 09. These shares now recovering BUT ARE CHEAP compared to what they'll be in a year or two. Steel was second most trashed, mining third. *We think shipping and shipbuilding will become one of the decade's strongest long-term investment plays, up there with iron ore, steel, copper, wind, and fertilizers. We are looking for additional investment opps in companies outside the US that are building the 21st-century freighters that will ply these open global waters.*

COMPASS POINTS

US govt officials began installing the first of 150 full-body scanners in American airports last month. The first two went to Logan and O'Hare. These units cost between \$130,000 and \$170,000 each. Homeland Security spokespeople say all 150 will be installed by the end of June.

It's another instance of the govt harassment and the restriction of the freedoms of American people while refusing to incorporate Islamic profiling,(diversity, you know: we're all equally suspect) which would much less than the tens of millions these machines cost. The govt says 68% of Americans are ok with the technology... which simply means 68% don't know any better, have been spiritually crushed by their leaders, are afraid to speak out about what really needs to be done (note the absolutely dead silence from your leaders about Ft Hood) and are docile sheep. Meanwhile commercial air travel, already a black comedy nightmare (\$8 for a blanket) just got worse.

These body scanners were purchased with money from President Obama's stimulus plan \$ from Feb 09.

If Americans simply refused to fly commercially for as short a time as two weeks, and demanded that our govt look for danger where danger really lurks, all this harassment would suddenly disappear.

Meanwhile: we suggest that you only fly if you are traveling outside the US to somewhere that cant be reached by surface travel. And that if you need to travel in the US, instead use teleconferencing or buy a big fast comfortable car and use it. No taking off your shoes, no body searches (yet) on US turnpikes.

Who makes body scanners? Germany's Siemens (SI) (STRONG BUY) USA's General Electric (GE) (We wouldn't TOUCH GE stock unless they fire the CEO)

TRADITIONAL INVESTMENT SKILLS Water Redux: Toward the Future

Here's last month's "water wealth" list from our Feb 2010 issue on water.

Sometimes, as new circumstances develop, 'traditional' views are inadequate.

Brazil has 14.9% of the world's total available fresh water

Russia 8.1%

Canada 6%

USA 5.6%

Indonesia 5.1%

China 5.1%

Colombia 3.9%

Peru 3.5%

India 3.5%

The Dem Republic of Congo 2.3%

As we mentioned last month, these are the countries which have "free" water—water that is already there, and which they don't have to buy, manufacture from salt water,, or go to war for. As fresh water becomes a scarcity, and expensive, these ten countries have an enormous economic advantage over

other countries.

Invest in these countries. And in High Net Asset Value companies that have holdings in these “water-wealthy” countries.

It’s that simple.

AMERICANA

Can you say *Catch-22*, boys and girls? Purchases of *consumer goods and services* constitutes about 70% of the USA’s GDP. People tend to just assume that the US economy *always* had those 70/30 proportions *but it didn’t*. *It used to be 50/50 or and even more accurately 60/40-- 60% manufactured goods crops etc made in America grown in America and the services economy was only a small part of the economy 40% or LESS*

This 70/30 is *not good for America, people*. When you go to a polarity therapist *no wealth is being created*. When you buy copper pipe from a co in Chicago or a Jeep made in Toledo or invest in iron ore mining co’s in the Mesabe range *wealth is being created*. When you go to a Wal-Mart and buy something made in china, wealth is being created, because a value-added product is being purchased, *but it creates wealth for the Chinese, not for us*. Wealth is being created *to some extent*, when someone @ Pizza Hut makes a pizza and sells it... but if Costco sells you a consumer electronics item made in China, *no wealth is being created for America*. *We can’t create a ‘recovery’, people, based on creating a larger GDP based on people calling Roto-Rooter. Got it?*

The current thinking is that the way toward a US ‘economic recovery lies in raising the GDP and that raising the GDP means *more Americans buying more consumer goods an services*.

Out of work people can’t BUY more stuff. One in six Americans is on food stamps: they can’t even buy toothpaste.

And if all that consumer ‘stuff’ is no longer made in the USA, it does not create wealth it does not even contribute to creating wealth.

Wealth is created by growing wheat. And inventing things.

Can you say Catch-22?

We need a new foundation.

That’s gonna be real hard to do without a clean sweep in Washington, PLUS re-establishment of some old-school American values.

ENERGY & FOOD

[Brazil's Cerrado](#) is one of the last agricultural frontiers on earth. And maybe the best: Subsaharan Africa could be prepped for this...with a great deal of sweat equity desalinization plants and irrigation...but Brazil's cerrados are nearly ready-to-go-right now. These savannahs, covered by grasses and scrub bushes & trees, cover some 22% of Brazil's entire lands: and area eight times the size of the UK. These plains already have a good water supply, and abundant rainfall. This is also one of the oldest natural topsoils in the world...untouched in most parts by *anyone or any agriculture for tens of thousands of years, maybe ever, in some places the soil is 65 feet deep*. The soil in many places is acidic- high in aluminum oxides. And in that condition, low in fertility. By adding lime and phosphate fertilizers (Now you know why Vale (VALE) bought Bunge (BG) and why Potash (POT) Mosaic (MOS) TNH, etc, are STRONG BUYS) and by planting restorative crops like soybeans (a \$\$\$\$ cash crop) and oilseed crops like crambe, these cerrado soils can be turned, easily and quickly into very very productive farmlands. *Even now, the cerrados already produce 54% of all the soybeans harvested in Brazil plus 28% of the corn and 60% of the coffee.*

Sugar cane, however, is even more profitable in Brazil than soybeans, and soy is a huge wealthmaker crop. Why sugar? Ethanol... soon to make Brazil to renewable energy what Saudi has been to oil. More next month.

COMMODITIES

-Gold: Global Fair Value \$1620 currently \$1098. If you *buy a 1 oz gold bar, \$1620 is its actual value in April 2010 dollars. \$1000 gold made gold mining highly profitable, meaning more exploration, more new mines, and more gold coming out of the ground. Gold has become the new global money. Now, four years later, even Marc Faber says so*

-Global Gramweight Gold: \$39.10/gram

-Gold Maple Leaf : \$1171

-Krugerrand: \$1171

-Gold Eagle: \$1182

-1 oz gold bar: \$1122

Note that although spot gold is below 1100, prices for key gold coins have not fallen at all: gold is the new money

-Platinum: Fair Value \$1914, currently \$1581 *to play rising platinum: ETFS Platinum Trust (ETF)*

(PPLT). To play falling platinum: SPLA, PTD

-Platinum bar 1 oz: \$1656

-Platinum Maple Leaf 1 oz: \$1726

-Platinum Eagle 1 oz \$1726

-**Notes:** *to our surprise*, platinum has monetized before silver has, thanks to its increasing use as a key currency of the Global Outlaw Economy. China has been the world's largest market for platinum jewelry *for ten years*

-Silver: Fair value \$26.20 currently \$16.62 *the current gold/silver ratio is approx 60:1 Historically (over centuries and millennia) this ratio is 12:1-15:1...to play rising silver: SLV*

-Silver Eagle 1 oz \$19.72

-Silver bar 100 oz \$1776

-Silver bar 1000 oz \$17080

-Copper: Fair Value \$4.48 currently \$3.32 we think 5.02 copper is in the cards

-Aluminum: Fair Value \$2.20, currently \$0.99 *aluminum will eventually become the century's most useful structural metal- lightweight, easily malleable, easily-worked*

-Zinc: Fair Value \$1.54, currently \$1.003. In theory, zinc can be used as an energy source

-Nickel: Fair Value \$19.20, currently \$9.89 *To play rising nickel: VALE & MTL*

-Palladium: Fair Value \$566 currently \$453 *To play rising palladium: ETFS Palladium Trust (PALL) palladium ETF*

-Steel: iron ore pricing systems based on annual contracts are giving way to ore shipments based on spot price. A leader in this shift is VALE. This spot price shift affects steel in two ways: increasingly, steel products- i-beams for example-are based on spot price, and the price of basic steel products will steadily increase...prob by 10-15% this year. *An identical process is happening with the coking coal used in making steel. It is also happening with copper. We are moving into the 21st century era of global spot price. No more long-term contracts: the user pays the global spot price and the market is instantaneous, and worldwide...*

-Lumber: US demand for lumber (MAS PCL LPX etc) is flat, there is not much motion except for small contractors Singlefam housing starts are lower

-Corn: Fair Value \$6.15 currently 3.73

-Wheat: Fair Value \$7.88, currently 4.98

-Soybeans: Fair Value \$16.33 currently 9.69

-Rice: Fair Value \$15.58, currently 12.70

Notes: record demand for basic foods reflects record global population. Mystics seers and predictive systems people (like the folks @ web-bot) predict crop disruptions & poor harvests this summer of 2010 leading to high prices civil unrest food riots in various part of the world

-Sugar: Fair Value 21.16 currently 18.20 much lower from record highs of near 30

-Coffee: Fair Value 1.46.13, currently 1.33 *global demand is strong but coffee is plentiful*

-Uranium: Fair Value \$49.10, currently \$41.25 All bets are currently on windfarms and secondarily solar, both of which are near 100% green ... fast coming to the fore (tho the technology for this came out of oak ridge in the 1950; as usual, Americans are the inventors) is the use of thorium, periodic table th232<th233 as a nuclear energy source instead of uranium u-235...this may become major, because the USA has enough thorium to push the country back toward energy-independence. We'll have to devote an issue to this

-Oil: Fair Value \$58, currently \$80.11 there is lots of available oil, but demand too is high in a strong global economy. *Potential animosities between Israel & Iran could, in a flame-up, cause short term \$150 oil. To play upward-oil: DIG, DBO, DXO, PBR*

-Natural gas: Fair Value 4.07 currently 4.121 *US demand is lower as US houses and commercial properties lie vacant, northern European demand is strong. Cheap shale gas is coming*

-Ethanol: (US) (E-85) *Ethanol as a commodity in the US is no longer worth talking about.* Ethanol is the province of sugar cane. Brazil own the industry; eventually much of South America and Central America will own it. Nothing will happen w ethanol in the US until we begin to use 'biomass'— ethanol or methanol made from wood chips and old lettuce. Where the US seems to be heading long-term is toward fuel-from algae *But the world has*

-Gasoline: Fair Value \$1.38 currently \$2.22 wholesale \$2.77 national average @ the pump, technicians say \$3 gas this summer

-Diesel: Fair Value \$1.69, currently \$2.88 retail. Diesel is world's most widely used transport fuel, *experts expect price to average \$2.98 for the year, we think that's low.* Biodiesel is a far more viable fuel than ethanol in the Northern hemisphere

-Euro: Fair Value \$1.47 currently \$1.35.

Notes: When the European Union first formed, we argued that a currency could not be created from the top-down, it must be created from the bottom up...as the US dollar was from “pieces of eight.” We initially (early 90s) thought the Euro was a garbage currency and not worth more than 80 cents. But public debt ravaged the USD. The Global Outlaw Economy was first to recognize the strength of the Euro and switch from \$100 bills to EU500 notes as its currency. The Global Outlaw Economy now uses gold, platinum, and diamonds. Meanwhile, Europe’s economically responsible and successful nations are being asked to bail out Europe’s unsuccessful & profligate nations. The result: the Eu may unravel and come apart. European Central Bank’s prime interest rate is 1%

-British Pound: Fair Value \$1.50, currently \$1.50, UK’s prime rate is 0.5%

-Swiss Franc: Fair Value \$1.28 currently 0.94 *Swiss franc and Brazilian real are today’s two strongest paper currencies*

-Brazilian Real: Fair Value \$0.76, currently 0.56 *Brazil’s economic growth rate 2010 will be 6-7%*

-US Dollar: Fair Value 0.58, currently 80.161 the Fed held the rate as-is. It’s the early stage of an enormous, decade-long TwentyTens global bull equities market. But the fate of America’s jobless won’t improve & the US dollar won’t strengthen without fiscal responsibility. The forging ahead of the Obama govt w health care reform instead of assisting the middle class with jobs & industry will bring down the regime. Meanwhile, the world loves Disney, MCD, the iPhone, Nike shoes, and *Avatar*. The US gets a new \$100 bill this month, April 24th, calculated to foil counterfeiters. Will Geithner’s face be on it? Will it buy a pizza? There’s rumor too of a new \$50 bill with Reagan’s face on it. A quote from Reagan: *it has been said that politics is the world’s 2nd oldest profession; I have learned that it bears a striking resemblance to the first.*

-Canadian Dollar: Fair Value \$1.13, currently 0.98, a very strong currency... Canada has govt health care *the entire population of Canada, the world’s 2nd largest country in square miles, is smaller than the population of Tokyo.* More new money: in 2011, Canada will replace its cotton-paper bank notes with bills made of synthetic polymers: far sturdier, cleaner & more germ-free, nearly waterproof, & harder to counterfeit

-Japanese Yen: Fair Value 113/\$1 currently 90.15/\$1 *the Japanese economic occupation of the US may have just ended with Toyota’s failures*

-Australian Dollar: Fair Value \$0.94.08, currently \$0.91

-Ruble: Fair Value 21.50/\$1 currently 29.58/\$1, *Russia, still dealing w/ a feeble economy, shrinking population, alcoholism/TB issues, and some political unrest, has the resources base to become the Next Brazil. Meanwhile, the Cold War lives*

-Yuan: Fair Value 7.97/\$1 currently 6.82/\$1 China's exports rose 47.8% YOY in Feb: a *strong* argument for forcing China to allow its currency to float instead of continuing to manipulate it

-Mexican Peso: Fair Value 11.16/\$1 currently \$ 12.64/\$1 Mexico Central Bank rate is 5.25%

-South African Rand: Fair Value 6.58/\$1 currently 7.37/\$1

-Harley Davidsons: (HOG) global composite price of new and used Harley motorcycles: \$8116. *Harleys, once built, are almost indestructible. The company itself is shrinking back into the small niche business it always was...but a booming Global Outlaw Biker demand(Swedes, Germans Indians Brazilians are discovering what fun it is to be an Outlaw Motorcyclist) for the bikes ensures used bike sales and parts and aftermarket parts demand*

-Eggs: Fair Value retail \$0.74, currently \$1.49... with 12% of Americans on food stamps, *our governments are subsidizing Americans' food purchases. That means higher prices*

- iPhone: Fair Value \$129, a premium over \$99 MSPR for cheapest unit in much of the world. *Globally-available Outlaw Economy Software called Jailbreak"(go to Google, log in 'jailbreak' to download it) enables ANY purchaser of ANY iPhone ANYWHERE, to 'gut' the official service-provider constructs and then run the iPhone w any service provider they choose, via 'jailbreak' software worldwide. It has made iPhone a TOP Global Economy product. APPLE'S \$500 iPad PRICE CAUSED A WORLDWIDE GOLDRUSH FOR THE NEW AAPL PRODUCT*

-Marlboro cigarettes: Fair Value \$1.13 currently \$5.16 counterfeits from overseas are rampant

-Camel cigarettes: Fair Value \$1.18 currently \$5.72

Notes: *One third of all adults worldwide smoke tobacco*

-Marijuana: USA Fair Value \$34/oz currently \$85-150 nationally for Mexican and US domestic grown but can reach much higher for stronger pot and/or in major metro areas. Marijuana is THE largest cash crop in *TWO* American states, Calif and Kentucky, and is *probably* the largest cash crop in three others. Pot is expensive in Cal, cheap in Colorado. Evidence suggests Mexico's powerful drug cartels have begun growing pot in remote and state-owned lands in California

Notes: An 'artificial marijuana' called "K2" "Spice" or "Genie" is on US streets. It's a synthetic of the psychoactive ingredient of pot, THC, a cannabinoid. It's herbs n spices sprayed with the active ingredient of pot, and smoked. The stuff is produced in China and Korea. It's banned in most of Europe but legal in the US. Thank Prof John Huffman, an organic chem. Prof @ Clemson, whose research, published in a 1995 scientific paper, contained instructions how to make the chemical compound. Huffman: "People who use it are idiots."

-Art antiques and artifacts: *In the 21st century EVERYTHING is for sale IF you have CASH. What's*

appreciating now: Tiffany mechanical watches. Vintage British motorcycles: Triumph BSA Norton Royal Enfield etc. Vintage Italian and Brit cars: MG T-series, Alfa Romeo, etc. Oils & sculptures and signed photographs by renowned photographers are rising once more

-Diamonds: cut diamonds rose 50% in price last year, uncut raw stones more than that. In 2009 China became the world's 2nd largest market for cut & polished diamonds, buying about \$750mil in diamonds and edging out Japan. US, even in its current poverty, remains world's largest market. DeBeers says China will become the world's largest diamond consumer this decade. Chinese have embraced the 'diamond is forever' ad campaign & the Western engagement ritual. This year nearly twelve million Chinese couples will marry...most with 'engagement rings'

Meanwhile the Petra Diamonds Ltd (PDL) 507-carat 'D-flawless' stone mined last year sold for \$35.3mil *not to Europeans and not to the diamond cutters in Antwerp but to the Hong Kong based Chow Tai Fook Jewelry co.* This 19th largest diamond ever found would, fifty years ago, have gone straight to the UK or to someone in Monaco or Switzerland. Now named the 'Cullinan Heritage' the stone will be cut faceted & polished some time over the next 2-3 years. If this happens successfully the finished product may be worth \$100mil or more.

-American single-family homes: are a commodity. Americans who have had single-fam homes for sale lo these past 24 months have ceased lowering for sale prices as of last month. That tells us the residential real estate market has bottomed: prices are rising. But the market for commercial real estate, and that includes apartment buildings, is nowhere near bottoming. There are some very good buys on houses out there if you want a house. But you must not view yr main residential home as an investment. It is where you live. Houses, like boats and Jaguars require expensive upkeep.. Your "investments" are SCCO AAPL GLD SQM etc...

- MSCI World Index: Floor Support 1436, currently 1191 *a global index of 1500 stocks in 23 countries, an old guard index that does not adequately reflect companies in new economies yet but may later this year. It is an extremely comprehensive index and one of our favorites*

- FTSE: Floor Support 6082, currently 5645 *Europe has an economy now stronger than its currency, and an EU that may come apart*

-Euronext 100: Floor Support 773, currently 690

-Russell 2000: Floor Support 880, currently 632 *global economy is surging fwd into 2010 but may be sidetracked by US social turmoil*

-DAX: Floor Support 6613, currently 5989 *Europe's economy) is stronger than Americans & Asians realize.*

-Nikkei: Floor Support 9756, currently 10825 *Toyota is in big trouble. By proxy so is Japan. Will Toyota blow over?*

-S&P Asia 50 Floor Support 2979 currently 2990

-Shanghai SSE: Floor Support 2910 currently 3075 *China's currency should be one of the globe's strongest, but is suspect everywhere. Is China's domestic economy so strong that it can be self-contained/self-sufficient? Like the USA's once was (and like Brazil's is now?) Are we about to find out?*

-Hang Seng: Floor Support 22,370, currently 20,934

-ASX Australia: Floor Support 5824, currently 4830

-Bovespa Brazil: Floor Support 74,921, currently 68,914 Brazil's late 09 2% tax of foreign investment held the Bovespa's numbers down *for one week*

-Mex Bolsa: Floor Support 36,230, currently 33,175 US media no longer focusing on Mexico social problems. *Mexico is a land of much untapped wealth, developmentally where Brazil was a decade ago. Mex is also being 'colonialized' by: Brazil.*

-NYSE composite: Floor Support 6216 & rising, currently 7419 *there is a huge disconnect between the mainstream American people and the USA and global equities markets*

-DJIA: Floor Support 11,115, currently 10,769

-S&P 500: Floor Support 1073, currently 1163

-Nasdaq: Floor Support 1923, currently 2386, most Nasdaq stocks, characteristically w high P/E ratios and no dividend and little Net Asset Value (ie Net Assets = furniture and sometimes patents) still remain at share-price risk

- CRB Commodities Index (Reuters CCI) Floor Support 342, currently 271 *commodities remain undervalued in US dollars*

-VIX (VXX) 22.20 down from 27 one month ago and that's good. Are we over the Age of Fear? Don't count on it: we're in a weird USA year and it's far from over

Notes: Wow. Look at the 2010s global economy go!! It is a difficult year for the US and it likely will get worse. We mentioned January 1st that the US culture war would heat up. It's now a hot war, a polarization moving toward a hot war, and a true American rebellion.

This would *seem* to suggest "buy in May & go away"

But... the global spot commodities markets and the global equities markets and indexes (and China's

raging 9.5% growth rate and Brazil's screaming 7.1% growth rate that is growing broader-based) suggest otherwise. These are powerfully, remarkably strong indexes/indices. They are *WAY up ie 10-15% in a month*. This suggests that we are entering a bull global decade no matter what goes down w the American people. Demand is screaming. We are looking \$4.48 copper and \$299 AAPL right in the face. The secret seems to be to simply *not use the USA, and its Second American Revolution, as a marker or guage*.

THE MARKET WITCH STRONG BUY LISTS

Market Witch STRONG BUYS, STRONG LONG-TERM BUYS and MARKET WITCH BEST BUYS show exactly what WE are buying, or currently hold, or would buy if we had additional cash, because we are almost always 100% invested, if you include positions in gold.

Our perspective takes into account global trends & demographics anthropology sociology marketing advertising & history. We are usually two to three years ahead of current economic social events.

We began investing in Brazil in 2004. We began investing heavily in global mining in 04 & 05. In 07 we began watching Indonesia. We don't buy on margin & we don't buy puts calls or futures though we do under certain circumstances let skilled pros do it for us. We disapprove of shorting though it can be a legitimate way to play market meltdowns. We don't pump n dump. We used to comment on stock message boards but we no longer do it.

