

# 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. April 2014 is our 225th issue.*

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## THE PERILOUS APRIL OF 2014 An 'American Crisis' Portfolio

### MW's EIGHTEEN GOLD RUSH STOCKS: These Look Expensive but are Bargains

### The MarketWitch STRONG BUY Lists

Cultural experts financial gurus media gadflies mystics clairvoyants astrologers cabdrivers bartenders intuitive soccer moms psychic children priests rabbis and chaos-theory tekkies all say: Something's wrong. Something bad's going to happen. Right now, this month. They can't all be wrong. Let's plan for this. On foreign shores: Vladimir Putin to the USA: Crimea River.

Is April the cruelest month? This April of 2014, much indicates that it may be so. Hunker down, take a deep breath, and let's see if we come through unscathed. We may. We may not. Many Americans in many walks of life have been biting their fingernails over April 2014 for quite some time. Here's what they think. Meanwhile: these Gold Rush stocks look expensive, but aren't.

Shakespeare thought April was grand and said of April:

“April hath put a spirit of youth into everything”

Chaucer as well, liked April:

## Here bygynneth the Book of the tales of Caunterbury

1: Whan that aprill with his shoures soote  
2: The droghte of march hath perced to the  
roote,  
3: And bathed every veyne in swich licour  
4: Of which vertu engendred is the flour;  
5: Whan zephirus eek with his sweete breeth  
6: Inspired hath in every holt and heeth  
7: Tendre croppes, and the yonge sonne  
8: Hath in the ram his halve cours yronne,  
9: And smale foweles maken melodye,  
10: That slepen al the nyght with open ye  
11: (so priketh hem nature in hir corages);  
12: Thanne longen folk to goon on pilgrimages,  
13: And palmeres for to seken straunge strondes,  
14: To ferne halwes, kowthe in sondry londes;

## Here begins the Book of the Tales of Canterbury

When April with his showers sweet with fruit  
The drought of March has pierced unto the root  
And bathed each vein with liquor that has  
power  
To generate therein and sire the flower;  
When Zephyr also has, with his sweet breath,  
Quickened again, in every holt and heath,  
The tender shoots and buds, and the young sun  
Into the Ram one half his course has run,  
And many little birds make melody  
That sleep through all the night with open eye  
(So Nature pricks them on to ramp and rage)-  
Then do folk long to go on pilgrimage,  
And palmers to go seeking out strange strands,  
To distant shrines well known in sundry lands.

Britisher T.S. Eliot was not so pleased with April, however, and viewed it darkly:

In *The Wasteland*, published in 1922, he says:

April is the cruelest month

I will show you fear in a handful of dust

Part I of *The Wasteland*, called *The Burial of the Dead*:

April is the cruelest month, breeding

Lilacs out of the dead land, mixing

Memory and desire, stirring

Dull roots with spring rain.

Winter kept us warm, covering

Earth in forgetful snow, feeding

A little life with dried tubers.

Summer surprised us, coming over the Starnbergersee

With a shower of rain; we stopped in the colonnade,

And went on in sunlight, into the Hofgarten,

And drank coffee, and talked for an hour.

Bin gar keine Russin, stamm' aus Litauen, echt deutsch.

And when we were children, staying at the arch-duke's,

My cousin's, he took me out on a sled,

And I was frightened. He said, Marie,

Marie, hold on tight. And down we went.

In the mountains, there you feel free.

I read, much of the night, and go south in the winter.

What are the roots that clutch, what branches grow

Out of this stony rubbish? Son of man,

You cannot say, or guess, for you know only

A heap of broken images, where the sun beats,

And the dead tree gives no shelter, the cricket no relief,

And the dry stone no sound of water. Only

There is shadow under this red rock,

(Come in under the shadow of this red rock),

And I will show you something different from either

Your shadow at morning striding behind you

Or your shadow at evening rising to meet you;

I will show you fear in a handful of dust.

T.S. Eliot might as well not have been a Brit but an American just like Walt Whitman or Robert Frost. The United States has a history of grim Aprils dating all the way back into the 18th century

<http://www.cnn.com/2011/US/04/19/april.attacks.conspiracy/>

<http://miami.cbslocal.com/2013/04/16/mid-april-often-brings-tragedy/>

[http://en.wikipedia.org/wiki/Virginia\\_Tech\\_massacre](http://en.wikipedia.org/wiki/Virginia_Tech_massacre) etc

And if public thought is an indication, this April promises to be as grim as any April we've ever seen.

[Some- in fact many- think April 2014 has to do with a US financial collapse:](#)

[Others look this April to the San Andreas Fault and the New Madrid fault, site of the largest quake series \(four of them\) in North American recorded history during the winter of 1811-1812:](#)

[Here is Larry Schwimmer, an M&A pro, talking about several various grim crisis possibilities:](#)

[Here is Anthony Louis, one of the world's foremost astrologers, studying April 2014 and this is worth reading even if you only understand some of it:](#)

Swiss cultural historian [Richard Tarnas](#) (Author of *Cosmos and Psyche*, which has been called "The best intellectual history of the West in one volume I have ever seen," very specifically links the circumstances of the USA in April 2014 to the French Revolution.

A more public more pop-culture and more accessible soul, New Yorker Susan Miller, an astrologer whose work is followed by millions of people worldwide including nearly the entire workforce of Apple (USA: APPL) where she has been viewed with awe for more than a decade, says America's circumstances in April 2014 "are like nothing we've seen since the American Revolution."

[http://www.washingtonpost.com/national/astrologer-susan-miller-on-2014-the-year-ahead/2013/12/31/7470f8e4-7238-11e3-8def-a33011492df2\\_