We HAVE no political agenda.

Our astrological sign is an S with two lines through it: like this: \$

It doesn't matter what WE want to happen.

What matters is what actually WILL happen.

And how it affects our investments, and yours.

We trust our own judgment. We love dividends. We adore monopolies. We pick companies based on our perception of what their actual future will be, in context with unfolding and future world events, and we can usually see three to five years ahead. We invest cash in those stocks we think are most likely to appreciate, and we wait for the outcome.

We made money on more than 94% of our stock purchases from Jan 03 through Nov 08. During 2009 all but two of our picks have appreciated. One of the two is now up 53%

The Primary Drivers of the 2010s global economy and of the Global Commodities & Resources Supercycle which provide the worldwide growth foundation are:

-URBANIZATION

-INDUSTRIALIZATION

-DEVELOPMENT and EXPLOITATION of the last of the world's wide open spaces, unclaimed or 'tribal' lands, arable and reclaimable farmland and forest zones (South African farmland, Bolivian lithium reserves etc)

-NATIONAL AND EVEN CONTINENTAL INFRASTRUCTURE BUILDOUTS in Africa South America Mexico Central America India SE Asia and Indonesia including both wind and solar energy systems

-REGIONAL infrastructure REBUILDS in formerly productive areas of established nations (Rust Belt USA and industrial midlands UK, Haiti, etc)

The Primary Drivers of the US economy during the second decade of the 21st century are, so far, the start of construction of the 2.0 level electricity grid, and the beginning of a huge boom in wind-farm energy construction. An attempt is on to remount the US investment banking community on its throne and re-establish "money" (ie "credit")(ie "debt") as the USA's chief product.

We are very uncomfortable with this. The US cannot support itself selling "money." And the United States cannot support itself in the style to which it became accustomed via Americans selling iPhones to each other and opening 'stores' on eBay. The US continues to excel in science and biotech and entertainment. And while the US continues to be a leader in agriculture, a breadbasket and butchershop to the world, Brazil is fast assuming that role.

It will take some major practical technological breakthroughs to create a new American industry that can help the US create real jobs and once again sustain itself.

We've discussed aspects of Third World America in these pages every issue since May of 2005. The US is NOT in a "business cycle" or a cyclic remake of the 1930s. The US is in a permanent state of economic deterioration because it has no manufacturing/industrial base. iPhones and Blackberries and Google are no substitute for steel autos tractors bulldozers tire appliances industrial equipment manufacturing modern "green"electric grid systems, aircraft and ships & trains: hard industry and manufacturing. If we have to buy our locomotives from China, what are we going to use for money?

The Global Commodities Supercycle is in nearly full swing. In another five years the demand for copper steel and heavy industrial products will be quite amazing. But the USA is no longer pulling the world's economic train, it is being pulled by it: we are the industrialized world's caboose now, not its locomotive.

As the rest of the world begins an infrastructure buildout that will last decades and will create a global industrial, ag-tech, and "green" 21ST century civilization, other economies are jockeying for growth,

power, and leadership positions in this new century economy. Meanwhile the US is in an era of political upheaval & polarization and likely in the early stages of a civil war or revolution...

We will continue a permanent decline in the US standard of living and in the nature and stature of the US unless the nation can redevelop a manufacturing base and build for itself a new means of creating wealth rather than creating "debt" (credit) and pretending this is "wealth."

The most likely paths are through science engineering technology medicine & biotech. It could be that we need a new Henry Ford, but first someone at MIT will have to invent or discover something useful practical and lucrative.

Meanwhile:

(A) the US has dumbed down its educational system for 4 decades and now has a poorly educated civilian citizenry and

(B) what do we do with millions of unemployed bluecollar day laborers? More importantly, what will these men and women themselves do as it becomes apparent their job losses are permanent?

We are not yet at the end of USA's status as a military superpower- the USA rules the skies and the seas and our military remains the strongest and most sophisticated on earth. But can the US continue to support this military?

We advocate staying away from US dollar instruments as a place to store wealth. We remain fiercely skeptical bank accounts and CDs in the backed-by-nothing dollar, and of T-bills. We believe gold became the New Global Money some time in 2007. Gold has in fact become "money" everywhere BUT the US- which is STILL trying to squelch gold- and although silver historically is gold's shadow, platinum is becoming a new third "money."

We advocate investing in High Net Asset Value shares- resources co's- metals& mining, gold and silver mining, and tangible physical assets like shipping and RRs, companies that are buying up global farmland, farmland, and to a much lesser extent commercial real estate in the world's great cities like Berlin and Melbourne and Rio.

We believe ownership of shares in Global High Net Asset Value companies are the way to survive and thrive in the 2nd decade of this new century.

To "old money" all this is no surprise, it is standard operating procedure: what matters to ALL companies now is Cash Flow. And what matters to investors is yes growth but more importantly demand (for iron ore, copper, etc) and dividends. The wealthy know this and that's why they're wealthy.

Our efforts since 2004 have shown that the early 21st century million-dollar-portfolio holds basic-

materials/metals companies, fertilizer and seed companies, big global mining, global utilities, global & regional steel, gold, shipping, petroleum, and most recently alternative “greens” wind and oil-from algae as major components and has strong direct ties to the South American Russian Australian and Indonesian (*Indonesia is THE major sleeper economy*) economies plus strong 2ndary ties to China as *the new consumer of resources and the dominating factor in world trade*. Meanwhile, when dividends come in, we reinvest them in more shares from the companies in our STRONG BUY lists.

The world has entered a long new era of unparalleled economic growth and transformation. *But in most places, including major ones like the USA China and Europe, national political structures are way behind the curve of both economies and the people themselves.*

A great deal of prosperity is on the way. But it's prosperity in new places: Denmark... Brazil...Colombia...Indonesia

Before the American People can share in this global commerce bonanza, the United States will first have to create a new industrial base. No one yet knows what that will be or how it will happen or what its content will be

Meanwhile, America has become a Third World Country: indebted, under-jobbed, poorly-educated, poorly-dressed, with poor verbal skills, fewer skilled laborers and few jobs for skilled laborers, with a shrunken industrial/manufacturing base, a health care system that is both dysfunctional (in terms of the health of r people we are 37th among nations) for those who use it but also beyond financial reach for half of Americans. We have funny money. And we are a country available for exploitation by (and its assets for sale to) countries with the cash to buy up the USA's assets and to utilize its now- cheap American labor force desperate for a paycheck

WHAT *WE'RE* IN

Our own current holdings, in descending order of current value:

-Southern Copper (SCCO) (SSSO.MX) copper gold moly silver etc STRONG BUY we bought more shares in late March

-Vale (VALE) Big Six global mining STRONG BUY we purchased additional shares in mid March

-Companhia Siderurgicas SA (SID) Brazil steel & conglom STRONG BUY

-Rio Tinto (RTP) Big Six global mining STRONG BUY

-Anglo American (AAUK) Big Six global mining STRONG BUY

-SPDR Gold Shares (GLD) we bought *lots* in January, moving available cash as far away from US dollars as possible STRONG LONG-TERM BUY

- Buenaventura (BVN) (Peru) gold and other metals, partnering projects w PCU STRONG BUY
- Market Vectors Steel ETF (SLX) STRONG BUY
- iShares MSCI Brazil ETF (EWZ) STRONG BUY
- BHP Billiton (BHP) Big Six global mining STRONG BUY
- Freeport McMoran Copper & Gold (FCX) copper gold silver moly cobalt etc STRONG LONG-TERM BUY
- CPFL Engergia (CPL) Brazil, the key electric company STRONG BUY
- Petrobras (PBR) Brazil, oil STRONG BUY
- GoldCorp (GG) (Canada) gold mining STRONG LONG-TERM BUY
- Mechel (MTL) Russia/USA steel iron ore coal STRONG LONG-TERM BUY
- Greif (GEF) global packaging STRONG LONG-TERM BUY
- Arcelor-Mittal (MT) global steel STRONG BUY
- Terra Nitrogen (TNA) USA, fertilizers STRONG LONG-TERM BUY
- Gerdau Steel (GGB) Brazil and Mexico steel STRONG LONG-TERM BUY
- Impala Platinum (IMPUY.PK) mining STRONG LONG-TERM BUY
- Gerdau Ameristeel GNA, American subsid. Of GGB) (owns Chaparral, USA's largest producer of I-beams) STRONG LONG-TERM BUY
- Barrick Gold (ABX) global gold mining STRONG LONG-TERM BUY
- Monsanto (MON) agribiz/genetics seeds ag products, the world still may be too stupid for genetically-modified seeds
- Syngenta (SYG) agribiz/genetics seeds etc October 09 purchase from dividends
- Frontline (FRO) (Bermuda) global shipping STRONG LONG-TERM BUY
- Ship Finance Ltd (SFL) Bermuda-based Norwegian controlled oceanic shipping STRONG LONG

TERM BUY

- iShares Silver (SLV) silver ETF STRONG LONG-TERM BUY
- Apple (AAPL) Jan 2010 purchase from dividends STRONG BUY
- Tiffany's (TIF) STRONG LONG-TERM BUY
- Research in Motion (RIMM) STRONG BUY
- Mesabi Trust (MSB) US iron ore STRONG BUY
- Wisdom Tree Dreyfus Brazilian Real ETF (BZF) currency ETF
- Alpine Global Premiere Properties Fund (AWP) global REIT
- SPDR Metals and Mining ETF (XME) STRONG BUY
- Alcoa (AA) STRONG LONG-TERM BUY
- Banco Bradesco (BBD) Brazil's best consumer bank STRONG LONG-TERM BUY
- Diana Shipping (DSX) global shipping
- Excel Maritime (EXM) global shipping, share purchase May09 from dividends
- Dryships (DRYS) global shipping purchase May 09
- Philip Morris International (PM) tobacco STRONG LONG-TERM BUY
- Altria (MO), tobacco/consumer products STRONG LONG-TERM BUY
- Sociedad Quimica y Minera de Chile (SQM) fertilizers ag chems & lithium STRONG BUY
- Market Vectors Indonesia ETF (IDX) STRONG LONG-TERM BUY
- Oclaro (OCLR) optical networking hardware: laser pumps etc (formerly Avanex AVNX)
- Cyclacel (CYCC) speculative biotech, experimental cancer drugs that reportedly work
SPECULATIVE STRONG BUY we purchased additional shares in march

Notes: With additional cash WE would buy NVDA SID SCCO AMSC VALE MT CYCC BIG SIE
SQM BHP GGB AAPL SEA

FOOD STAMP NATION

Companies that Service the New American Poverty

-eBay (EBAY) Poor America's income source, Rich America's convenience store. Myriads of tiny eBay 'kitchen-table companies' move America's Stuff around. World's largest car dealership. A key player in US real estate markets. Owns Paypal, & and at least 25% of Craigslist. Many Americans buy their basics- cars computers houses art jewelry clothing vitamins furniture appliances-on eBay. The first used Tesla electric roadster was for sale on eBay in January. FWD P/E 11

-Wal-Mart (WMT) (Wal-Marts & Sam's Clubs) Invented "Big Box" stores. World's largest retailer. 345 Wal-Marts in Brazil, 28 in Argentina, 202 in China, etc. *Focused on increasing Online sales, WMT hopes to dominate web retailing. Wal-Mart's Online market share already is second only to Amazon's. The Big Box store era may be fading.* America's # 1 most valuable retail brand name. America's largest retailer of organic foods. 22% rise in 4th Q profits. Initiating an aggressive pricing campaign to thwart competition. UNDERVALUED

-McDonald's (MCD) America's staple food since the 1970s when both parents needed jobs to support an American life that once could be managed on one salary, now cant be managed on two. Dividend yield 3.5%. Free WiFi @ all MCDs. 4th Q earnings up 23%, same store sales up 4.8% *worldwide. There is an MCD in the Louvre.* STRONG BUY

- Flowers Foods (FLO) Deep-South packaged foods including DanDee® Holsum® and BlueBird® brands, *business is thriving, dividend yield 3.2%*

-Campbell's Soup (CPB) founded 1869 Americana canned soups plus V8 Swanson Pepperidge Farms Prego etc etc brands sold in 120 countries, *Strong fwd guidance, dividend yield 3.4%*

-Del Monte Foods (DLM) Contadina® 9Lives® Milk-Bone® Kibbles & Bits® dozens of other US Brand Names *shares undervalued as Americans stop eating out*

-ConAgra (CAG) classic American Kitchen trademark foods including Eggbeaters® Healthy Choice® LaChoy® Swiss Miss® etc, sales in North America Europe & Asia

-Reynolds American (RAI) tobacco: Camel® Kool® Winston® Pall Mall® Natural® American Spirit® plus roll yr own tobacco and snuffs. *Five of America's top ten tobacco brands are Reynolds Tobacco products. div yield 7.6%, STRONG LONG-TERM BUY*

-Philip Morris Intl (PM) global international-brand tobacco, Camel® etc etc, div yield 5.1% STRONG LONG-TERM BUY

-Altria Group (MO) American classic brand-name products plus also owns 28.6% of SAB Miller, bought US Tobacco (UST)("smokeless" tobacco, founded in 1822) for approx \$10 billion, Revenue

rose 3% to \$4.52 bil, div yield 7.3% STRONG LONG-TERM BUY

-Visa Inc (V) much uproar @ the start of 2010 that Americans' debt level had fallen. Nonsense. It is NOT an issue of Americans being able to pay off cards, it is that major creditcardco's are writing off more tons of bad debt. Visa is stronger than MA but we still wouldn't touch the stock yet

-Mastercard Inc (MA) Mastercard users are lower down the economic ladder. *both US cardco's now have the highest default levels of any time since records have been kept*

-Cash America (CSH) USA's largest pawn shop chain, 2853 stores in 36 states; also check-cashing and cash advance services. History Channel program "Pawn Stars" has turned pawn shops from sleazy backstreet low-rent image to pop-star flash shopping...

-EZ Corp (EZPW) 416 EZPawn® and EZMONEY® locations: pawn shops & check cashing

-Darden Restaurants Inc (DRI) Olive Garden® & Red Lobster®) restaurants are blue-collar luxury

-Yum! Brands (YUM) Pizza Hut, Kentucky Fried Chicken, Taco Bell, Long John Silver's, A&W food franchises. Still increasing global sales

-Dollar General (DG) IPO, STRONG LONG-TERM BUY

-Family Dollar (FDO) most low-rent of all American retail chain stores. 6300 stores in 44 US states. Tiny profit margin but excellent black numbers & good management. The poor buy groceries here. *Adding 5000 jobs as it opens some 600 new DG stores over the next 12 months.* FWD P/E 13.4 STRONG BUY

-Dollar Tree (DLTR) Virginia based. Retail products under \$1. 3600 locations. *1st Q sales rose by 14.2%. 90mil shares outstanding. \$ 4bil market cap. Low debt.* STRONG LONG-TERM BUY

-Big Lots (BIG) 1000s of bargain & closeout items. *Opened 45 new stores in 09, courting a higher demographic as upper-class households discover fashionable thrift. Superb management. Q net income of \$105.4mil, \$1.27/share. THE 13TH CONSECUTIVE QUARTER OF RECORD EARNINGS.* STRONG BUY

-99Cents Only Stores (NDN) regional price-point & closeout consumer goods 271 stores 200 in Calif. \$1bil Market Cap FWD P/E 17.42, \$0.55 EPS, 68.88mil shares out

-Autozone (AZO), car parts & accessories, 3933 car parts stores in US and Puerto Rico, 123 in Mexico. Should pay a high dividend

-Advance Auto Parts (AAP) Roanoke Virginia, windshield wiper blades brake pads et al. \$4bil market cap, QEG YOY 10.4% EPS \$2.73 94.6 million shares out. Low debt, well managed

-World Wrestling Entertainment Inc (WWE) live and televised WrestleMania events are America's medieval passion play. Actor Mickey Rourke put wrestling back into pop chic last year. *DIVIDEND OF \$1.44 IS AN 8.30% YIELD*

-Hormel (HRL) inventors & purveyors of Spam®. There are Spam® cookbooks. \$0.76 dividend, \$5bil Market Cap FWD P/E 14.5, *uninterrupted dividend every Q since 1928*

-Public Storage (PSA) self-storage REIT, where America puts its things after a divorce or foreclosure

-Kroger (KR) America's supermarket: 2500 Kroger stores 750 convenience stores 650 superstore/fuel centers. *57.4 million Americans have a Kroger card*

-FirstGroup (FGP: LSE) (England) global public transportation, operations in UK Australia Europe North America., including the USA's Greyhound Bus System. SUPERBLY MANAGED, and a STRONG BUY... but you must have a broker who can buy LSE shares. div yield 4.78%

-Harley-Davidson (HOG) a pop culture icon of mid 20th century America, Harley was abandoned by America's Middle Class Outlaw Wannabees after a love affair that lasted from 86 til 2000. Now downsizing & returning to its former role as a small niche manufacturing co. US Sales are still declining even tho there are 10.5 million motorcycle owners in the US. The Market for *used* Harleys, and for parts, is huge & global

Notes: Eleven million Americans get unemployment benefits. That's not even remotely the number who are unemployed. 10% unemployment (14% in California) is not a "cyclic" "recession" it is a new and permanent state of affairs for the newly Third World American people as the US ceases to be an industrial nation. A second American Revolution is on the way as the fed govt pursues its own agenda and refuses to address jobs. But a 'Take-back-America' victory won't automatically recreate jobs & industry. USA's public education system, steadily dumbed-down for four decades, now has been surpassed by *many* other countries, including Canada, where 15-year olds are more than one grade ahead of their American peers. As public education continues to erode, Americans, with an increasing birth rate (Europe's is falling, Russia's is falling Japan's is falling) will become the world's dumb-donkey hard-labor work force...and America will continue to be colonized

HAUTE STUFF

Euro-Flash, Asian Terminal-Hipness, Japanese Cool, South American Decadence, American Hedonics

-Tiffany & Co (TIF) branded luxuries in the Trademark Tiffany Blue Box. One of America's fifteen strongest brand names. 206 luxury retail stores worldwide. STRONG FWD GUIDANCE

-Bulgari (BULG:MI) 3rd largest jewelry maker behind Tiffany and Richemont (CFR:VX) (Richemont is parentco of Cartier) the well-off have stopped PC belt-tightening

-PPR (PP: PA) French multinational holding co: luxury retail shops & brands, pan-Europe. A constituent of the CAC 40 index

-Harry Winston Diamond Corp (HWD) (Canada) retail Harry Winston™ Jewelers, diamonds & jewelry, diamond supplier to Tiffanys, stores. HWD co-owns one of the world's best diamond mines, shares ownership 50/50 with Rio Tinto (RTP) (RTP also supplies some of WMT's diamonds and all of WMT's jewelry gold)

SEE ALSO:

-African Minerals Ltd (LSE:AMI) UK, based on is of Guernsey 2.13.6 mil shares outstanding, diamonds *but also titanium vanadium & iron, most ops in Sierra Leone, shares are up 396% YOY, (UK's Blackrock owns 7.8% of the shares) (USA shares AMLZF:PK) up 163% SPECULATIVE STRONG BUY, we favor the LSE shares*

-Petra Diamonds Ltd (LSE: PDL) owns controlling interest in South Africa's Cullinan mines. STRONG LONG-TERM BUY

See also Gem Diamonds Ltd (LSE:GEMD 138.27 mil shares out) & African Diamonds (AFD:LSE)

(to profit from diamonds @ low risk: RTP, AAUK) (largest US diamond retailer is CostCo (COST)

-Claymore/Robb Report Global Luxury ETF (ROB) a basket of the best luxury goods stocks, Coach Daimler Porsche Swatch, etc YTD RETURN 47.73%

-Panera (PNRA) 1500 franchised upscale bakery/restaurant/cafes in US & Canada, 100 more this year. \$2.4bil Market Cap *zero debt*. PNRA has outperformed every other major restaurant stock for ten years. Same-store sales up 7.4% 4th Q, strong Fwd guidance. STRONG BUY

-Compagnie Financiere Richemont (CFR:VTX)

(CFRHF:PK) Cartier, Piaget, Baume & Mercier Dunhill and other brand name luxury products, *shares are at a52 week high*

-Estee Lauder (EL) legendary branded cosmetics beauty & health care products, founded 1946, \$10bil Market Cap, \$800mil in cash, Quarterly Earnings Growth YOY 175%, UNDERVALUED

-Societe Fonciere Lyonnaise SA (PA:FLY) commercial real estate, France, including some of the most elite shopping district properties in Paris, South of France, and other French regions and cities. Share price gain YOY 46%

-Chubb (CB) benchmark insurance company in the extremely profitable niche market of insuring fine art, jewelry, and other luxuries, Market Cap \$17bil, P/E 9, QEG YOY 125.8% STRONG LONG-TERM BUY

-Swatch Group Ltd (VTX:UHR, SWGAF AG) luxury personal products, major brand watches including Omega, the world's official James Bond watch. Annual profits above \$1 billion for the first time

-CBRL Group (CBRL) Cracker Barrel® upscale 'country store' restaurants on the Interstate, supplemental-profit product line, great French Onion Soup. 591 restaurants in 41 states, market cap \$683mil, Enterprise Value \$1.50bil

-Limited Brands (LTD) should have changed co name to Victoria's Secret years ago. Victoria's Secret™ & other Limited branded co's including Henri Bendel. Erotic mistresswear, upscale luggage and feminine sportswear, exotic bathroom products, etc. Victoria's Secret®, propelled to stardom two decades ago by model Stephanie Seymour, has dropped from America's 16th Most Valuable Brand to 22nd - young people are not as thrilled by garter belts & net stockings as an older generation. CEO Leslie Wexner is 71. *NOTE: LTD declared a \$1-a-share SPECIAL DIVIDEND payable April 19 to shareholders of record APRIL 5th. It's a free dollar but you have to do it NOW*

-Allergan (AGN) Rx Botox™ wrinkles treatment and Rx Latisse™ for long eyelashes... market is expanding... STRONG LONG-TERM BUY

-Royal Caribbean (RCL) luxury cruiseships. World's largest cruise ship *Oasis of the Seas*. A sister ship, *Allure of the Seas*, will launch November 2010. PE 4.1, EPS \$2.67, div 60 cents yield 4.7%, *market cap \$2.63 bil, Enterprise Value \$9.18bil* UNDERVALUED

-Carnival (CCL) luxury cruise ships, P/E 9.57 div \$1.60 yield 6.3% UNDERVALUED

Notes: The cruise industry (that includes not only CCL & RCL but also Disney) is on a rising tide...

-Rick's Cabaret Int'l (RICK) (RIK:DE XETRA) 21 US strip club/nightclubs, two industry trade publications, 25 'sex industry' websites. 70,000++ customers a month, #87 on recent Forbes 200 Best Small Companies list. January sales up 21%, STRONG LONG-TERM BUY

-FriendFinder Network Inc formerly Penthouse Media Group. Sexual social networking. Friendfinder uh... helps people find playmates. *275,000,000 paying members in 170 countries in 12 languages*. IPO has been in delay for two years...

-Marriott International (MAR) 3000 company-owned or franchised hotels/motels in 65 countries. Two new hotels in Russia. UNDERVALUED (*see also Intercontinental Hotels (IHG &) Choice Hotels (CHH)*)

-Starwood (HOT) upscale hotels & resorts worldwide, UNDERVALUED

-Hyatt Hotels (H) IPO) *413 properties worldwide, we're watching...*

-Krispy Kreme (KKD) legendary to-die-for American-Southern Trashfood doughnuts, prized worldwide a catastrophic business failure. The KKD global brand name is worth TEN TIMES the co Market Cap. *KKD, after five years in the cemetery, is taking off in Asia. Rumors are flying that Wendy's will buy KKD: can two failures become one big success?* KKD shares are UNDERVALUED

-Green Mountain Coffee Roasters (GMCR) market cap \$2.5bil, Q earnings growth YOY 123.4%, #11 OF THE 09 FORTUNE 100 FASTEST GROWING COMPANIES FWD P/E 37, STRONG LONG-TERM BUY

-Cadbury Schweppes (CBY)(CBRY:LSE) confectionery & beverages worldwide, *purchased by Kraft Foods (KFT) for \$19.5bil*

-Olin Corp (OLN) Clayton Missouri. Smallcap parentco of Winchester® and Browning® sporting and military firearms and Winchester® and other brand-name ammunitions. 4.8% dividend

-International Speedway Corp (ISCA) NASCAR is a multi-billion dollar industry and a world of diamonds minks & cowboy hats. 100 million Americans watch NASCAR's 'stock car races' on TV *This same process is about to happen with NHRA drag-racing leadin to big gains in aftermarket hot rod auto parts co's*

-Christian Dior (DIOR.PA) high-fashion clothing & accessories

-Hermes (PA: RMS) luxury goodies, Paris. 300 stores in Europe Asia Japan Pacific & Americas. Share price up 25% YOY, sales up 8.5%%, STRONG LONG-TERM BUY

-Natura Cosméticos (SAO: NATU) Brazil-based cosmetics sunscreens health & beauty etc, 2008 IPO, sales throughout South America Central America and Mexico, *shares up 62.2 % in 2009*

-Gucci Group (GUCCG.PK) global luxury personal products, DIVIDEND of \$1.87 is a 21.6 YIELD

-Bulgari (BULG.MI) (jewelry) shares are up 33.6% in 2009

-Industria de Deseno Textil SA (Inditex)(ITX.MCE) parentco of Zara® stores, *shares are up 67.3% in 09*

-Piaggio (PIAGF: PK)(P1IF:FRA) (PIA: MIL)Vespa® motorscooters have been worldwide cult

objects since Gregory Peck and Audrey Hepburn rode one in “Roman Holiday” 1954

“Correct” Milan shares up 51% in 09, USA shares up 71.5% in 09

-Deckers Outdoor (DECK) star-quality Alley-Oop© style Uggs® sheepskin boots favored by upscale women worldwide. # 35 of Fortune’s 09 100 Fastest-Growing Global Companies, zero debt, SHARES UP 91% in 2009

-Coach (COH) luxury leather goods & accessories. thriving business in Japan Macao & China, shares were up 118% in 2009

-Brown Forman (BF-A, BF-B) founded 1870, 35 brands of wines and spirits sold in 135 countries, including an annual 10 million *cases* of Jack Daniels, founding family owns 70% of the company

- Constellation Brands (STZ) upscale brand-name beers and wines: Pacifico Corona Simi Clos du Bois etc, shares up 39% in 09, *market cap \$4.74bil, Enterprise Value \$8bil UNDERVALUED*

-Whole Foods Market (WFMI) status groceries. 284 stores, USA UK & Canada. \$8bil annual sales. Bought Wild Oats Natural Foods. Upstaged by Wal-Mart. Needs a new CEO

-Diageo (DEO) world’s largest producer of alcoholic beverages (Johnny Walker® Smirnoff® Guinness® etc etc) shares were up 21% in 09 dividend is \$2.89, **STRONG LONG-TERM BUY**

-L’Oreal (OR.P) (LRLCY:PK) France-based global hair/ body/cosmetics products, market cap \$39.7bil 599mil shares out, EPS Eu3.04 div 1.44 Eu, American PK shares were up 37% in 2009

-Colgate-Palmolive (CL) health grooming cosmetic household & household & pet products \$38bil market cap, FWD P/E 16, Q earnings growth YOY 13.7% profit margin 14%, \$1.76 div, **STRONG LONG-TERM BUY**

-Anheuser-Busch InBev SA (BUD) Brussels-based, global upscale brewer. Nearly 300 brands. Ops in 30 countries in Asia Pac, Americas, Europe, sales in 130 countries, #387 of Fortune 500 and gaining, **STRONG LONG-TERM BUY**

-Ambev (ABV) (Companhia de Bebidas Das Americas)(Brazil) this giant co-managed Latin American brewery also sells many other beverages. Founded 1888, one of our all fav stocks. Distribution alliances in Canada. EPS \$5.04, 616 mil shares outstanding, Q earnings growth YOY 34.1%, **STRONG LONG-TERM BUY**

-Heineken NV (LSE: OLN)(HINKF: USA ADR) legendary Dutch masterbrewer has bought Femsal for 3.8bil Euros giving Heineken finally its own foothold in South America...**STRONG LONG-TERM BUY**

-LVMH Moet Hennessy Louis Vuitton (MC:PA)(LVMHF.PK) luxury goods: champagne brandy fashion accessories luggage etc. shares were up 78% in 09

-Luxottica (LUX:MIL) (LUX) Italian sunglasses giant owns ALL major global brands (Ray-Ban etc) and ALL major licenses for luxury-shades brandnames (Versace, Burberry et al) plus owns Lenscrafters®, 5300+ stores plus franchises, strong presence in China, shares up 47% in 09

-Abercrombie & Fitch (ANF) upscale US yuppie clothingco. *Hired mobile commerce developer Digby to get ANF into Online retailing, allowing customers to buy via iPhone & Blackberry...* Newly opened flagship store in Tokyo a roaring success. Needs a new CEO. See also Aeropostale, (ARO) fashion clothes for 14-17 yr olds, recent 3:2 split

-British American Tobacco (BTI: LSE) (BATS.L) global tobacco, brands sold in 180+ major markets, shares up 22% on the year, dividend \$1.84

-Church & Dwight (CHD) Trojan® and other brand name condoms, 66% market share in US, FWD P/E 15, shares are flat on the yr but up 92.5% over 5yrs

-Fortune Brands (FO) global upscale home products (Moen® faucets, Jim Beam® bourbon, Master® locks Titleist® golf balls etc

-Berkshire Hathaway (BRK-A, BRK-B) Dairy Queen™ AIG, Geico, NetJets, 4% of Goldman Sachs, 10% of China's BYD (batteries & electric cars) 3% of Harley Davidson, recent Re insurance purchase. Purchase of Burlington Northern RR in 09 proves Warren Buffet's foresight. *Added to S&P 500 in January. BOTH BRK stocks should pay a dividend, stats should be transparent. BRK-B stock split makes shares accessible, they may go to 90*

-Nike (NKE) the whole world's status sports shoes...*\$32bil Market Cap company, \$19bil in annual global revenue, almost zero debt and \$3.7 billion in cash...* shares are up 48% over 5 yr, were up 35% in 09. *In China, Nike is THE most popular shoe brand*

-MGM Mirage (MGM) Americans hope to Forget their Troubles & Las Vegas has again become America's # 1 travel destination, MARKET CAP \$3.78BIL ENTERPRISE VALUE \$15.51BIL

-Wynn Resorts (WYNN) Macao marketed itself as the Asian Las Vegas. WYNN bought in. Initially lost, but long-term this will play out strongly & well STRONG LONG-TERM BUY SEE ALSO WYNN MACAO (1128HK) & WYNMF.PK Wynn Macao spinoff

-Las Vegas Sands (LVS) MARKET CAP \$ 11BIL ENTERPRISE VALUE \$20.3BIL

-PSA Peugeot Citroen SA (UG:EPA) (PEUGY:PK) France's legendary car co will launch an electric mini-car in Europe in Oct 2010, based on Mitsubishi's MiEV electric introduced in Japan in 09. Strengthening of ties between these French and Japanese carmakers, who are building a joint-venture

plant in Russia that will produce SUVs and cars starting in 2011. Mitsubishi (8058:TYO) (MBC:LSE)(MSBHF:PK)) also builds Peugeot's 4007 and Citroen's C-Crosser 4x4s in Japan for sale in Japanese & Asian markets

-Fiat (F:MIL)(FIAT:PAR) (FIATYADR USA) (Italy) Parentco of Ferrari, Maserati, Alfa Romeo, Chrysler & Jeep, plus Fiat, a backbone vehicle in Europe. *Fiat CEO Sergio Marchionne, wants a global Fiat empire. Chrysler will market a Fiat electric car- an electric-motor version of Europe's small Fiat 500-in the US next year*

-Porsche LSE: 0JHU) (USA: POAHF) (Frankfurt: PAH3) sports car superstar since early 1950s. 28,000 race track victories. Lost its financial independence, now is owned by VW. JD Powers' annual automotive survey says the most reliable auto available in the US is: Porsche. New: a Porsche 911 hybrid and a Porsche Cayenne hybrid. No fanfare, they just did it. Shares are UNDERVALUED

-Volkswagen (VLKAY:PK)(VKW:LSE) VW:SW) global autos, 48 production plants in 13 Euro nations plus six Americas countries, sales in 150 countries. Owns legendary Bentley, high-end Audi, and Porsche. Ending production of the VW Beetle. *VW will market a single-seat minicar in the Far East: 258mpg, top speed reportedly 74mph. Coming in 2013, a VW electric. \$2.5bil purchase of 20% stake in Japan's Suzuki creates a strong VW Asian presence (auto sales are blazing in China & India) SALES MAY BE SLOWING INTO 2010*

-Daimler (LSE: DCX) (US: DAI) parentco of Mercedes-Benz has 23% of global luxury car market. World's best station wagon, world's largest maker of trucks and other heavy-duty vehicles. Partnership ties w Mitsubishi. *The SmartCar™ era is over. Abu Dhabi owns a 9.1% stake in Daimler. DCX bought a stake in now-successful electric carmaker Tesla (based in Silicon Valley) (Tesla's founder Elon Musk created Paypal) and this purchase gives Mercedes Benz access to all Tesla's R&D and eliminates ten years of hit&miss labwork: watch for a Mercedes Benz electric car. In April, MB will debut a 21st century version of the 50s 300SL Gullwing, the SLS. 563 HP, >\$200k STRONG LONG-TERM BUY*

-BMW (Bayerische Motoren Werke) (BMW.F) Beamers. BMW also owns and manufactures Rolls Royce® autos (how Bentley & Rolls got split up is a story unto itself) Husqvarna®(motorcycles off-roaders snowthrowers etc) and BMW® motorcycles, plus the British Mini-Cooper. *ROLLS ROYCE PLANS AN ELECTRIC CAR*

AUTO INDUSTRY Notes:

-Ford (F) is an American survivor...Can GM do as well?

-America's Gen Y, those Americans born from mid-80s through mid-90s are now beginning to buy their own new cars and their choices are not all that green. Not only do they smoke, they think compact cars suck. They like big cars, mid-size cars, and crossover SUVs. The rich are thriving: Cadillac sales are up 32% BMW sales up 14% Acura sales up 17% Mercedes sales up 13%

The rich are thriving but that doesn't necessarily mean they're smarter. Scams-R-US feeds on the gullible at all levels of economic success. All the poorly-educated and the conspiratorialist true-believers...and these folks live among both the Rich and the Poor communities... they believe that jet aircraft 'chemtrails' trails in the sky are a govt plot to spray the atmosphere w stuff that makes humans infertile or docile... they believe genetically-modified plants will cause your children to be born with the head of a chicken if you eat the crops from them...they believe a superorganization in America's Black Agencies (surreptitiously-funded govt agencies) has weaponry that can cause earthquakes, and tested it on Chile and Haiti... they believe in "polarity therapy"... they believe 9/11 was an "inside job"...they believe that vaccines- like polio vaccine- are not sanctioned by the Lord and are a plot to dilute our precious bodily fluids... most recently they believe in "raw milk" and that pasteurized milk is a plot by the govt to place additives in milk and to deprive us of things that are pure... pasteurization is basic science (no longer a valid concept in the USA since we dumbed-down our public education system) and protects us from microbes that conspiratorialists think are friendly and helpful...

...heads up, "raw milk" "unpasteurized milk" people: it may seem fun to live in the 14th century and to nature's buddy, but your friendly local ER won't think so. *Typhoid! it's coming to a theater near you! And it'll be in 3D!*

ENERGY: GREEN STUFF, (WIND SOLAR OIL-ALTERNATIVE) PLUS OIL & GAS

Coal advocates, global warming advocates, global warming foes, ethanol advocates, nuclear energy advocates, wind energy advocates, & solar energy aficionados each bring a special-interest agenda to the energy marketplace.

Oil-from-algae production is estimated to be A THOUSAND TIMES more cost- efficient than ethanol from corn. Biotech will have to give us new and more efficient microbes for oil-from algae or biofuel-from-cellulosic waste to succeed. But the push is now on the create synthetic microbes for oil-from algae. Who is pouring \$\$\$ into this? Big Oil. BP and XOM are the two largest investors in Alternative.

Meanwhile, Big Oil remains at Center Stage. There is a lot of available oil even tho shrinking US demand slack is being taken up by China Indonesia India etc

Solar is finally, forty years later, beginning to acquire legitimacy In the US. But solar is still not yet cost-competitive with wind coal or oil unless it is subsidized by the govt with your tax dollars (to create "jobs").

This next decade solar will find a home in the Middle East if there's not a World War.

Windfarm power has moved MUCH faster. And acquired global economic traction. 2010 ushers in THE TWENTY TENS, a decade that will put windpower up and running, ESPECIALLY IN THE UNITED STATES, WHERE IT IS ABOUT TO BECOME A NEW GOLDRUSH/EWILDCATTER INDUSTRY where new fortunes will be spawned.

Denmark's Vestas Wind Systems (VWDDRY.PK)(WSS.CO)(MLVES.PA) pioneered this new industry... but General Electric (GE) is entering the wind turbine biz big time, Big Oil (Shell, and BP) are investing in wind and so are some of the nation's major bankrollers (Goldman Sachs, Blackstone and JPM).

Wind turbine farms will gradually take over grid electricity generation over the next three to four decades. We will see fillerups, just like now, at gas stations, run by Exxon & others, selling biofuels.

A current estimate is that two million wind turbines operating worldwide could provide ALL of humanity's electrical needs. That seems like a lot but it isn't. And as these machines become more efficient, that critical-mass number will shrink.

Hard practical engineering, based on steel, alloys, aluminum, and 100 years of engineering, mechanics, and aircraft technologies, strongly favors global-wide wind-turbine farms as the new century's dominant basic energy source. Vestas Wind Systems operates internationally- Europe, the US, Canada, Australia, NZ, the Pacific, and parts of Asia- through 14 wholly-owned subsidiaries.

THE TOP WIND ENERGY CO'S

The wind energy industry grew 28% in 2009 and will grow even more strongly this year.

-General Electric (GE) A management nightmare, GE remains the #8 most profitable company on earth, *up from 12th a yr earlier. GE's wind machines must gain global market share to stay in this game. Co needs a new CEO*

-Vestas Wind Systems (Denmark) (WWS.CO) (VWSA.F)

(VWSYF.PK) STRONG LONG-TERM BUY, shares up 358% over 5 yrs

-Siemens (Germany) (SIE:LSE) (SI) wind energy machinery & systems but also one of Euro's largest manufacturing congloms, STRONG LONG-TERM BUY

-American Superconductor (AMSC), founded 1987, Devens, Mass, *megawatt-scale wind turbine designs, engineered electrical control systems, power cable systems, voltage stabilization surge protectors etc. P/E 93 FWD P/E 22, STRONG BUY*

-Mitsubishi Electric (Japan)(6503:TYO)(MEL:LSE) (MIELY.PK manufacturing conglom

-Gamesa (Spain) (0H4N.L)(GCTAY:PK)(GAM:MC)

-Broadwind Energy (BWEN) windfarm products/systems

-PowerShares Global Wind Energy (PWND) ETF tracks the Nasdaq OMX Global Wind Energy Index

-First Trust Global Wind Energy ETF (FAN) tracks the ISE Global Wind Energy Index

OTHER WIND POWER CO'S TO WATCH

-Clipper Windpower PLC (CWP:LSE)

-Windflow Technology Ltd (WFLWY:PK) (WTL:NZEE)

-Xinjiang Goldwind Science & Technology Co (002202:SHE)

-REpower Systems (RPW)

-Nordex AG (NDX1:ETR)

-Pacific Gas & Electric: California's #1 energy supplier is investing fast and heavily into windpower. PGE is privately-held, but its PCG-A Preferred Stock pays 6% div

In 1959 40% of the US economy relied on electricity. Now it's 66%+.

But 60%+ of the USA's electricity is still produced from coal, 20% from uranium/nuclear. Coal is dramatically out of fashion in Washington as a war on "global warming" "greenhouse gases" and "carbon" became a Washington PC craze. Low uranium prices show that nuclear power is globally out of fashion as well as an energy source.

THE BEST COAL COMPANIES

-Patriot Coal (PCX)

-James River Coal (JRCC)

-Consol Energy (CNX)

-Arch Coal (ACI)

-Peabody Energy (BTU)

-Massey Energy (MEE)

-Cameco (CCJ) this uranium company now owns Fording Canadian Coal

-Market Vectors Coal (KOL) an ETF of the 39 top coal co's

-Alpha Natural Resources (ANR) steel coking and electricity-generator coal

- Cloud Peak Energy (CLD) (IPO spinoff from Rio Tinto of its American coal holdings) is the third largest coal producer in the USA

THE BEST NATURAL GAS COMPANIES

New & advanced drilling methods have increased the supply of available natural gas by almost 60%. This means that most new electric plants built will be powered by gas, which is clean, cheap and works. There is a lot of \$\$ to be made in companies like

-Chicago Bridge & Iron (CBI) STRONG LONG-TERM BUY, which can build gas transfer & storage facilities

-Delta Petroleum (DPTR) Denver-based \$509mil Market Cap exploration development production and sale of oil & gas primarily in American West and Gulf of Mex...Enterprise Value is approx \$1bil, STRONG BUY

-Southwest Energy (SWM)

-National Fuel Gas (NFG)

-Chesapeake Energy (CHK) natural gas exploration & development esp shale gas. *Watch for CHK to simply get bought by XOM, which would move the shares to 38-40*

-PetroHawk (HK)

-Nicor (GAS) 45mil shares out, div \$1.86 yield 4.5% QEG/ YOY 946.2%

-Exxon Mobil (XOM) STRONG BUY

-Canadian Natural Resources (CNQ)

-Helmerich & Payne (HP)

Atwood Oceanics (ATW)

-Arena Resources (ARD) oil & natural gas exploration dev & production, US properties. In Fortune's 2009 100 Fastest-Growing Companies list

-Noble (NE) contract drilling services oil & gas

-Transocean (RIG) offshore gas n oil contract drilling worldwide

-Nabors Industries (NBR)

-EnCana (ECA)

-Suncor (SU)

-GeoResources (GEOI) oil & natural gas USA tiny-cap, \$170 million market cap.

-Clean Energy Fuels Corp (CLNE) natural gas fueling stations for alt-energy vehicles, US Southwest, T Boone Pickens' pet company

THE BEST OIL CO'S

-British Petroleum (BP) STRONG LONG-TERM BUY

-Royal Dutch Shell (RDS-B)(LSE: RDSA)

SHAREHOLDER PROBS W EXEC SALARIES PROVE POPULIST MOVEMENT IS NOT JUST USA BUT GLOBAL Shell has a development partnership with Libya. *The Iraqi govt signed a deal in January w/ Shell and its development partner Petronas (Malaysia, state-owned, privately-held) to develop one of Iraq's largest oil fields, the 12.5bil barrel proven-reserves Majnoon area. Shell and Petronas paid Iraq a \$150mil signing bonus. It's a 20-year contract and one of seven recent deals that will put Iraq back on strong economic footing. Iraq has the world's 3rd largest proven oil reserves. More of these deals are coming soon, one with Angola, another with Japan Petroleum Exploration Ltd (Japex) (TYO 1662). The Majnoon field is very close to the Iran border* STRONG LONG-TERM BUY

-Valero Energy (VLO) Largest USA oil refiner, 1st Q net income \$309 mil, up from \$261 mil YOY, #33 of Fortune 500, *buying up financially-troubled US ethanol refinery co's @ 30cents on the dollar in a bid to own the energy future. THIS tack MAY FAIL, since ethanol will ONLY come to the fore if OIL becomes SCARCE*

-Conoco-Phillips (COP) active in shale deposit mining, owns 20% of Russia's Lukoil

-Exxon Mobil (XOM) Exxon in partnership with Brazil hit an enormous offshore oilfield in 2008. Recent new stake in Africa. Spent \$19bil in 2009 to back Alternative Energy industries including a \$600 mil investment in USA-based algae-to-oil Synthetic Genomics. To buy into alternative energy, simply buy XOM. Spent \$29 billion in stock to buy natural-gas co XTO Energy, betting that gas will in coming years trump coal as energy source for electric power companies.

(Under backwoods Haynesville Louisiana is SHALE GAS. There is so much of it estimates are it could meet all USA's energy needs for twelve years. There is even more natural gas under

Pennsylvania the Marcellus Shale Range) and neighboring states- 65,000 sq miles of it- an area larger than Greece. Exxon is the company that can get this gas out. And Exxon has built up big positions in these two areas plus additional ones in Oklahoma Arkansas and Texas.

Lower earnings for 5 straight quarters following a record year. STRONG LONG-TERM BUY

-Petroleo Brasileiro (Petrobras) (PBR) STRONG LONG-TERM BUY *state owned publicly-held Petrobras shares in Exxon's goodies but has much much more on its own. (See also Diamond Offshore Drilling (DO) whose largest customer is PBR)*

-Petrofac (PFC:LSE) based on UK's Isle of Jersey: engineering const @ management of Deep Water an Deep Underground drilling gear STRONG LONG TERM BUY

-Atwood Oceanics (ATW) offshore drilling rigs

-TransOcean (RIG) Deep Water drilling services worldwide; RIG is one of those VERY FEW companies we would say OK, put every dime we own into this co, wake us in two years... *oil is not going away* ...STRONG LONG-TERM BUY

-Noble Corp (NE) (Switzerland)(long ago Texas-based) Contract drilling services global oil & gas. 63 mobile offshore drilling units plus labor for contract drilling. Clients: US Mid East India Mexico North Sea Brazil West Africa Market Cap 10bil FWD P/E 7.36 profit margin 45% QRG YOY 10.6% small debt 259mil shares out

see also:

-DIG (ProShares Ultra Oil & Gas)(leveraged) YTD return 20.59% (a showdown bet Iran and the West/Iran & Israel means \$200 oil)

Notes: ON OIL

Current "expert" estimates are that despite "green" energy sources, world demand for oil will rise 30% during the Twenty-Tens the Twenty-Teens and the Twenty-Twenties.

Big Oil has entered the Green Zone by simply buying up every "green" bioenergyco that has a promising technology or is currently already profitable. Big Oil has moved aggressively into the Business of Water.

THE BEST SOLAR AND PHOTOVOLTAIC CO'S

By the end of 2010, renewable energy sources will reportedly account for 15% of all electricity generated in the US. Solar is not yet cost-effective and coal continues to trump solar.

-Applied Materials (AMAT) world's biggest supplier of semiconductors and other components for solar panels and flat-screen displays...*heading big-time into China, as are many other US tech companies. By the end of this year, 2/3 of all solar panels will be produced in China* STRONG LONG-TERM BUY

-J.A.Solar (JASO) (China) small-cap, photovoltaic cells

-Sunpower (SPWR) (USA) solar electric power products, US, Asia and Germany, will build the nation's largest solar photovoltaic power plant just east of Sarasota Florida, marketing newer stronger and more cost efficient solar cell products

-MEMC Electronic Materials (WFR) (USA) silicon wafer producer for the semiconductor industry provides foundation products for photovoltaic

-Trina Solar (TSL) (China) solar modules for power generation, FWD P/E 14.7 *probably THE strongest momentum of any solar co in China*

-ReneSola (SOL) (China) solar photovoltaic wafers

-Sunways (SWW.DE)(SWYAF.PK) (Germany) high performance solar cells, solar modules, solar inverters, and photovoltaic products

-Suntech Power Holdings (STP) (China) photovoltaic cells

-First Solar (FSLR)(USA) solar electric power modules, EPS \$6.93 FWD P/E 12.87, profit margin 33.43% STRONG LONG-TERM BUY

-LDK Solar (LDK) (China) raised guidance in the middle of the 08 mess, UNDERVALUED

-Kenmos Technology (8107.TWO) (Taiwan) photovoltaic cells

-Hemlock Semiconductor (Michigan) world's largest producer of polycrystalline silicon for photovoltaic, subsidiary of Dow-Corning, jointly owned by Dow

Chemical (DOW) and Corning (GLW)

-Energy Conversion Devices Inc (ENER)(USA) photovoltaic cells, cell systems, and coatings, energy generation and storage products, Michigan-based

-EnerSys (ENS) (USA) lithium-ion battery systems for electric car apps, UNDERVALUED

-Canadian Solar (CSIQ) Ontario-based, solar electric module products, residential commercial industrial, Q Revenue Growth YOY 180.5%

-Vishay Intertechnology(VSH) (USA) broadbase electronics products co services photovoltaic/solar industry

-Claymore/MAC Global Solar Energy ETF (TAN) models the MAC Global Solar Energy Index co's

-Market Vectors Solar ETF (KWT) models the Ardour Solar Energy Index co's

-FPL Group (FPL) most people know this as Florida Light and Power. But FPL's NextEra energy subsidiary is THE largest provider solar-based (wind-based, too) electricity in North America. EPS \$4.74 div \$1.89 FWD P/E 11.4, Market Cap \$22bil Enterprise Value \$39bil, STRONG LONG-TERM BUY

-Gamesa Corporacion Tecnologica (Spain) (GCTAF.PK) (GMA.MCE) builds all three: wind, solar, and photovoltaic

-ABB Ltd (ABB)(Switzerland), electrical power automation technologies, global, Market Cap \$47.78 bil, \$8bil in cash, low debt

Notes: Saudi Arabia, looking past oil but now planning to continue huge income from energy sales, has set its sights on becoming THE most successful solar electricity generator in the world, and selling its wares to Europe Africa and the Middle East. A noble goal, and one that seems attainable

THE BEST WATER COs

-PowerShares Water Resources (PHO) global water ETF resources as we enter the 2010s decade when fresh water will become as valuable as oil. YTD return 18%

-Lindsay Corp (LNN) builds markets & services agricultural irrigation systems, ONE OF FORTUNE'S 100 FASTEST-GROWING GLOBAL CO'S

-Exxon Mobil (XOM) making the largest investments in water of any co on the planet STRONGLONG-TERM BUY

-Veolia Environnement SA (VE) (Paris) world's largest water services stock: desalinization systems, environmental services, global customer base, plus highway, rail & maritime passenger services in 25 countries STRONG LONG-TERM BUY

-Siemens (SI) Germany's engineering conglomerate, desalinization technologies & other water service systems, STRONG LONG-TERM BUY

-GE (GE) desalinization technologies, co needs new CEO

-Energy Recovery Inc (ERII) smallcap USA desalination etc co UNDERVALUED

ETHANOL-RELATED CO's

-Waste Management (WM) water management and buying into cellulosic waste-to-ethanol
STRONGLY UNDERVALUED

-see also Montreal-based Enerkem, waste-to ethanol plants, \$50mil grant from US dept of energy, 25 yr contract w Canadian city of Edmonton, etc *still privately held, likely an IPO from Blackstone*

-Archer Daniels Midland (ADM) US crop processing conglomerate, *buying up sugar mills in Brazil*
undervalued

-Cosan Industria e Comercio (CZZ)(CZLT1.SA)(Brazil) world's largest sugar cane processor,
increasing profitability as global sugar prices skyrocket

-Dupont (DD) farm & industrial chems, corn ethanol production

-The Andersons (ANDE) upscale US family-products retailer dabbles in corn ethanol production

-Pacific Ethanol (PEIX) smallcap producer based in Calif

-Bunge (BG) corn ethanol production, purchased Corn Products International (CPO) for \$4.4 billion,
broad products base, PURCHASED BY BRAZIL'S VALE

Notes: Brazil has just opened an electric power plant fueled by sugar-cane based ethanol...

NUCLEAR CO'S

-NRG Energy (NRG) builds operates traditional and services nuclear powerplants in the US, projects
underway in Germany Australia and Brazil.

-FirstEnergy (FE) nuclear powerplants, US. P/E 10, EPS \$3.86, div \$2.20 yield 5.6%, market cap
\$12bil Enterprise Value \$26bil

-Uranium Participation Corp (U.TO) Canadian ETF that does the same thing with uranium that GLD
an IAU do with gold

The other two key uranium stocks: Cameco (CCJ) & BHP Billiton (BHP)

CONSUMER TECH, INFOTECH, BIO-PHARMA HARD- SCIENCE & ENGINEERING

Cream-of-the-crop US stocks in hard science, medi-tech, pharma, biotech, chemistry, infotech, engineering, software, electronictech, networking hardware, telecom, and consumertech

-QualComm (QCOM) invented highspeed wireless in the 1990s with advanced & proprietary CDMA technology. Bought out AMD, & now has its own chips, P/E headed strongly downward, profit margin 15%, near-zero debt, \$3BILLION STOCK BUYBACK, STRONG LONG-TERM BUY

-Google (GOOG) possibly the most important company on earth that is not involved in mining or agribiz. 4th Q earnings \$6.13 a share, up almost 5X, almost \$2bil in profit. \$22bil in cash. Zero debt. QEG YOY 27.7%

This world's largest ad agency hosts 65% of ALL Internet searches. Still playing Don Quixote to China's windmill. Google stock is not *worth its price unless a huge dividend allows investors to share in the pie. We don't like the stock.*

But Google owns YouTube® which is fast becoming the most potent populist mainstream force on the Internet. Share may go to 750, dividend or no

SEE ALSO: REAL AD AGENCIES

out of fashion for several years. Traditional advertising now is roaring back:

-Omnicom (OMC) undervalued

-Interpublic (IPG)

-Publicis Groupe (PUBGY.PK)(France) UNDERVALUED

-WPP Group plc (WPPGY) (UK)

Notes: a new tack in advertising circles is "*crowd-sourcing*" a technique based on America's now very vocal Mainstream, plus *The Wisdom of Teams*. Agencies ask consumers to generate ideas *Well, how would YOU do it?* and offer cash prizes for the best solutions, *both saving money and tapping into the zeitgeist*

-Pall Corp (PLL) filtration systems for aerospace/defense military and medical apps, etc. \$3.91 bil market cap, 118 mil shares out, *increasing stature as a photovoltaic player, proprietary new technologies*

-Jacobs Engineering Group (JEC) Pasadena, California, this is *the engineer's engineering co and prob USA's "purest" engineering services problem-solving construction & systems co in the US today*. EPS \$3.53 Q earnings growth YOY 30.8%. Near-zero debt, a billion in cash

-Cisco Systems (CSCO) Routers, Inc. Named a Dow component, replacing GM. *Between 2002 and 2008, Cisco bought 58 digital tech product companies, now totally dominates networking NEW high-speed Networking PRODUCTS.* STRONG LONG-TERM BUY

See also: Citrix Systems (CTXS) Brocade (BRCD) and QLogic (QLGC), FWD P/E14

-IBM (IBM) 20th century Global Superbrand. *International Business Machines Corp was awarded more patents last year (more than four thousand) than any other company in the world... for the seventeenth consecutive year.* STRONG LONG-TERM BUY

-Adobe Systems (ADBE) Adobe Acrobat, Adobe Reader® PDF® Photoshop® market research software etc etc. Near zero debt, \$2.5bil in cash. *Adobe Photoshop©, having changed photography forever, is celebrating its 20th birthday*

-Oracle (ORCL) proprietary business software. No real competitors: use it or lose it. Hate the CEO love the co. Market Cap \$128bil, profit margin 25% \$23.23bil annual revenue FWD P/E 13.5. Co dividend shld be 4X what it is. UNDERVALUED

-Hewlett-Packard (HPQ) owns Electronic Data Systems (EDS) & Compaq. World's premiere laptop & printer builder. World's 2nd largest technology company behind Korea's Samsung. FWD P/E 11.9. *Bought 3Com, a direct challenge to Cisco. Billions in cash, actively buying up interesting tech venturecap startups for \$2-5million a pop. Q earnings up 25%, higher full yr guidance, currently THE strongest i-tech co in America,* STRONG BUY

-Apple (AAPL) Replaced GM in the Dow Jones. #253 in the Fortune 500. iPhone now available in 35 countries. Global Outlaw Economy Software made iPhone operational worldwide. Apple's \$500 iPad™ Tablet price has made sales enormous and has started a worldwide gold rush to provide iPad aftermarket products. A central issue of the day: Will Onliners pay for content via iPad? Reuters intends to find out. *Meanwhile, AAPL has \$23 billion in cash and no debt* STRONG BUY

-Research in Motion (RIMM)(Canada) Blackberry™ is the official handheld of wealthy powerful workaholics. *The cheapest Blackberry now is \$49. #1 OF FORTUNE'S 09 100 FASTEST GROWING CO'S. Of the top 25 smartphones available via Amazon, EIGHT of them are Blackberries...* STRONG LONG-TERM BUY

-Nvidia (NVDA) 3D graphics processors. NVDA's proprietary GPUs are players in handhelds, laptops, videogames systems, education, military, telecom, entertainment. Gross margin 41.9%, ZERO DEBT. There ARE no NVDA competitors. STRONG-LONG-TERM BUY

-Intel (INTC) in the 90s, Intel's Pentium® put America Online \$110bil Market Cap, almost NO debt, and nearly \$13bil in cash. Intel sells servers as fast as it can make them

(See also UK microprocessor ARM Holdings (LSE: ARM) has become a major player in processor

design and production for iPhone®)

-Cerner Corp (CERN) Kansas City-based, Global health care info-tech hardware & software plus services, 80 million shares out, low debt, QEG YOY 24%

-Thermo Fisher Scientific (TMO) genuine hard-science manufacturing co that provides technologies, lab equipment, disease diagnostic systems, instrumentation and a hundred or so other products to universities govt agencies hospitals etc. \$20bil market cap, low debt well-managed

-Danaher (DHR) hard-science & technologies conglomerate: engineering, med-tech, technology systems, water systems, superbly-managed. Owns Applied Biosystems (mass spectrometers, bio instrumentation) Shares are fully valued in high 70s

-Becton Dickinson (BDX) medical supplies and equipment, instruments diagnostics, reagents etc 235 million shares out, low debt, superlative management, *profit margin 17% FWD P/E 14 QEG YOY 12.4%* these guys just established a \$1.2mil fund for Haiti STRONG LONG-TERM BUY

-Intuitive Surgical (ISRG) # 48 of Fortune's 2009 100 Fastest Growing Companies. Expensive, but only 38 mil shares out. Zero debt. Profit margin 21.7% Market Cap \$9.7 bil EPS \$5.04 STRONG LONG-TERM BUY

-Landauer (LDR) Small cap: Radiation Detection Monitors, medicine & military-industrial. Profit margin 25%. Dividend yield 3.4%. Zero debt.

-FLIR Systems (FLIR) infrared machinery used in medicine science & military, profit margin 21% near zero debt QEG YOY 9.6%

-McDermott International (MDR) (Texas) *the* complete A2Z offshore drilling engineering services co. ROE 20% QEG YOY 38% \$6.4bil annual revenue, superbly managed, \$800mil in cash and no debt... Founded 1928 STRONG LONG-TERM BUY

-Dow Chem (DOW) chemicals engineering & agribiz conglomerate: profoundly successful joint venture Dow-Corning with GLW. Strong ties w US Defense Dept. *Rohm & Haas purchase was a great move. Market cap \$31bil Enterprise Value \$52.2bil UNDERVALUED*

-DuPont (DD) hardcore chemical & engineering, agribiz products, Monsanto's arch-rival

-Ashland (ASH) hardcore engineering/chemicals conglomerate resins waste technologies environmental services hazardous waste collection plastics etc, makes Valvoline®. P/E 7 div 6.40%, company is highly leveraged

-Celanese (CE) chemicals hardcore, industrial chems polymers coatings lubricants etc P/E 46 FWD P/E 11.6 UNDERVALUED

-Sherwin-Williams (SHW) diversified chems, 3,335 neighborhood paint stores but also hi-tech coatings & polymers for defense/aerospace surfaces of exotic US military & space machinery. FWD P/E 15. Global sales. 116 mil shares out. Low debt. In a ruined 08 US economy, SHW raised its dividend

-Eli Lilly (LLY) (Cialis® etc) enormous breadth of product array, strong R&D. P/E 9.2, 20% profit margin, EPS \$3.94 div \$1.96 yield 5.4%, currently the ONLY US Big Pharma we would touch. UNDERVALUED. *Around st patricks day Lilly hosted THE largest drug heist ever, a \$75mil pill movie-style robbery of LLY antidepressants and antipsychotics, from a LLY warehouse in Connecticut. Drugs now headed into the Global Outlaw Economy*

-Pfizer (PFE) (Lipitor® Viagra® etc) Lipitor is the world's largest-selling drug

-Abbott Labs (ABT) (Similac® etc)(purchased by Pfizer for \$68 bil) global-selling Similac®, rheumatoid arthritis drug Humira®

-Merck (MRK) Gardasil® etc market cap \$68bil, fully-valued, owns Schering-Plough

-Teva Pharmaceutical (TEVA) (Israel) generic Rx's

-Glaxo SmithKline (GSK) pharma products sold in 140 countries, cervical cancer vaccine H1N1 vaccine

-Amgen (AMGN) undervalued

-Johnson & Johnson (JNJ) America's premiere consumer health products co *has the 18th highest annual earnings of any co on earth*

Notes: See also

-Dendreon (DNDN) immunotherapy cancer treatments

-Oxis International (OXIS.PK) nutraceutical products inc 'fountain of youth' molecular stuff may be snake oil *but also may not be snake oil*

-Human Genome Sciences (HGSI) SPECULATIVE STRONG BUY

-Resverlogix (RVX:CN) potential 'good' cholesterol RX

-Genzyme (GENZ) SPECULATIVE STRONG LONG-TERM BUY

-Cyclacel (CYCC) potentially history-making anti cancer drugs, we expect co to be bought by Lilly or

Novartis SPECULATIVE STRONG BUY

-Celsion (CLSN) SPECULATIVE STRONG BUY

-Corning (GLW) 150+year old co invented fiber optic cable, 62% world market share of flatscreen glass. Superb Dow-Corning partnership (DOW) Near-zero debt, superb CEO. *A developing-nations optical cable buildout is about two years away, will be in full sway in 2014*, STRONG LONG-TERM BUY

-JDS Uniphase (JDSU) 1990s photonics hardware manufacturer NEW PHOTONICS PRODUCTS in a broadbanded/wired 21st century STRONG BUY

-Juniper Networks (JNPR) smaller faster sleeker version of CSCO, another late-90s survivor star, shares are undervalued

-Comcast (CMCSA) the USA's largest cable operator. 23.6mil video customers. 16mil high speed internet customers. 7.6mil phone customers. *Comcast stuff goes to 50.6million US households*. Comcast put up \$37bil to buy the majority stake of NBC Universal, putting this strong but formerly low-profile media player in charge of Telemundo, Bravo, USA Network, the SYFY Channel, and various regional sports networks, plus CNN CNBC and Universal Pictures and Universal theme parks. Comcast can now license all this content to various other subscription subscribers—DirecTV, Verizon, Time Warner and others. NBC had earnings of \$1.7bil on revenue of \$11.2bil in 2009. Meanwhile Comcast has, unheard of for a NASDAQ co, a FWD P/E of 13, QEG 22.4%, Market Cap of \$45bil and an Enterprise Value of \$71bil plus pays a dividend. *Shares at 17-18 are at a high but are half what they're worth*. STRONG BUY

- IC3D inc (ICT) smallcap (Canadian) co uses a Battelle Institute-developed technology in its patented 3D cameras used in movie and TV production, SPECULATIVE STRONG BUY

Notes: Privately-held Japanese consumer electronics firm Onkyo has just marketed a slew of new AV receivers *including a 3D receiver for British Lb250 or about \$399. 3D will become a trillion- dollar annual industry*

-NewsCorp (NWS) Fox News and other cable channels. Owns Wall St Journal. Bankrolled *Avatar*. Founding Father Rupert Murdoch about to step down...son James will take over. *Fox News is now the strongest news channel in the US and has become the cornerstone of a new American political party that will take the White House in 2012*

-Time Warner (TWX) cable service provider & media conglom, runs Roadrunner, AOL is once-again freestanding and a recent spinoff IPO. TWX bankrolled the Robert Downey Jr *Sherlock Holmes*, a new & successful franchise

-Maxim Integrated Products (MXIM) integrated circuitry systems and software, esp products &

systems for the global credit card payment industry. Sunnyvale, Cal. Worldwide sales, 10,000 employees, zero debt. Dividend 80cents yield 5%, FWD P/E 39

-Verizon (VZ) America's best wireless coverage. Market Cap \$82.5bil, Enterprise Value \$146bil, dividend \$1.90 yield 6.5%, UNDERVALUED

-CenturyTel (CTL) communications services, Monroe Louisiana, operations in 25 states, P/E 10 EPS \$3.46 Div \$2.80 Yield 8% QEG YOY 231.5%, STRONG LONG-TERM BUY

-AT&T (T) 16% of all US households now use only cell phone wireless. 13% still have landline phones but take almost all their calls via wireless. AT&T's Internet and "cable TV" services now challenge cable and satellite media co's. Service provider for both the Blackberry® and the iPhone. *Rumors are that ATT will try to end copperwire service in two years, a huge cost-cutter (they'd fire all the linemen and tree-trimmers)*

-Activision (ATVI) Shrek© World of Warcraft© X-Men© James Bond© Spiderman©

-Take Two Interactive (TTWO) Grand Theft Auto©

-Microsoft (MSFT) Home of the Xbox™ Windows™ and Seven. We wouldn't touch MSFT stock unless Steve Ballmer were to be hit by a bus. *But the company has NO real competition and the very black numbers from MSFT products speak for themselves: record 4th Q revenue. New Windows Mobile 7™ software will spread thru anything that isn't AAPL.* UNDERVALUED

-Disney (DIS) Gamebiz®, a part of Disney Interactive®, is a fat piece of Disney's future. Purchase of Marvel co and its huge character pantheon for \$4bil, gives Disney much to work with. Disney 3D films will debut soon STRONG LONG-TERM BUY

-Gamestop (GME) Resident Evil® 5264 Gamestop outlet stores in North America Europe and Australia

Gigamedia (GIGM) (Taipei) # 53 OF FORTUNE'S 09 100 FASTEST GROWING CO'S

-Shanda (SNDA) (Shanghai) \$3.4bil market cap, profit margin 34% Q earnings growth 25%

-Electronic Arts (ERTS) Global sales ERTS' Sims was the most successful video game in history, now is passe

Nintendo (NTDOY:PK)(NTO:XETRA) (Japan) original inventorco of video games decades ago originally made pachinko machines. *Three of America's top ten best-selling video games are Nintendo products. Makes Wii and DS game consoles as well as content*

-Konami (KNM) (Japan) founded 1969, esp learning and educational game systems \$2 bil market cap

P/E 9.5, div 3.7% solid numbers

-Viacom (VIA) entertainment content parentco of MTV has an MTV Videogame Division successful throughout last decade

Ubisoft Entertainment SA (UBI:PA)(UBIZ.EUR.PLU) (UBSFF.PK) Paris & Montreal-based, subsidiaries in 28 countries distribution in 55 countries. Not all pioneer companies are wildly successful but UBI is the Home Tree of the Avatar video game and the first co to release 3D video games. 3D is about to permanently change global entertainment. So far, in our new 21st century, the two most important events have been the 9/11 World Trade Center Islamic attack, and the release of the film Avatar. Releases of additional 3D films and video games later in the year will bear this out. When 3D production reaches porn, it will turn that endeavor into a trillion-dollar annual global industry. Wait til 3D reaches the Superbowl...

THE WAR ZONE

“War is wonderful. They’ll never stamp it out.”

— songwriter-novelist-poet-performer Leonard Cohen, in an interview

The USA, like Rome, is a civilization that progresses through war. Not all cultures are like this. But for the most part, all humans are. That’s why we are at war with Islam. Homo sapiens got where it is by evolving into the most lethal treacherous and murderous of the hominids. War- and love of war- is hard-wired into humans over 100s of 1000s of generations.

War is far more than “diplomacy by other means.” War is the most formidable social & economic engineering tool on earth. It is also one of the world’s great economic growth engines

-General Dynamics (GD) defense products conglom: combat vehicles including the Stryker MGS, weapons systems, munitions, shipbuilding, aerospace, low debt, superbly managed, PE 11, EPS 6.17, undervalued

-Raytheon (RTN) world’s foremost maker of missiles and laser weaponry, plus mercenary warfare and security engineering services. Net income up 20% on strong missile sales. \$886mil USAF contract for GPS systems. STRONG LONG-TERM BUY

-Lockheed Martin (LMT) The Skunkworks. Legendary historic & pioneer US aircraft engineer. Who’s Who list of great US war aircraft. Co-builder, with Boeing, of the F/A 22 Raptor. Eventual manufacturer of the F-35 Lightning II, the Joint Strike Fighter, the world’s costliest weapons program and THE global manned war aircraft for the next three decades. EPS \$7.65 P/E 9.9 STRONG LONG-TERM BUY

-Northrop Grumman (NOC) *the people who give you the USA's nuclear subs and our aircraft carriers*. Builder of the Global Hawk. Unmanned aerial weaponry & surveillance is THE key factor in 21st century warfare. FWD P/E 10, \$1.72 dividend, owns TRW. US needs & will use & and will buy more Global Hawks. STRONG LONG-TERM BUY

-Boeing (BA) military & commercial air products, weapons systems. One of America's most illustrious, innovative and politically-corrupt companies. Co-builder of F/A 22 Raptor. In Play w the US Air Force w a Boeing 767 refueling tanker, STRONG LONG-TERM BUY

Notes: In mid-Feb, the US Missile Defense Agency (ever heard of this one? It is a 'black agency') shot down a multi-stage ballistic missile over a US weapons test site in Cal. With a directed-energy laser weapon mounted in a modified 747 jumbo jet and while airborne...

...this is a laser that blasts stuff out of the skies...

...and its target could have been a weapon from Iran. This is 21st century warfare and it looks like the movie War of the Worlds. Basically, Raytheon technology, developed via Northrop Grumman Lockheed and Boeing. This is laser technology that can destroy multi- enemy missiles at the speed of light and from a distance of 100s of kilometers...at a far lower cost per intercept compared to current technologies. Zap.

-Textron (TXT) Cessna, Bell Helicopter, Hovercraft, surveillance, armored vehicles, missile control components, etc.

-United Technology (UTX) defense and tech engineering & weapons products conglomerate, includes the Sikorsky Black Hawk® helicopter, low debt, FWD P/E 15, undervalued

-L3 Communications Services (LLL) defense systems service provider conglomerate: *EPS \$8.00, P/E 9.82 more than a billion in cash, 116 mil shares outstanding, QEG YOY 19%*

-Rockwell Collins (COL) aerospace & defense products conglomerate, ROE 44% Market Cap \$8.5bil, recent \$450mil Navy radio contract

-Honeywell (HON) aerospace/defense products & systems, 1700 products, owns RMG Group, building new tech center in India, P/E 14, Market Cap \$30bil, strong 2010 guidance

-SAIC (SAI) defense software & engineering, aviation & missile, etc, \$7.4bil Market Cap, FWD P/E 13

-Navistar (NAV) mine-resistant vehicles. 30% market share (PAC & DAI are competitors) \$3bil

market cap Enterprise Value \$8.16bil

-Oshkosh Truck (OSK) ambulances, trucks, bombsquad vehicles etc. *THE OSHKOSH M-ATV MRAP WAR VEHICLE IS THE BADDEST MACHINE OF ITS KIND ON EARTH. WE WOULD LOVE TO HAVE ONE. OUR MILITARY JUST PLACED A \$1.08BILLION ORDER.* STRONG BUY

-Spartan Motors (SPAR) ambulances & military vehicles P/E 6, on Fortune's 2009 100 Fastest-Growing Companies list

-Force Protection Inc (FRPT) this \$450mil market cap co makes heavily-armored blastproof small troop & war vehicles especially the Cougar®: machines much- suited to a 21st century era of skirmish/ containment & police states population control. SPECULATIVE STRONG LONG-TERM BUY

-Elbit Systems Ltd (ESLT) (Israel) unmanned military aircraft. Ops in the US. New US Navy contract. In Fortune's 09 100 Fastest-Growing Companies SPECULATIVE STRONG BUY

-Ceradyne (CRDN) ceramic armor defense products, body & vehicle armor etc *this is 21st century ground warfare technology at its finest*

-Cogent (COGT) fingerprint technologies for Army, Navy, police & Homeland Security, \$1bil Market Cap, profit margin 30%

-Stanley (SXE) offshore/coastal maritime data. DHS and Defense Dept's "mapmaking" sidekick. HQs down the street from the CIA. Builds & manages "coastline data systems" for 40 govt agencies. \$803 million market cap. Q revenue growth YOY 250%. This co helps keep nukes etc away from US shorelines. Co has gone from a 2-man op to "4800 employees" but its likely 7,000 or more

-EMS Technologies (ELMG) designs & manufactures wireless communications systems & products for defense & aerospace. Builds computers that will live thru anything. Market Cap \$307mil, Fwd P/E 12, *only 15.25mil shares outstanding*

-AeroVironment (AVAV) small-cap (\$850 mil) 21st century war and technology inventors' lab based in Monrovia California. Aero builds unmanned robot aircraft for attack & reconnaissance/surveillance plus general hard science technology systems. *Aero builds windpower systems for the military. Put a wind generator on the roof of an aircraft hanger 2500 miles from nowhere. Presto: electricity. Now a factor in Electric Vehicle power systems. Zero debt, FWD P/E 28, EPS \$1.21, Q earnings growth YOY 75.4%*

-American Science and Engineering (ASEI) bomb-detection/ anti-sabotage products inspection systems, Homeland Security is a 6% annual growth industry

-Dyncorp (DCP) Falls Church Va, security service provider: personal protection for politicians &

diplomats, peacekeeping services, security products and systems, de-mining, biometrics, tactical support, immigration support services. Supply/expertise/hardware contractor to military, black agencies & Homeland Security (competitor Xe Services, formerly Blackwater Worldwide and renamed, is privately-held)

-Global Defense Technology (GTEC) IT services and engineering support to US defense & intelligence agencies, IPO

-Esterline Technologies (ESL) Bellevue Washington \$1.45bil market cap \$1.46bil annual revenue FWD P/E 13.2 *engineered hardware products for aerospace & defense & also medical & commercial: displays GPS switches interface keyboards etc etc 29.79mil shares out UNDERVALUED*

-Verint Systems (VRNT.PK) Market Cap \$782mil stealth co provides public-safety data-retention systems software & hardware: surveillance systems for police, military, cities, Homeland & black agencies. Red ink co. *Proprietary analytic security software. Shares are up 612% in a year and still half-price. SPECULATIVE STRONG BUY*

-VirnetX Holding Corp (VHX) founded 2005 ScottsValley Ca. Market cap \$250mil, 12 employees. Red ink co. *Realtime data encryption systems: proprietary Gabriel® Connecting Technology encrypts and allows transmission between various devices networks and op systems. Of serious value to military CIA NSA Homeland and the various black (surreptitiously-funded) agencies. BUYOUT CANDIDATE prob by Cisco IBM or Oracle but just as easily by Raytheon or L3. SPECULATIVE STRONG BUY*

-RTI International Metals (RTI) milled titanium products for aerospace defense and industrial apps, Market Cap \$577mil

-EnerSys (ENS) on-site & on the go electric power systems for military and industrial

-KBR (KBR) energy logistics for military and fed govt agencies, recent new Navy contract

-Cummins Engine (CMI) provides vehicles & engines for the US military as well as for everyone else

-Titan (TITN) huge tires & wheels for agricultural, mining, & military vehicles

-Axsys Technologies (AXYS) (speculative) precision optics for defense aerospace and homeland security, Orwellian surveillance systems, tracking systems, reconnaissance, infrared systems

-iRobot (IRBT) \$320 mil Market Cap, zero debt, IRBT is the future of war: small unmanned ground robots that investigate suspicious objects, find IEDs, neutralize explosive devices, handle hazardous materials, do reconnaissance tasks, etc. A consumer division builds robots that vacuum (the Roomba®) clean gutters and swimming pools etc, FWD P/E 62, buyout candidate

-Alliant Techsystems (ATK) bullets: munitions warheads weapons systems hardware etc

-Taser (TASR)(speculative) the Taser is the first 21st century post-firearm handweapon. Taser has awful management, a \$434mil market cap, will be with us for a century, and is undervalued. A buyout candidate

-General Atomics Aeronautical Systems (honorary War Stocks member, privately-held) maker of the Predator® and the Reaper® unmanned attack/recon aerial drone vehicles

-Military Police Systems Inc (honorary War Stocks member, privately-held) maker of the A-12 Atchisson Assault Shotgun, a 300-round-per minute weapon

Notes: To see what 21st-century war looks like:

you can watch *Avatar* the non-iMax version is better, it is *not as loud*

you can go to Google, type in *drone-controllers* and watch...

ISLAM

WE are not at war with Islam. But Islam is at war with The West, especially now via immigration and territory-takeover through refusal to assimilate into a host country's culture. This stealth takeover will continue until the West bans or severely limits muslim immigration. That may be starting to happen in Europe. In the US, however, Islamist leaders for calling for devout muslims living in the USA to begin jihad here.

NO 'radical' or 'terrorist' organization can function or even exist without the economic and social support of the community and social structure which surrounds it.

As we should have learned with Ft Hood, there should be NO muslims in ANY US military branches. No muslims allowed to fly into the US? Airline danger problem solved, solution inexpensive. Target the problem, not Americans. Quit wasting our money in the name of equal-opportunity pro-diversity blame.

Islamic 'extremism' is not some fringe phenomenon but is a part of mainstream daily islamic life worldwide. We need to make it a part of mainstream daily American & European life to counter this threat with offense rather than defense. No more circling the wagons. Instead, circle Islam. It will take regime change in the United States to make this happen. It's on the way. It's already happening in Europe.

The Market Witch link to the Websites WE visit to stay informed on Islamπ

<http://www.marketwitch.biz/islam.html>

Notes: Current research shows that dogs most likely evolved from wolves, thousands of years ago, in

the Middle East...where now, under Islamic law, dogs are considered “unclean.” If you’re blind and Islamic, you can’t have a seeing-eye dog because it will upset Allah. About 70% of the world’s 1.6bil muslims follow ‘halal’ religious food laws (like kosher). This halal foods market is a *\$630 billion annual business. Islamic values and culture impact all major retail markets: cosmetics real estate food fashion construction insurance travel & banking. Other than investing in hotels and food companies, there is so far no way we can see to invest in Islamic companies and make any money except in partnerships w The West in cases like Shell Oil.*

Meanwhile, Europe is refusing to take any more nonsense from militantly expansionist Islam, and that is a war that is heating up.

Moammar Qaddafi still head of Libya (his son has been taking over day-to day leadership for three years) has called for jihad against Switzerland for its architectural ban of minarets in this picturesque ultimate-European country. The Swiss (all adult Swiss males are *required* to own firearms and to officially be members of a national reserve) has essentially told Libya: bring it on.

Dutch politician and culture hero Geert Wilders took his 15-minute documentary, *Fitna* to show the English House of Lords. The film associates Islam with terrorism homophobia and repression of women (well duh). The event, at Parliament, drew a small protest, which the media instantly pickup on and magnified. *But almost all of England (and also almost all of Sweden Germany France Holland etc) agrees with Wilders.*

Wilders says: “I believe Islam is a violent and dangerous religion. But I have nothing against Muslims.” He is pushing for a Europe-wide ban on muslim immigration because “they bring with them a fascist ideology.”

Wilders is highly-visible in Europe as he heads into a Dutch national election. His popularity in Holland- and all over Europe- is soaring and polls predict his Freedom Party will be one of the two largest in the next Dutch parliament.

Geert Wilders is poised to become the next Prime Minister of Holland in the June 9th national election

AFRICA

The only serious domestic equities market so far in Africa is the Johannesburg Exchange in South Africa. The potential is there for Africa to become a giant Brazil, or a quilt-patchwork fountain of wealth much as the United States was for a hundred fifty years and much as South America will become. Will it happen? Depends on who gets control of Africa and what vision they have for this rich and impoverished continent. *But as this new decade opens up, Africa is on the move: Rio Tinto (RTP) and Aluminum Corporation of China (ACH) (Chinalco) (largest domestic producer in China, and 3rd largest in copper) have inked a partnership deal w the republic of Guinea to develop iron ore reserves there. RTP will own 50.35% ACH 44.65% and Guinea 6% but Guinea has the option to buy up to 20% of the project. Bringing revenue the the govt and (theoretically) the people. This is not a unique deal:*

we could list a dozen of them, and most involve China and Europeans as developers.

-MTN Group Ltd (MTN: JNB)(South Africa) telecom in 21 countries in Africa and Middle East, India's Bharti Airtel (BVLN: NSI) is buying a stake as both the India and African economies begin to move, SPECULATIVE STRONG BUY

Notes: 2010 looks to be the year that Africa begins its economic breakout. Data from our British sidekick Roger Cook, based in Germany, indicates this is coming FAST and we will have to do a new AFRICA issue SOON. Whether any Africans except those in mostly corrupt governments military dictatorships or warlord camps will see any of the profits of African exploitation remains to be seen. Some new activity in Africa has to do with increasing diamond mining exploitation and production. Ditto with gold mining and also for exotic metals and 'white metals' rhodium palladium & platinum. Further in the future is agribiz. Right now, most important is oil. Angola is one of the partners Iraq is allowing to come in and help develop Iraqi oil fields. Libya has partnered with Big Oil (Royal Dutch Shell and others) to develop and market Libyan oil as a younger generation prepares to govern Libya and take it into the future

ASIA & ASIA-PACIFIC

-iShares MSCI Turkey (TUR) broad ETF of Turkish domestic co's in this gateway-to-Asia nation. YTD return 41%

-iShares MSCI Australia (EWA) broad ETF of domestic Aussies companies, largest holding (16%) is BHP

-iShares Indonesia IDX ETF of key Indonesian domestic stocks

-Antam (PT Aneka Tambang Tbk) (ANTM.JK) Indonesia's 65% state-owned mining company. Gold, silver, nickel, ferronickel, bauxite, and other metals & ores. 1st half-yr revenues \$444 mil, down 21% YOY on lower global nickel prices

-Hyundai (Korea) (A005380 Koscom) (HYMTF USA) builds what currently is America's most-liked and most trusted mass-market car. But also Heavy duty trucks lorries vans cement carriers tractors etc. Global sales. Customers- not just Americans, but everyone- *love* these vehicles. Korea shares are up 106% in a year. USA shares are up 169% in a year. STRONG LONG-TERM BUY

-Mahindra & Mahindra (India) (LSE:MHID)(MNM:BO)

(MAHDY:PK) (we would choose the LSE shares) *India conglom: tractors farm machinery autos and trucks, banking and financial services (Kotak Mahindra Bank etc) 54-cent dividend, or about 6%,*

-Vedanta Resources (VED.LSE) (India) (speculative) mining conglom: Al copper zinc iron ore gold and energy, operations in India Zambia and Australia. Well-managed, fat dividend

-Bharti Airtel (BVLN:NSI) (India) country's strongest wireless co

-Tata Motors (TTM) subsidiary co of India's Tata conglomerate/ empire. Maker of the Nano™ car. *Now owns Jaguar & Land Rover. TTM will manufacture 25,000 X-series Jags in 2010. Negotiations are underway to market India's Nano® in Argentina & Brazil* VARIOUS TATA PUBLICLY-HELD ENTERPRISES VIRTUALLY RUN INDIA.

-MSCI India (INP) India Index fund, SPECULATIVE STRONG LONG-TERM BUY

-Wisdom Tree Dreyfuss Indian Rupee Fund (ICN) ETF of the rupee

-Market Vectors Indian Rupee/USD ETF (INR)

Notes: to the surprise of everyone, India raised its prime rate substantially March 19th, which means India's economy is heating up, and is very strong...

-PetroChina (PTR) oil & gas, buying into the West's resources, EPS \$8.18 STRONG LONG-TERM BUY

-China Mobile (CHL) (HKG:0941) cell phone service provider (world's largest subscriber base) STRONG LONG-TERM BUY

-China Railway Group (SHA:601390) RR infrastructure

-China Railway Construction Corp (SHA:601186)

(CWYCF) huge IPO in 2008, RR infrastructure

-Aluminum Corp of China (Chalco) (ACH)(HK:2600)

-iShares FTSE/Xinhua 25 (FXI) key China ETF

-Huaneng Power International (HNP) utilities: electricity generation, pan China... also owns & operates Singapore's power grid

-Lenovo Group (HKG: 0992)(LNVGY: US ADR) world's 3rd largest computer maker owns (former IBM) Thinkpad®

-China Metallurgical Group (State-owned, currently private) one of Fortune's 500 largest companies... now planning what would be a \$4bil IPO...

-Changsha Zoomlion (SHE: 000157) heavy machinery: China's Caterpillar

- Shandong Weida Machinery (SHE:002026) industrial saws & drills
- Shenzhen Agricultural Products Co (SHE:000061) farm crops broker for bulk ag products, *plus runs an electronic agribiz commodities trading platform*
- Anhui Heli co (SHA:600761) forklifts & trucks
- NBTM New Materials co (SHA:600114) replacement machine parts, powder metallurgy, global sales
- General Steel Holdings (GSI) broadbased China steel, small component co's
- Hutchison Whampoa (USA ADR: HUWHY) STRONG BUY, see our EXOTICS BUY LIST
- BYD (HK:1211)(BBDDY) lithium ion batteries, a China electric car
- iShares FTSE/Xinhua China 25 Index (FXI) ETF of 25 largest China companies STRONG LONG-TERM BUY
- Matthews China (MCHFX) fund up 20% each of past three consecutive years STRONG LONG-TERM BUY
- Wisdom Tree Dreyfus Chinese Yuan Fund (CYB) EFT of the Chinese currency
- Market Vectors Chinese Renminbi/USD ETF (CNY)
- Samsung Electronics (LSE:SMSN) (South Korea) overtook Hewlett Packard in 09 to become the world's largest technology company (\$117.8bil in 09 sales) as it forecast that *HIGHER MEMORY CHIP PRICES IN 2010* would result in record 2010 profits of \$127bil. 52-week share gain 91.67%
- Nikon (7731:TYO) (NINOY:PK)(NKN:BER) (Japan) worlds best publicly-held camera co also manufactures broad range of infotechnology hardware. Wonderfully successful transition from film to digital cameras. Continuing big and appreciating global market for vintage "real film" Nikon cameras. US shares are up 86% on the year, remain undervalued, STRONG LONG-TERM BUY
- Sony (SNE) Blu-Ray® gaming consumer electronics etc. Powerful Sony-Ericsson telecom partnership w Sweden's Ericsson (ERIC). 87% of Americans have a cell phone...But globally, telecom is still just getting started. *Sony in partnership with Orkin Design has unveiled a 'rolltop' laptop that will take the world by storm when it becomes available.* [ROLLTOP](#) Sony is UNDERVALUED
- Sumitomo Corp (TYO: 8053)(USA:SSUMY)(Japan) huge trading conglomerate in eight business segments. TYO shares up 30% YOY, USA shares up 45% YOY, STRONG LONG-TERM BUY

-Ricoh (7752:TYO) RICOY.PK)(RICOHQ.BO)(Japan) commercial & consumer-tech hardware: office equipment, high-end printers, IT services & consulting, semiconductors, digital cameras, bought IBM's global printing systems div in 2007, brilliant CEO Shiro Kondo, 55% of revenue is from overseas markets

-Panasonic (PC) global electronic, electric, and consumer appliance co may have peaked 30 yrs ago but remains a powerful presence: new 3D Home Theater product. *Major Japanese chip architecture initiative jointly constructed by Panasonic Hitachi (HIT) and Canon (CAJ) may give Intel competition UNDERVALUED*

-Sanrio Co LTD (8136:TYO)(SNROF:PK) Sanrio Global Consumer Products began marketing now pop/camp Hello Kitty® items 35 years ago...annual global sales of ++\$5bil, USA PK shares up 13.25% on the year

-iShares MSCI Japan Index ETF (EWJ) YTD ETF of key Japan co's

Notes: If you've ever heard the term "tata's" in the USA that means you've been to a strip club or a bachelor party or paid for a lap dance or lived in a trailer park or joined a fraternity.

In India it means something quite different: In India, the Tata's are the country's most successful family, one of the nation's largest employers, and are in their fifth generation as stewards to the Tata financial empire. India is in fact a one-family economy.

The founder was Jamsetji Tata, born March 3rd (a pisces, for those who care about such things: pisces people are capable of seizing "the tide that leads on to" etc etc)1839 died May 19 1903 is known as "the father of Indian Industry."

As is often the case in family-fortune-founding, one of the ways this Farsi Indian family (zoroastrians, and according to available data, originally a priestly family)(but all families clean up loose ends when they become prominent) got its start was in the opium trade: supplying opium to the Brits during the Opium Wars in China, and profiting big-time. With money, this family began to branch out. Some time in the 1880s, the senior Tata determined that India would have a steel industry- its own- the equal of anything in England.

Until about two years ago much of the Tata enterprise was under one 'conglom' company. Today, if you research Tata in the *London Financial Times*, you'll find *more than a hundred publicly-held Tata companies, listed on almost every equities exchange on the planet, including of course the LSE and the National Stock Exchange of India.*

About 66% of the family's equity capital interests of Tata Sons is assets held in philanthropic family trusts.

A few of these companies are:

-Tata Steel (LSE: TTST)

-Tata Tea (LSE: TTED) (USA: TTAAY) (up 37% YOY)

-Tata Power (LSE: TPCL)

-Tata Motors (LSE: TTMT) (USA: TTM) maker of the Nano™ car. *Now owns Jaguar & Land Rover. TTM will manufacture 25,000 X-series Jags in 2010. Plans are underway to market India's Nano® in Argentina & Brazil, on our STRONG BUY lists for TWO YEARS, up 314% YOY*

-Tata Steel Thailand (SET: TSTH)

-Tata Communications (USA: TCL)

We are *very interested* in these companies as possibly *the* best way to invest in India. We're not finished yet, we're still researching the familie's publicly held banking & investment interests. Someone should fund a Tata ETF...

LATIN AMERICA

-Grupo Bimbo SAB (BIMB.MEX) huge Mexican mass production supermarket supplier, sales throughout N America S America Central America Caribbean, will do \$7.5 billion in sales during 09, owns the baked goods div of Canadian co George Weston (WN) owns Entenmann's® and other powerful north American brand names) STRONG LONG-TERM BUY

-Fomento Economico Mexicana SA (FMX)(Mexico)(called "FEMSA" in NYC) beverages, throughout Mexico Central America South America & Caribbean, esp beer, plus the Latin American Coca-Cola franchise, plus a chain of convenience stores in Mexico. Exports to 47 countries

-Wal-Mart de Mexico SAB (Mexico)(WALMV.MX)(WMMVY.PK) called "Wal-Mex" on Wall St, just beginning to enter the world of banking in Mexico, STRONG LONG-TERM BUY

-BRF Brasil Foods (BRFS) processed foods & meats conglom, formed by merger of Sadia and Perdigao, household-name products with sales all over SA plus Europe Saudi Arabia Russia etc, halal foods. Strategic alliance w Unilever Brasil gives BRFS a 75% market share of ALL frozen foods sold in Brazil. 30% profit margin, STRONG BUY

-Petroleo Brasileiro (PBR) (Brazil) ("Petrobras") oil in a safe & non-crazy part of the world and in the world's best economy. Huge new oil and gas discoveries in 08, 2:1 stock split May of 08, #34 in Fortune 500, last yr #63, A MARKET WITCH BEST BUY

-Gafisa SA (GFA)(Brazil) homebuilder: luxury homes, moving into middleclass & lower income construction, FWD P/E 8, QEG YOY 340% STRONG BUY

-CPFL Energia SA (CPL) (Brazil) Brazil's electric company. EPS \$6.18, P/E 11.65. Dividend \$5.47, yield 8.90% STRONG LONG-TERM BUY

-Companhia Paranaense de Energia (ELP (Brazil)) hydroelectric & thermoelectric power. P/E 9 Market Cap \$5.33 bil, profit margin 18.67%

-BOVESPA Holdings SA (SAO: BOVH3) (BOVH) (BVSPF:PK)(Brazil) The Sao Paulo commodities and stock exchanges includes a fully-electronic Bolsa. Handles all ADR transactions in Brazil. LONG-TERM STRONG BUY

-MercadoLibre (MELI)(Argentina) Online trading and payments platform. Market cap \$650 million, 25 mil shares out, low debt, Q earnings growth YOY 48.8%

-Grupo Elektra (ELEK: MEX) (Mexico) Financial services and insurance throughout Latin America, also retailing. These guys didn't buy any US toxic debt. As a result, shares are up 517% in five years, up 60% in horrible 2008. 4th Q net up 124%, STRONG LONG-TERM BUY but your broker or your Online must be able to purchase shares via the Mexico Stock Market (Mex Bolsa) or EuroShares via DAX etc

-BanColombia (CIB)(Colombia) 719 consumer branch office banks plus commercial and investment banking, in one of South America's lesser-valued but fastest-strengthening economies. Market Cap \$3.71 billion, *enterprise value \$5.6 billion*, profit margin 28%, ROE 25%, \$2.71 billion in cash, Q earnings growth YOY 15.9%, P/E 7.74, EPS \$2.76 dividend 95 cents yield 4.70% STRONG BUY

-Grupo Financiero Inbursa SA (Mexico) (GFINBUR.MX) Broad financial services, 100 new branches, untouched by US economic crisis, very strong black numbers

-Grupo Financiera Banamex SA (Mexico) (Banamex) Banamex is THE consumer bank in Mexico, controls the credit card universe in Mexico, is a subsidiary of USA's Citigroup (C) which bought Banamex in 2001. *We would love to see Citigroup divest*

-RedeCard SA (RDCD3.SA) RDCDL.PK)(Brazil) a 2007 IPO, RedeCard® has a 33% market share of Brazil's consumer credit card business. Banco Itau and Citibank SA own big stakes in this co STRONG LONG-TERM BUY but you must be able to buy shares of RedeCard & VisaNet on the SA. exchange

-VisaNet (VNET3.SA) Brazil's Visa. Formerly Companhia Brasileira de Meios de Pagamentos, VisaNet IPO'd in July 09, *has a 47% market share of Brazil's credit card biz*, STRONG BUY

-Banco Bradesco (BBD) (Brazil) country's best consumer bank, inroads into becoming a major Brazil

investment bank, Market Cap \$57.62bil Enterprise Value \$97bil, FWD P/E 13, *entirely escaped US-caused chaos by not purchasing toxic US debt. Largest shareholder of Visa Inc's Brazilian affiliate Cia Brasileira de Meios de Pagamentos, also known as VisaNet Brasil.* STRONG LONG-TERM BUY

-VisaNet Brasil (VNET3:SAO) IPO summer 09, all Visa transactions in Brazil, 100 offices throughout brazeel

-Banco Itau (Itau Unibanco SA) (ITUB) (Brazil) Market Cap \$85.9 billion EV(enterprise value) \$175 billion, profit margin 23% revenue \$20bil Q Revenue Growth YOY 80% Q Earnings Growth YOY 26%

-Unibanco Brasileiros (UBB) (Brazil) banking conglom, profit margin 15.78% ROE 24.7% market cap \$162 billion enterprise value \$199.5 billion

-Banco do Brasil (BBAS11:SA)(Brazil) very strong Q earnings

-Banco Santander Brazil SA (BSBR) Spanish bank Banco Santander's (STD) huge \$8.1bil Brazil IPO, already Brazil's 3rd largest bank. Abu Dahbi's Alabar Investments (biggest shareholder of mercedesmaker Daimler) has taken a \$328mil stake. STRONG LONG-TERM BUY

-Banco Santander Chile (SAN) (Chile) *we are watching this, early in 2010 it may become a desirable bank stock. see also STD.BA, Banco Santander Argentina)*

-Sociedad Quimica y Minera de Chile (SQM) (Chile) specialty fertilizers, inorganic industrial chemicals (iodine etc) and exotic metals. *World's largest source of lithium, proven reserves of at least 3 million tons. China and Bolivia have lithium but Bolivia has no operations to extract it. Full-year profits YOY TRIPLED, STRONG BUY (lithium: see also smallcap BHWX)*

-Cemex (CX) (Mexico) cement, redi-mix, aggregates, huge array of construction materials, global sales

-Grupo Televisa (TV) (Mexico) TV and media conglom, service, delivery production & broadcasting: Spanish-language programming throughout Western Hemisphere & Europe. \$12bil market cap, P/E 20, profit margin 15%, 2.6bil in cash, 563 mil shares out

-iSharesMSCI Mexico Index (EWW) a basket of the strongest Mexican stocks, STRONG LONG-TERM BUY *Note that Goldman Sachs (GS) is bidding to buy the entire iShare business, which is currently owned by Barclays. iShares asset management biz is worth around \$7.9 billion*

-TAM SA (TAM) (Brazil) air transport and passenger services, Brazil's largest airline

-GOL Linhas Aereas Inteligentes (GOL) air cargo services, South America

- Grupo Aeroportuario del Pacifico (Pacific Airport Group) (PAC) (Mexico) flight services, operates 12 airports in Mexico, profit margin 40%, div yield 7.4% STRONG LONG-TERM BUY
- LAN Airlines (LFL) Passenger air and air cargo throughout South America Central America and Mexico P/E 8.6 FWD P/E 6.9, \$2.9 bil market cap, \$4.61 bil enterprise value, co is leveraged but Q earnings growth YOY 16%
- Copa Holdings (CPA) (Panama) air transit throughout Caribbean Central and South America
- Votorantim Cellulose y Papel (VCP.N) (Brazil) purchased Aracruz (paper y cellulose) for \$2.28 billion
- Positivo Informatico (E: POSI3.SA: SAO) (Brazil) maker of computers
- Tele Norte Participacoes (TNE)(Brazil) called “Telemar” in Brazil and on Wall Street, fixed-line and mobile telecom services in a booming economy
- Vivo Participacoes (VIV) fast emerging as Brazil’s strongest wireless service provider, market cap \$6.81bil, annual revenue \$8.23bil, PE 32, FWD PE 11, STRONG BUY
- Telefonica SA (TEF) (Spain) Madrid-based, world’s 5th largest telecom, operations on 3 continents and in 23 countries, Telefonica is THE leading telecom provider in Brazil, Argentina, and others. UNDERVALUED BY HALF, SHARES SHLD BE AT \$120, STRONG BUY
- America Movil (AMX) (Mexico) landlines & 3G wireless throughout Central & South America & Mex. Third largest company in Latin America. 72% market share of Mexico’s cell phones. 200 million subscribers. Working hard toward the Triple Play of communications: Voice, Data and TV all on one monthly bill, shutting out competition. Very much in the face of Brupo Televisa SA (TV) parentco of Univision, most-watched broadcasting network in Latin America
- I-Universo Online (SAO:UOLL4)(Brazil) Smallcap called “UOL” in Brazil. Online media portal and Internet service provider. Flagship portal w Internet access to more than 3,000 Brazilian cities and reportedly some some 29,000 cities in South & Central America. Broadband penetration in Brazil is 1.6% in a nation fast becoming the new USA as well as the world’s breadbasket. Buyout candidate and STRONG LONG-TERM BUY
- Emerging Markets Telecommunications Fund (ETF) an exchange-traded fund of telecoms in Latin America and Asia. NYC-based, managed by Credit Suisse
- iShares S&P Latin American 40 (ILF) ETF of the S&P Latin American 40 index of Latin America’s best and strongest companies
- iShares Brazil Index (EWZ) a basket ETF of Brazil’s BEST Bovespa companies STRONG LONG-

TERM BUY

-Latin American Discovery Fund (LDF) Morgan Stanley ETF benchmarks the MS International Emerging Markets Free Latin American America Index

-Market Vectors Brazil Small Cap ETF (BRF) a basket of small and midcap Brazilco stocks that are primarily domestic. This ETF is a fund IPO only a few months old. *We are interested less in Brazil's domestic economy (except for its banks) and more interested in Brazil's big co's that are moving fast onto the world stage. But we're watching...*

-PowerShares BLDRS Emerging Markets 50 ETF (ADRE) mostly Big Brazilco's but also Korea China Taiwan, STRONG BUY

-iShares MSCI All Peru Capped Index Fund ((EPU) ETF of 20 Peru stocks mirrors the FTSE Peru 20. Heavily-weighted toward mines & banks Largest holdings BVN, PCU, and CreditCorp (BAP). 65% of this ETF is shares in basic matls minerals gold etc. Peru is world's 7th largest producer of gold A MARKET WITCH BEST BUY

-Wisdom Tree Dreyfus Brazilian Real Fund (BZF) the ETF for Brazil's currency. The Brazilian Real is the 2nd strongest currency on the planet

Notes: Chile's 8.8 quake, the 5th largest ever recorded, has somewhat destabilized the country, put the military in the middle, fighting looters, as a newly-elected President assumes office, and put copper lithium and other commodity prices at a premium. Peru's economic activities including mining, have so far not been affected...but the Chile quake was so strong it changed the earth's axis and shorted the earth's day by a millisecond. Will there be more tectonic smashes into the Andes?

It's also the year that Brazil holds its own Presidential election. Many investors are holding their breath to see whether Brazil's people will validate their economic progress with Four More Years of a similarly-inclined govt. We don't see how they can not.

Meanwhile: next SA nation on desk for economic growth: Colombia.

RUSSIA

-Severstal OAO (SVJTF.PK)(SVST:LSE) Iron ore coal mining & gold mining. Russia's largest steelmaker, controlling interest held by tycoon Alexei Mordashov, Severstal paid \$1.3billion last year to acquire Pennsylvania's PBS Coals and its huge reserves of thermal and coking coal. Shares up 319% in 09, SPECULATIVE STRONG BUY

-Gazprom Neft (GAZ.LSE)(OGZPF.PK) (Russia) state-owned natural gas export monopoly is #22 of Fortune 500, is #2 of Fortune 500's most profitable co's (Exxon is #1) shares up 237% on the year, 67% over 5 yr, div yield 3.33%, STRONG LONG-TERM BUY

-Mechel OAO (MTL)(FQFX:XETRA) (Russia) Mining, steel, manufactured value-added steel products, ferroalloys, basic steel commodities, coking coal & other steel industry mats, proven reserves of 510 mil tons of coal 50++ mil tons iron ore 12 mil tons of nickel ore, *these shares fell from \$58 to \$3 in 08, now are \$20 and still a bargain. USA opps as well as Russia Kazakhstan & Europe. Bought West Virginia's Bluestone Coal (coke coal for steel), Market Cap \$8.57bil, Enterprise Value \$13.66bil, 6bil in debt 1bil in cash, shares up 197%/5yr, STRONG LONG-TERM BUY*

-Norilsk (MNOD.LSE)(NILSY.PK)(Russia) Mining: palladium, copper nickel silver gold cobalt etc etc, *world's largest provider of nickel and palladium*, profoundly wealthy Net Asset Value co, shares up 115% in 09, STRONG BUY

-Evraz Group (EVR.LSE)(EVGPY:PK)(Russia) steel, also vanadium, a key component in nickel and exotic steel alloys, operations in Russia Czech, Italy, USA, shares are 27 are up 527% on the year but have been as high as \$131 & likely will be again and more, this is a possible 2nd-decade fortunemaker, SPECULATIVE STRONG LONG-TERM BUY

-Rusal ((RTB: OKSA) (IPO, Hong Kong Exchange, Jan 27th)(Secondary offering via Euronext upcoming) SPECULATIVE STRONG LONG-TERM BUY

-Market Vectors Russia Trust ETF (RSX) a basket of the former USSR's best public companies, shares up 112.32% in 09, STRONG LONG-TERM BUY

-CurrencyShares Russian Ruble Trust (XRU) an ETF of the Russian currency

Notes: The Russian govt "gets" it: Wealth is mined, grown, fished, or invented, all else is commentary. And buying & selling back & forth is commerce, not wealth creation.

Russia's Norilsk Nickel (NILSY:PK)(MNOD:LSE) had formed a joint venture, RioNor Exploration, in 2006 to exploit mineral deposits in Russia, specifically in Southern parts of Siberia and in Russia's Far Eastern federal districts. RioNor was 51% Norilsk & 49% RTP. Norilsk broke off this partnership last month, citing needs to "focus on current projects."

What's really going on: Russia's govt came down hard on this partnership. Russia has no intention of sharing its Russian mineral wealth with Big Six global mining concerns. As far as Putin is concerned, it is Russia's nickel, gold, diamonds, aluminum platinum et al, and it is to be exploited by Russian companies and the goods-and profits- shared with no one. If you've read the frontispiece of this issue, and know about Russia's interests in undersea north polar shelf land & mineral rights, you know they've decided to keep what's theirs, and to get more if they can. The status of RioNor is still officially "in discussion" but the decision-from on high- has already been made.

EUROPE

-Rolls Royce Group (RR:LSE)(RYCEF.PK) (UK) *not the cars*. Defense aerospace, civil aerospace, marine propulsion systems, energy systems for offshore oil and natural gas enterprises shares up 52% over 1yr

-Valourec SA (PA:VK)(LSE: VKZ. Eur. PLU) (VLOUF.PK) (France) specialty steels and steel products esp seamless steel tubing, ops in Germany USA and China. Products increasingly used in process of extracting natural gas from shale. \$7.84bil market cap, shares up 79% YOY, STRONG BUY

-Unilever (UL)(UK) global-reach consumer product brands by the dozen including Ragu Wishbone Ben & Jerry's Popsicle Breyers etc etc UNDERVALUED

-Hargreaves Lansdown (LSE: HL) UK's largest financial services co, much favored by private clients. Shares up 76% over 1yr, strong dividend STRONG LONG-TERM BUY

-Deutsche Bank (DB) Germany) Market Cap \$39bil profit margin 19.64% EPS \$10.48 small (way smaller than Brazil's BBD of and not as tech-worldly as GS but this may be THE strongest bank in the northern hemisphere, plus will survive and thrive in German marks if the Euro tanks, STRONG BUY

-BAE Systems (BA:LSE) (BAESY.PK) Europe's largest defense contractor, *a marker for Western Europe's economy*

-European Aeronautic Defence & Space (EADS) (Franco-German) owns Airbus, which is beating out Boeing in new orders

-IndigoVision (LSE: IND) (UK) video analysis security equipment for retail stores & military use

-Phillips Electronics NV (PHG) (PHG.BA) (PHIL) (Holland) premiere global electronics consumer products conglomerate, 130 production sites in 26 countries, PHG is becoming the world's largest maker of energy-efficient light bulbs, *a product which has started a global culture war*

-Michelin (ML.PAR) (MGDDF.PK) (MCH:DE (XETRA))(France) will market a global-product tire that is not air-filled but is a sort of rubber stressed-ribbed version of the wheel. It may end a century of air-filled pneumatic tires. *And may not.*

-Alcatel-Lucent (ALU) (France) off our lists for six years. Networking hardware products, global sales, UNDERVALUED

-Givaudan SA (GIVN:VTX)(GVDNY:PK)(Swiss) chemistry in action. flavorings and fragrances. One of the world's most secretive co's. Global list of corporate clients. Swiss shares up 6% on the year, PK shares up 18% in six mo

-SAP AG (SAP) (Germany) IT/software giant, Europe's Microsoft

-Siemens AG (SI) (Germany) hard-science engineering/electrical engineering conglom, products include everything from wireless equipment to locomotives. Hydroelectric power, desalinization technologies etc. Global reach, strong fwd guidance QEG YOY 22.8% STRONG BUY

-Bayer AG (LSE:BYR)(BAYN) (BAYRY) chem. & engineering conglom, 3 divisions: CropSciences (similar to Monsanto) Material Science (chems coatings etc) and Health Sciences (pharma etc for both humans and vetmed), aspirin now viewed by science community as anticarcinogenic esp re breast cancer, div yield 2.9% STRONG LONG-TERM BUY

See also

-BAYER CROPSCIENCE Ltd (BAYERCROP) STRONG BUY

-MSCI GERMANY ETF (EWG) SPECULATIVE STRONG BUY, Germany's and France's economies are stronger than any others in Europe. Will they go it alone? Marks and Francs?

-Nokia (NOK) Former cell phone/wireless global leader is failing against iPhone & Blackberry, so far remains a 1990s company... *Nokia's E71x is a gem but no competition for Apple.*

-LM Ericsson (ERIC) (Sweden) century-old global telecom, *profound new wireless and bandwidth technologies and initiatives, global reach, partnership with Sony*

-ABB LTD (ABB)(Switzerland) Zurich, founded in 1887, electrical infrastructure products, automated manufacturing systems, industrial robotics, global sales, low debt

-Syngenta (SYT) (Switzerland) Europe's Monsanto. Global seeds and other agricultural products. EPS \$2.93 dividend 91cents profit margin 12% superbly managed STRONG LONG-TERM BUY

-Total SA (TOT) (France) Euro's primo retail petrol & diesel dealer, French-based Euro gas stations

-Sanofi-Aventis SA (SAN.PA)(SNY)(France) pharmaceuticals (Plavix® etc) & vaccines (pediatric, meningitis, etc), global, subsidiary co's in Australia & Mexico *HIGHLY-SUCCESSFUL 'BREAKTHROUGH' experimental AIDS VACCINE*

-Roche (RO:SW) (ROG:VX)(SWISS) now owns Genentech (DNA) and its highly successful cancer drug array and R&D

-Novartis (Swiss) (NVS) global vetmed & pharmaceuticals, one of the world's great med/science co's. 34th highest 2008 profits of any co on earth. Div \$1.72 yield 3.8%, STRONG BUY

-ETFS Sugar (LSE: SUGA)(UK) a sugar ETF in London that mirrors the Dow Jones-AIG Sugar Sub-index (DJAIGSB) profits from sugar in the global commodities markets, and offers capitalized interest that cumulates daily. Only available via the LSE

-Unilever (UN)(ULVR:LSE) (Netherlands) consumer products conglom, based in Rotterdam, brand-name foods and consumer small- goods giant, markets products in US Europe Latin America & Africa, strong emphasis on booming sales in “emerging market” zones

-Total SA (TOT) (France) Euro’s primo retail petrol & diesel dealer, French-based Euro gas stations

-Vivendi SA (VIV:PA)(France) formerly owned in part by NBC (GE) media conglom, film news videogames etc Q revenues up 23.7%

ACE Ltd (ACE) Swiss) Insurance. Global. Ops in 50 countries, clients in 140. Undervalued. STRONG BUY

-Nestle (VTX: NESN) (USA: NSRGY.PK, NSRGF.PK) (Swiss) world’s largest food and drink company. Chocolate, coffee, baby formula, water, snacks, owns pet food/cereal business Ralston Purina, owns 75% of Alcon (ophthalmic drugs) and 28% of L’Oreal. Purchase of Gerber Foods gave Nestle *a 60% share of the global baby food market. Nestle has been buying up ALL the natural-spring water resources it can, worldwide, since at least as early as 2003. Huge sales growth in Brazil and Argentina. # 48 of Fortune 500. Full-year profit of \$9.55bil. STRONG full-year fwd guidance.* STRONG BUY

-CurrencyShares Euro Trust (FXE) ETF of the European Common Market’s currency

Notes: At the start of March 2010 the Fair Value of the Euro remains @ around \$1.60 but the Euro is currently about \$1.36. Germany’s economy is extremely strong, and Amy Merkel is essentially running the EU even tho the official leader is Belgian. A Euro in the range of \$1.15- 1.35 signals global concern that what are now called the PIGS countries (Portugal Ireland Greece & Spain) are so debt damaged that these economies will have to be bailed out...ultimately by Germany France Italy Switz & the UK...

...is it worth it to Germany et al to foot the tab for this? ...what if they CAN’T bail them out?

Would Germany France Italy et al be better off outside the EU? Would everyone in Germany & France just be happier with Marks and Francs?

An increasing number of theoreticians (like us) believe the EU may break up...and that Germany France Italy Switerland Belguim etc will be better off...and that Greece Ireland Spain etc will be no worse off than before...

...it sure would be fun to begin returning to Spain on a 215 pesetas-to- the-dollar exchange rate rather than 6 Euros for \$10...

AMERICANA

-BlackRock (BLK) investment management co on 52nd St. Manages *itself* superbly. Bought Barclay's (BARC.LSE) iShares® Funds ETF business. Market cap \$27.56bil profit margin 13% low debt \$2.5bil in cash, STRONG BUY

-JP Morgan Chase (JPM) We hate this company *but its black numbers are impossible to argue with. America's Strongest Bank*

-Wells Fargo (WFC) Founded in 1852 on the heels of the California Gold Rush, Market Cap \$121bil, Enterprise Value \$290bil, \$77billion in cash, Q Earnings Growth YOY 97.6%

-Simon Property Group (SPG) malls & interstate outlet centers etc. Market Cap \$21bil Enterprise Value \$41bil FWD P/E 12 profit margin 8.2% STRONG BUY

-American Express (AXP) this upscale creditcard co is back in our pages after *years* of absence. The upscale credit card world has fewer late payments. Market Cap \$50bil Enterprise Value \$87bil. FWD P/E 12, profit margin 11%

-Goldman Sachs (GS) Corrupt? Or Savvy? Or Both? Stealth conglomerate. Owns *The Village Voice*, plus probably \$3bil worth of apartment buildings in Berlin. Shares are undervalued. Should pay BIG dividend so WE never invest in it

-Hasbro (HAS) Americana Toys. GI Joe etc. Pawtucket RI. Market Cap \$4bil Enterprise Value \$5bil. P/E 15, FWD P/E falling. EPS \$1.91 div yield 2.7% 3rd Strong profits strong FWD guidance

-Mattel (MAT) Barbie® American Girl®, other brand-name dolls and products. *Barbie has 50% share of the entire global doll market. Mattel's sales up 9% 4th Q.* Div 75cents, yield 4.7%

-Amazon (AMZN) America's largest retailer behind Wal-Mart. 15.3% of ALL retail sales Online are via Amazon. Owns Zappos, world's premiere Online footwear store. *Amazon's Kindle2® ebook reader was an 08 phenomenon but now has many competitors. "Real" books may become the province of the wealthy, much like 2 3 centuries ago. We believe electronic books are a crock. But Amazon has 25% of the entire planet's book market. Much competitive overlap with both eBay and Wal-Mart Target & Sears. 4th Q revenue up 71%.* STRONG LONG-TERM BUY

-Hershey (HSY) Market Cap \$8bil, ROE 65%, Q Earnings Growth YOY 30.1%, 227.72mil shares out. *Rumors are that Hershey owns a ton of Cadbury shares, meaning that the by Kraft Foods purchase of Cadbury gives Kraft leverage over Hershey Chocolate*

-Kraft Foods (KFT) legendary Americana food product brands Oreos Maxwell Ho7use Velveeta etc etc. Strong fwd guidance. Cadbury purchase creates world's largest candy co. 4% dividend, FWD P/E 14, STRONG LONG- TERM BUY

-Tootsie Roll (TR) *buyout candidate*. TR is the Last Candy Man Standing not owned by a conglom. Near zero debt, continuingly strong sales

-Ford (F) Last Man Standing of the Detroit Auto Big Three (tho we may see a GM IPO in 2010) 3rd Q net income \$1billion, strong fwd guidance

-Cummins Engine (CMI) world's largest maker of high-horsepower diesel engines, gas engines for trucks and military, high-power electric generators etc, STRONG LONG-TERM BUY

-Polaris (PII) all-terrain vehicles (ATVs) Market Cap 1.49bil EPS \$3.05 div 3.7% QEG YOY 21%, just bought Swissauto Powersports, a high performance engine tech co

UNDERVALUED

-Navistar (NAV) trucks motor homes buses military vehicles diesel engines APLUS agribiz machinery INTERNATIONAL HARVESTER EQUIPMENT. FWD P/E 9.25 market cap \$2.9bil

Enterprise Value \$8 bil UNDERVALUED

-Owens Corning (OC) manufactures the legendary Pink Panther® fiberglass insulation matl. *OC has yet to develop a market strategy for a potential global demand for this product*

-Owens-Illinois (OI) Glass bottles. 70% of revenues from outside the US, strong fwd guidance, undervalued

-Energizer Holdings (ENR) Energizer Bunny® batteries, EPS \$6, P/E 8.76

-PepsiCo (PEP) beverage and snack foods conglom, enormous global-sale brand name product list including Frito-Lay, Quaker, Gatorade, Tropicana, Lipton, Dole & AquaFina. Global revenue base. Bought its two largest independent bottlers, Pepsi Bottling Group and PepsiAmericas, for \$6billion, buying Kettle® products (world's best widely-available potato chips) STRONG LONG-TERM BUY

-Coca-Cola (KO) continuingly strong global sales, Q sales mildly higher. Coke will spend \$2 billion over in 2010 2011 2012 on plant & production infrastructure in China. Strong sales strong profits strong infrastructure growth in Latin America, strong guidance, STRONG LONG-TERM BUY

-Burger King (BKC) home of the Whopper® America's favorite commercial hamburger. Founded 1954. World's 2nd largest burger chain. 11,925 restaurants in 73 countries. BK's 'BURGER & A BEER' PROGRAM, INITIATED IN EUROPE, May COME TO THE USA

-JM Smucker (SJM) Ohio co began selling jams from a horse cart in 1897, now owns iconic kitchen brands Jif® Martha White® Pillsbury® Folgers® Hungry Jack® Crisco® Crosse & Blackwell®

PET® plus a wide array of Smucker house-brand products, *2nd Q profits doubled after buying Folgers®* STRONG LONG-TERM BUY

-Lowe's (LOW) if you own a house in North America you know about Lowes. 1649 stores in US@ Canada. Q earnings up 27%

-Target (TGT) founded 1902. Pronounced tarzjhay. 1682 stores. Wal-Mart for the upscale set. Q earnings up 54%. Undervalued

-Proctor & Gamble (PG) consumer products (Pringles™ Gillette© 100s of others) profit margin 16.5%, shares are undervalued by 10% but sales are more US-market-dependent than we'd like. *Brita, the company that makes the brita® water filters that go in the brita pitcher, is a family-owned co founded in 1966 and now has completely global reach. But PG's PUR™ water filter that screws onto the kitchen sink tap, is gaining increasing market share and cutting into Brita sales.*

-Colgate Palmolive (CL) consumer products, global, we like the company but not enough to buy shares

-General Mills (GIS) agricultural conglom, food processor & best-loved US product brands Aunt Jemima® Betty Crocker Pillsbury Green Giant Yoplait Cocoa Puffs Cheerios many more. 1st Q profits up 50% to \$1.66 a share. RAISED full-year guidance. STRONG-LONG TERM BUY

-Kellogg (K) cereals, Keebler® cookies and other brands, UNDERVALUED

-Paccar (PCAR) American proletariat's Rolls Royce & Bentley. Maker of Peterbilt® and Kenworth® truck

-Johnson Controls (JCI) heating ventilation @ AC systems, auto manufacturing parts, batteries building management & security systems etc etc. Founded 1885, market cap 21bil, undervalued

-GrafTech (GTI) industrial graphite welding electrodes, one of two co's in the world (the other is DGL Carbon) that makes these basic welding necessities. Shares up from \$3.55 in late 08 to \$16 see also Lincoln Electric (LECO)

-Stanley Works (SWK) America's premiere branded hand tool & pneumatics tool manufacturer, also engineered security systems worldwide. *Founded 1843. Market Cap \$4bil, Enterprise value around \$6bil.* Purchased Black and Decker for \$4.5bil in an all-stock deal. New co to be called Stanley Black & Decker

-Greif (GEF) leading industrial packaging company- steel plastic and other types of containers inc freight-system shipping packaging. Steel-drum manufacturing unit in Shanghai. GEF's South China packaging-service complex which will enable co to exploit the Far East and Asia Pacific the way FedEx does. 46.7 mil shares out, div yield 3.0%, STRONG LONG-TERM BUY

-Bemis (BMS) global consumer packaging, bought Alcan's food packaging assets (Alcan Packaging Food Americas) for \$1.2 bil from Rio Tinto. Div yield 3.7%

-Manitowoc (MTW) cranes skyhooks boom-trucks, equipment for roadbuilding airport construction etc plus food service equipment. Founded 1853, sales on every continent (see also Terex TEX)

-PraxAir (PX) industrial gases. Market Cap \$26bil, STRONG LONG-TERM BUY

-FedEx (Federal Express) (FDX) the world's business mailman. *Spending billions in logistics infrastructure in China and Pacific Rim countries and these modernizations are moving the Far East into a new-century era of export and import shipping.* FedEx has become one of the premiere redflag/greenflag markers for the global economy. STRONG LONG-TERM BUY

-United Parcel Service (UPS) The brown trucks. Huge May 08 deal to provide air transport services to rival DHL was essentially a takeover. Huge international airfreight hub port in Shanghai services UPS far-eastern and global airfreight business

-Western Union (WU) global money transfer *everywhere*. 375,000 agent locations. FWD P/E 11 12bil market cap 16.7% profit margin. Founded 1851 in Colorado and based on US fed funding of the telegraph in 1843...which Samuel Morse, a design major at NYU in 1835, perfected from the Europeans. Western Union spelled the end of the Pony Express, which marks its 150th anniversary Saturday April 3rd

Notes: ON AMERICANA

Newspapers and newspaper systems like Reuters (RTRSY) & Newscorp (NWS) continue to provide MOST of the real information that is disseminated Online...but the continuing public theory is that newspapers are dying...They aren't, especially in local communities publications and in Big Global systems like Reuters FT USA Today Newscorp et al, although Big City newspapers (Chicago Trib, NY Times etc are in fact failing...

Fortune magazine just did a March 1st issue on "The Future of Reading" and reports that yes changes are afoot...but we have been following e-books and e-periodicals since 1996, and we see in fact little progress in these things as investments. And we are highly skeptical. Do we own an Amazon Kindle? No. We don't 'get' books (and Fortune Magazine) requiring a lithium-ion battery. And we see 'pay-for content' for mainstream 'news' etc over Internet as no closer than it was a decade ago. In fact, you are already paying for content via your Roadrunner & Blackberry service provider monthly bill, no? The 'death of paper' is greatly exaggerated...

GOLD SILVER & PLATINUM

Gold regained its historic global status as money in 2007. *Spot gold is currently flat, but the Fair*

Value of gold is \$1610. Gold, once again the world's true money, remains remarkably undervalued.

Historically, gold shares do better than gold itself. That may not be true in short term, but gold mining stocks are an ultimate High Net Asset Value investment.

We do NOT see gold or gold stocks as a STRONG BUY investment right now. Gold is not about to run up to \$1300-1500 any time soon, and gold mining shares aren't either unless we have a crisis in the US...

But ANY large cash positions beyond your basic checking account should be in gold or platinum ETFs or coins, the third choice being silver.

Silver's actually a better buy now than gold but silver has not remonetized. Platinum already has Bar platinum and platinum coins have become a key world currency within the last ten months.

In addition to USA's 2010 domestic social turmoil, the US govt is still trying to crush gold... and that is a play to strengthen the US dollar, which, as the US loses its AAA credit rating, moves increasingly into the ranks of Third World Countries and Third World Country currencies.

-Compania de Minas Buenaventura SA (BVN) (Peru) profit margin 48% FWD P/E 12, STRONG LONG-TERM BUY

-Market Vectors Junior Gold Miners(GDXJ) ETF of smallcap and exploration gold stocks (GDXJ) STRONG LONG-TERM BUY

-Barrick Gold (ABX) (Canada) spun off African Barrick Gold (ABX's Tanzanian assets) as the LSE's largest IPO in two years, listed LSE:ABG with a followup NYSE or Toronto listing. ABG will contain 8-10% of ABX's assets but ABX will retain 75% of the holdings & value. Abx is a STRONG LONG-TERM BUY

-Freeport McMoran Copper & Gold (FCX) STRONG LONG-TERM BUY

-AngloGold Ashanti (AU) (South Africa) STRONG BUY

-RandGold (GOLD) (South Africa) STRONG LONG-TERM BUY

-Newmont (NEM) (USA) STRONG LONG-TERM BUY

-GoldCorp (GG) (Canada) STRONG LONG-TERM BUY

-Eldorado Gold (EGO) (Canada) STRONG LONG-TERM BUY

-Seabridge Gold (SA) (Canada) 67,000-acre project in Canada's NW Territories, SPECULATIVE

STRONG LONG-TERM BUY

-Amex Goldbugs Index Fund (HUI) an index fund of the “Lucky Thirteen” strongest goldminers
STRONG LONG-TERM BUY

-Market Vector Gold Miners ETF (GDX) mirrors the AMEX goldminers index. ETF of world’s strongest unhedged gold-producing co’s STRONG LONG-TERM BUY

-iShares Comex Gold (IAU) ETF holds physical bullion

- SPDR Gold Shares (GLD) ETF holds physical bullion. *THIS ETF IS NOW THE 6TH LARGEST CACHE OF GOLD ON THE PLANET AND THAT LIST INCLUDES NATIONS.* Gold ETFs are now a basic necessity for holding cash

-Pan American Silver (PAAS) STRONG LONG-TERM BUY

-Silver Standard Resources (SSRI) STRONG LONG-TERM BUY

-Silver Wheaton (SLW) STRONG LONG-TERM BUY

-Mag Silver (TXS:MAG) (MVG)(Canada) exploratory gold & silver mines in Mexico, strong strikes on two separate Mex site properties, SPECULATIVE STRONG BUY

-SilverCorp Metals (SVM.TO) (Canada) SPECULATIVE STRONG BUY

-Fresnillo (Fres.MX) (FWLPF.PK)(FRES.LSE)(Mexico) First Mexican co ever to be listed on London Stock Exchange. Now in London’s Footsie 100. LSE Shares up 131% in 09 US shares up 108% as well. We favor the London Exchange (LSE) shares. SPECULATIVE STRONG LONG-TERM BUY

-BHP Billiton (BHP) this Big Six Global Miner is still the world’s lowest-cost producer of silver, STRONG BUY

-Rio Tinto (RTP) Big Six Global Miner gold silver diamonds etc, gold & silver produced primarily as byproduct of co’s copper ops STRONG BUY

-IAMGOLD Corp (IAG) (Canada) gold silver diamonds copper etc STRONG LONG-TERM BUY

-PowerShares DB Silver (DBS) ETF, holds physical silver STRONG LONG-TERM BUY

-iShares Silver Trust (SLV) ETF. holds physical silver, a basic necessity for holding cash

Platinum stocks:

-Impala Platinum (IMPUF:PK) STRONG LONG-TERM BUY

-Anglo Platinum (AGGPF:PK) (AAUK owns 70+% of Anglo Platinum) only other major platinum supplier is -Norilsk (NILSY:PK)(MNOD:LSE) (Russia) STRONG LONG-TERM BUY

-ETFS Platinum Physical (PHPT:LSE)

-ETF Securities Platinum ETF (PPLT) the first US-based platinum ETF a basic necessity for holding cash

Notes: *It's going to be a bumpy rest-of-the- year in America*

EXOTICS, ETFS, STEEL, MINING, AGRICULTURAL, RR'S, SHIPPING

-iShares MSCI Singapore (EWS) ETF of shares traded on Singapore stock exchange. Singapore is a spectacular 21st Asia-pacific economic stronghold with ties to both the West and the East. World's largest Crazy Horse Paris Revue is in Singapore

-Malaysia Fund (MAY) a Morgan Stanley ETF basket of top Indonesian/Asia Pacific companies fat dividend

-Market Vectors Indonesia ETF (IDX) STRONG LONG-TERM BUY

-PT Telekomunikasi In (TLK) (Telkom Indonesia) *the major Indonesian phone co.* FWD P/E 12.4, 16.8bil market cap, Q earnings growth YOY 16%, \$1.68bil in debt, almost \$1bil in cash, div yield 3.5% 491mil shares out, STRONG LONG-TERM BUY

-Hutchison Whampoa (HKG: 0013) (USA ADR: HUWHY) investment holding co. Would take an entire issue to explain all they are involved in...

for starters they control Hutchison Telecom (HTX) media par excellence in Indonesia, Viet Nam, Sri Lanka, Macao, Thailand, Israel, based in Hong Kong, century-old, FWD P/E FIVE...but also interests in 49 ports in 25 countries including container terminals...STRONG BUY

-iShares MSCI Emerging Markets ETF (EEM) 37bil Market Cap, Brazil China Taiwan Korean holdings STRONG BUY

-Anglo-Pacific Group (LSE:APF)(UK) coal, energy, diamonds, gold, platinum, base metals, operations in Queensland (Australia) and British Columbia

Notes: BRIC, (brazil Russia India china) now is BRIIC, Brazil Russia Indonesia India & China

-Anglo Eastern Plantations (LSE: AEP) (UK) London-based agribiz: farming, rubber, and palm oil properties and production in Malaysia and Indonesia

-Rio Tinto (RTP) (UK/Australia) A Big Six global mining company. One of the Big Three iron ore co's. Enormous copper reserves Kennecott Utah & Bingham Canyon mines. Percentage interests in FOUR of the world's top ten discovered but undeveloped copper deposits. Expanding Argyle diamond mines during 2010 2011. Exploratory diamond project in Yellowknife area of NW Territories. World's 2nd largest producer of aluminum. 4th Q iron ore output up 49%. *Rec'd govt permits last month to open a \$2bil nickel mine in Indonesia, rec'd govt permits from India to open a diamond mine, thrown out of Russia (see RUSSIA stocks)* STRONG BUY

-BHP Billiton (BHP) (Australia) Big Six global mining company and one of the Big Three iron ore companies: RTP, BHP and RIO produce 70% of the world's iron ore, Russia & USA (MSB etc) the rest. Owner of world's largest uranium deposits. *World's lowest-cost producer of silver*. Global source of coal. Bought Canada's Athabasca Potash, entering fertilizer market. Record Iron ore production up 11% , 6th consecutive year of record profits, STRONG BUY

Notes: BHP and RTP have begun a \$10billion iron ore joint venture project

-Anglo American (LSE:AAL)(AAUKY) (UK) A Big Six global mining co. Ops in South America Europe Australia Asia: gold platinum diamonds coal base metals iron ore industrial minerals. Owns controlling interest in Anglo-Platinum, which supplies 40% of the world's platinum. Developing gold and copper properties in the Philippines. AAUK's Cynthia Carroll is the only woman CEO of a major mining co. Shares up 125% YOY but no dividend for past three Qs. UNDERVALUED

-Impala Platinum Holdings Ltd (IMPUY.PK) (South Africa) world's 2nd largest platinum miner behind Anglo-Platinum which is owned 70%+ by AAUK. STRONG BUY

-Xstrata (XTA: LSE, XSRAF: PK) (Switzerland-UK) the world's #6 largest mining company. Widely diversified, will increase capital spending 89% to \$6.8bil in 2010, plans to boost overall production 50% by 2013, but also wrote down \$2.5bil of its nickel business, LSE shares up 194% in 09 & still undervalued, STRONG LONG-TERM BUY

-Vale (VALE)(Brazil) (Companhia Vale Rio Doce) Brazil's mining flagship plus hydroelectric power. Called "Vale" or "CVRD" one of the Big Six mining companies, and one of the Big Three iron ore miners. Owns Inco, owns Brazil's Corumba iron ore mines. Copper & gold projects in Indonesia . *Has bought USA's Bunge Ltd (BG) as part of expansion into Brazil agribiz.* A MARKET WITCH BEST BUY

-Southern Copper (SCCO) (new call letters reflect parentco Grupo Mexico SA (GMBFX) which owns 80% of shares) peru mexico etc, copper gold moly silver selenium etc. *SCCO partner'd w BVN in 08 to drastically increase its gold properties and production. \$1.72 dividend, 5.5% yield, falling P/E, shares are worth \$50,* A MARKET WITCH BEST BUY

-Teck Resources Ltd (TCK) (Canada) mining. Copper coal zinc moly exotic metals and metallurgical engineering: specialty alloys. Formerly Teck Cominco. P/E 11, profit margin 24%, off our lists for two years. UNDERVALUED

-SPDR S&P Metals & Mining (XME) an ETF of the world's most representative mining and metals stocks, shares up 34% on the year, STRONG LONG-TERM BUY

-PowerShares DB Base Metals (DBB) an ETF of zinc copper & al co's etc *up 26% on the year*
STRONG LONG-TERM BUY

-Freeport McMoran Copper and Gold (FCX) owns Phelps Dodge, (copper) owns Grasberg mines in New Guinea, one of world's premiere gold sources. P/E 11.48, STRONG LONG-TERM BUY

-Great Northern Iron (GNI) USA iron ore. P/E 10, ROE 105%, Q earnings growth 31.9%, debt: *zero*. Current dividend is *eighteen dollars, tho this will fluctuate w Q iron ore sales*. GNI is a trust/lease that terminates in 2015 but leaves five years for this stock to rock

-Mesabi Trust (MSB) USA iron ore. Profit margin 98.1%, ROE 1480% (you read that correctly) Q earnings growth YOY 76.8%, *zero* debt. ESTIMATED 308 MIL TONS OF PROVEN RESERVES, I.E. 54 YEARS OF PRODUCTION @ MAX OUTPUT, div \$2.20 div is 15%, A MARKET WITCH BEST BUY

-Cliffs Natural Resources (CLF) iron ore pellets and metallurgical coal, ops in US Brazil & Australia P/E 4, EPS \$5.22 Q earnings growth YOY 207.4% STRONG LONG TERM BUY

-Alcoa (AA) the world's lone orphan aluminum miner after RTP bought Alcan. Buyout candidate, which would nearly double current share price. Disappointed Wall Streeters w narrow Q loss *but Market Cap is \$15.5bil, Enterprise Value is \$26bil* STRONG BUY

-Caterpillar (CAT) Market Cap \$37bil Enterprise Value \$67.3bil, Fair Value of shares @ around \$100. CAT is leveraged but this world-famous maker of industrial agribiz machinery and mining equipment is not going away. CAT has paid dividends for 75 consecutive years. 09 sales were strongest in Asia & Asia-Pacific

-Terex mining equipment & infrastructure machinery: generators off-highway trucks aerial work platforms cranes skyhooks hydraulic excavators scissors-lofts etc BOUGHT BY BUCYRUS

-Bucyrus International (BUCY) Heavy industrial mining equipment: drag lines shovel systems blast-hole drills etc, pan-continental sales, big repeat sales & replacement parts, 74 mil shares out, #27 of Fortune 100 Fastest Growing Companies, Q earnings growth 124.3%, STRONG LONG-TERM BUY

-Joy Global (JOYG) mining equipment. Founded 1884. \$2 bil market cap, small float, ROE 59.4% Q

earnings growth YOY 69.5%, current P/E 5.49 figure P/E at 16 to see what shares are worth, STRONG LONG-TERM BUY

-Market Vectors Steel ETF (SLX) a basket of the world's ten premiere global steel and metals mining companies, A MARKET WITCH BEST BUY

-Eramet (ERMAF:PK)(ERA:PAR) ERANV.PA)(France) Euro metallurgical conglom, iron steel plus alloys of nickel cobalt tungsten manganese etc sales into construction manufacturing aerospace etc but the five-year share price gain has been enormous

-Salzgitter AG (SZGPF.PK)(SZGX:GER) (DE620200)(Germany) rolled steel and tube products, tied for first as Germany's largest steel co (Thyssen Krupp) 1st half sales up 32% 1st half net profit up 10%, unsung and a sleeper co on world markets

-ThyssenKrupp (TKA:EX)(0K3Z:LSE(TYEKF:PK)

(Germany) industrial conglom of which steel is key, plus many high-performance alloys plus all kinds of hard-engineering products like elevators. 5 divisions in 80 countries, PE 7.7, we favor London LSE or Euro DAX shares, STRONG LONG-TERM BUY

-Olympic Steel (ZEUS) smallcap steel, \$220 mil market cap, Ohio, many products including much value-added, P/E 3.22, a buyout candidate for Russians or Mittal or NUE

-Companhia Siderurgica Nacional (SID)

(CSNA3.SA)(Brazil) (often called "CSN" on Wall St)

industrial conglom: Brazil's strongest steel company in the Western Hemisphere's strongest economy, plus packaging, railroads and hydroelectric power (Brazil gets 95% of its electricity from hydroelectric) profit margin 38%, recent bond offering. Co is raising \$2bil cash via an IPO of its Casa de Pedra iron ore mines. Bidding on Brazil cement producer Cimpor (LSE:CPR) *almost certainly buying USA's AK Steel (AKS) as the US sells itself off to the world like a bankruptcy auction.* A MARKET WITCH BEST BUY

-US Steel (X) *Demand for steel is starting to ramp up but less so in the US*

-Nucor (NUE) large-cap American steel *ditto*

Notes: WE ARE WATCHING AK STEEL (AKS)(LIKELY BUYOUT) AND TITANIUM METALS (TIE), OFF OUR LISTS FOR THREE YEARS

-Arcelor-Mittal Steel (MT) (Luxembourg)world's largest steel company also has its own iron ore mines and is ramping up ore production 50%. Owned & run by India's father & son team. Father is

self-made, rough & tumble, lives in London, son is smooth and smart. Purchase of Australia's MacArthur Coal assures coke supply. STRONG BUY

-Ternium SA(TX)(Luxembourg) small midcap steel co steel products, value-added, sales throughout Latin America, this co earned \$2.81 per ADR share on a \$23 stock most recent Q, STRONG LONG-TERM BUY

-Posco (PKX) (Korea) Widely diversified steel products. World's 3rd largest steelmaker behind Arcelor Mittal and Nippon. New steel mill in Viet Nam. \$12 billion steel mill project in India underway. EPS \$11.70, \$4.4bil cash revenues nearly \$34bil annually, 306mil shares out, STRONG LONG-TERM BUY

-Usinas Siderurgicas de Minas Gerais SA (SAO:USIM5/SA) (US ADR: USNZY)(Brazil) (usually called "Usiminas") basic steels: slab, plate, hot n cold rolled sheet and coil, galvanized, etc etc, market cap around \$5 billion, sales throughout the Americas plus China S Korea etc, dividend 11% STRONG LONG-TERM BUY

-Gerdau Steel (GGB)(Brazil)1904 nailmaker now one of THE strongest steelmakers in Americas, global sales in 61 countries, owns majority of steel foundries in Mexico. Investing \$1.4 billion 2008-2012 to increase steel production @ its Peru operations by 6X for both the domestic and global markets, 4th Q net income \$353mil, strong fwd guidance, STRONG BUY

-Gerdau AmeriSteel (GNA) USNorth American subsidiary of Brazil's GGB, acquired Chaparral Steel, USA's largest maker of I-beams. GNA now owns 19 small US steel mills, STRONG LONG-TERM BUY

THE RAILROADS

Notes: the US is now close to an insurrectionist/populist revolt. Whether our country continues to be a 'colonialized' place (this may be ending, thanks to the Toyota wake-up call) or revives itself in a wave of revolution patriotism and self-renewal, *someone will have to run these railroads, and whoever owns them will make, long-term, a LOT of money*

-Norfolk Southern RR (NSC) Q earnings growth YOY 34.7%, EPS 3.16 FWD P/E 15, profit margin 14%, a billion in cash, Enterprise Value 1/3 higher than Market Cap, dividend yield 2.7%, strong NE Corridor RR infrastructure buildout, STRONG LONG-TERM BUY

-CSX RR (CSX) EPS \$2.77, Market Cap 25% below Enterprise Value, profit margin 11.64%, \$1.32bil in cash, FWD P/E 15, last stock split August 2006, UNDERVALUED

-Union Pacific (UNP) superbly managed, Market Cap \$33bil, Enterprise Value \$42 bil, profit margin 13.7%, \$1.44bil in cash, last stock split May 2008, STRONG BUY

-Burlington Northern Santa Fe (BNI) Market Cap \$33.4bil Enterprise Value \$42.6bil profit margin 12.3%, \$1.17bil in cash, last stock split Sept 1998, and another is coming, shares are up 34,% on the year, 121% on 5 years, STRONG LONG-TERM BUY

-Canadian Pacific (CP) Canada's 15,500 mile railway network, founded in 1881. FWD P/E 17, QEG YOY 14.5% 168mil shares outstanding, revenues \$4.25bil annually, profit margin 14%, UNDERVALUED

Notes: *You can play BNI one of two ways: you can buy BNI shares, or you can buy Berkshire Hathaway shares (BRK-B)*

-Bombardier (TO: BBD) Canadian maker of aircraft, locomotives railcars and recreational products (Ski-Doos and Lynx Snowmobiles) market cap 10bil Canadian, P/E 11, shares up 51% YOY, STRONG LONG-TERM BUY

AGRICULTURE, COMMODITIES, & "EXCHANGE" STOCKS

-Monsanto (MON) World's biggest seed co. Bioengineering/ agricultural genetic engineering, agricultural chemicals. Focused on cotton, soy, corn and wheat. SmartStax® gen mod corn approved for use in Japan. Warren Buffett is a shareholder. Monsanto expects to triple its gross revenues by 2012 as the company moves away from Roundup® (glyphosate, now a generic) insecticide revenues and deeper into seeds and genetics. *4th Q earnings of .02 was one cent above estimates and 6 cents above whisper numbers, fiscal year revenues up slightly to \$2.1bil. #41 of Fortune's 100 Fastest Growing Co's, replaced Tyco in S&P...but worldwide fear & ignorance over the "dangers" of genetically-modified crops mean Monsanto is fighting an uphill economic battle*

Notes: see also Cibus Global (San Diego, founded 2001, plant gene enhancement/ biosciences, Rapid Trait Development System® < new strains of crops currently privately-held: IPO or buyout?

-BASF (BAS.DE/ XETRA))(BASFY.PK)(BASF.EX) (Germany) world's largest chemical co, EPS \$5.94 div \$2.60 yield 4.92%

-SYNGENTA (SYT) Swiss seed @ agribiz competitor to Monsanto, has just purchased Monsanto's hybrid sunflower seed business, STRONG BUY

-Lindsay Corp (LNN) agricultural irrigation systems, #31 of FORTUNE'S 100 FASTEST-GROWING CO'S, STRONG LONG-TERM BUY

-Deere (DE) world's best agricultural machinery maker, 3Q profit down 27% shares are half-price, market cap \$18.5bil Enterprise Value \$42.3bil STRONG LONG-TERM BUY

-CNH Global (CNH) Amsterdam based: Case-New Holland and Farmall® brands SECOND LARGEST MAKER OF AGRICULTURAL EQUIPMENT AND THIRD LARGEST MAKER OF

CONSTRUCTION EQUIPMENT, 18.5BIL ANNUAL REVENUES, 90% OWNED BY FIAT.
STRONG BUY

-Cal-Maine Foods (CALM) wholesale eggs, based in Jackson Mississippi, small cap agribiz,
UNDERVALUED

-Archer Daniels Midland (ADM) transports stores processes and markets ag commodities in North
America, market cap \$16.22 bil, P/E 10, undervalued

-CF Industries (CF) fertilizers, P/E 9, EPS \$9.82 # 6 of Fortunes's 09 100 Fastest Growing Companies
Meanwhile Canada's Agrium is trying to buy CF, STRONG LONG-TERM BUY

-Agrium (AGU) chems & nutrients, EPS 5.07 FWD P/E 8.38, undervalued, sales in Canada USA
Chile, Argentina, UNDERVALUED

-Terra Industries (TRA) *THIS PARENTCO OF Terra Nitrogen HAS been BOUGHT for \$4.1bil by
Norway's Yara International, a global ag chemical co with ops in 50 countries. IF YOU OWN
SHARES you'll get shares of Yara Intl (YARIY.PK)(OSL: YARA) Yara is UNDERVALUED*

-Terra Nitrogen (TNH) nitrogen ag fertilizers, \$2bil Market Cap, profit margin 36%, zero debt, EPS
\$5.40 *in buying Terra Industries, Yara gets all the shares of TNH that TRA holds. If YOU own TNH
shares (as we do) you'll get a fat dividend from TNH's earnings*

-Potash (POT) fertilizers FWD P/E 7 profit margin 36.8% Q earnings growth YOY 408.5%, earnings
just tripled YOY in a 5th record year, shares are ¼ their high, # 10 of Fortune's 09 Fastest Growing
Companies list, UNDERVALUED

-Dow Chemical (DOW) agricultural chems, pesticides, EPS still under water

-Dupont (DD) ag chems fertilizers insecticides seeds seed processes and products, ag technologies,
marketshare bloodfeud with Monsanto, FWD P/E 11.92, new CEO Ellen Kullman took over Jan 1st
coinciding with DD's collapse from largest chem. Co to # 8 *but div remains \$1.64 yield 5.10%. 2% of
revenues now come from Africa*

-Mosaic (MOS) fertilizers P/E 39, EPS \$3.20, Q revenue growth YOY 67.9%, Q earnings growth YOY
obscenely high, demand for fertilizers is skyrocketing, UNDERVALUED

-Intrepid Potash (IPI) Denver-based 2007 IPO just getting on its feet SPECULATIVE STRONG
LONG TERM BUY

-Bayer Cropscience Ltd (BAYERCROP) STRONG BUY

-iShares S&P GSCI Commodities Indexed Share Trust (GSG) an unleveraged ETF futures

commodities fund indexed to the GSCI

-PowerShares Deutsche Bank Agriculture ETF (DBA)

-Powershares Deutsche Bank Commodities ETF (DBC) exchange-traded futures in oil aluminum wheat gold corn etc

-DAX Global Agribusiness Index ETF (DXAG) a broad basket of the best global agricultural companies with a market cap of at least \$150 million each

-Market Vectors-RVE Hard Assets Producers ETF (HAP)

One-stop commodities shopping. This fund replicates the Jim Rogers-Van Eck Hard Assets Producers Index that 80s genius Jim Rogers constructed. This ETF downplays oil and pushes global agriculture, a 21st century big deal. 321 companies within 6 sectors in 40 countries. YTD return 42%, STRONG LONG-TERM BUY

-Powershares DB OIL (DBO) ETF that tracks the price of light sweet crude

-iShares S&P North American Natural Resources ETF (IGE) Net assets \$1.33 billion, YTD return 10.1%, STRONG LONG-TERM BUY

- BMF BOVESPA SA BVMF:SAO) (Brazil) The Sao Paulo commodities and stock exchanges IPO'd in 08, is fully-electronic Bolsa. Handles all ADR transactions in Brazil as well as all Brazilian deposit receipts, earnings growth rate 11.64%. Your broker must have access to Brazil Exchange/ markets, and can't buy US or LSE shares, STRONG BUY

-Intercontinental Exchange Inc (ICE) Atlanta-based Internet global electronic OTC commodities and futures exchange now includes Euromarkets, profit margin 30% Q revenue growth YOY 27%, low debt, only 70 million shares out, #12 OF FORTUNE'S 100 FASTEST GROWING CO'S, STRONG LONG TERM BUY

-CME Group (CME) the Chicago Mercantile Exchange. bought CBOT in 07, creating a formidable 21st century commodities and electronic exchange. 53.24 million shares out. Bought NYMEX for \$9 billion. One of our all-time favorite co's. EPS \$10.02 profit margin 25% 66.43 million shares out, look for these shares to go to \$400, STRONG BUY , PLUS: THE CUTOFF DIVIDEND POINT FOR A \$4.60 PAYOUT PER SHARE IS SEPT 8TH

-NYSE Euronext (NYX) NYC's electronic exchange. Overextended (most recent purchase was a 25% share of the Qatar stock and commodities exchange) and close to being under water

HIGHEST DIVIDENDS

Data from *London Financial Times*, Google Financial, Reuters,

Yahoo Financial, Bloomberg, & Others

It's a long list. As you can see, we think that strong dividends are the best way to get through this era until the new global bull market, forming now, is fully underway

-PowerShares International Dividend Achievers ETF (PID) YTD return 32%, STRONG BUY

-Ship Finance Ltd (SFL) div \$1.24 yield 8.40% STRONG BUY

-World Wrestling Entertainment (WWE) div \$1.44 yield 8.30%

-Deutsche Telekom (DT)(LSE: OH3R) div \$1.04 yield 8.1%

-Vanguard Dividend Appreciation ETF (VIG) YTD return 12.69% STRONG LONG-TERM BUY

-CPFL Energia (CPL) div \$3.47 yield 6.3% STRONG BUY

-BP (BP) (oil) div \$3.36 yield 6.2%

-CenturyTel (CTL) div \$2.80 yield 8%

-Mesabi Trust(iron ore) div \$0.88 yield 8% STRONG BUY

-Malaysia Fund (MAY) (ETF) div \$1.01 yield 13.10%

-Hatteras Financial (HTS) (mortgage-based REIT) div \$4.60 yield 16.7%

Royal Dutch Shell (RDS-B) div \$3.36 yield 5.9%

-Grupo Aeroportuario del Pacifico (PAC) (airports) div \$2.14 yield 7.4%

-AT&T (T) div \$1.64 yield 6.2%

-Lilly (LLY) div \$1.96 yield 5.4%

-Southern Copper (SCCO) div \$1.72 yield 5.5% STRONG BUY

-Northwestern Corp (NWE) div \$1.34 yield 5.5%

-CenturyTel (CTL) div \$\$2.80 yield 8.90%

- Plum Creek Timber (PCL) div 1.68 yield 5.6%
- DuPont (DD) div \$1.64 yield 4.6%
- Navios Maritime (NMM) div \$1.64 yield 9.6%
- General Maritime (GMR) div \$0.50 yield 6.4%
- Great Northern Iron (GNI) div \$7.20 yield 8.2%
- Terra Nitrogen Holdings (TNH) div \$8.88 yield 8.50%
- Thyssen Krupp (TKA.EX)(TKA.F) div 1.3 euros yield 7.53%
- Realty Income Corp (O) (REIT) div \$1.72 yield 5.9%
- Annaly Capital Management (NLY) div \$3.00 yield 16.3%
- Reynolds American (RAI) div \$3.40 yield 7.70%
- Apollo Investment Corp (AINV) div 1.12 yield 12.9%
- Carnival (CCL) div \$1.60 yield 5.7%
- Altria (MO) div \$1.28 yield 7.3%

Notes: dividend rates have been choppy & unstable these past two years especially in ‘waterworld’ shipping stocks and USA based REITs. The BEST case scenario, to us, is a company that has a rising stock based on strengthening business, plus a strong dividend. TNH, SFL, SCCO MSB PAC CPL all qualify.

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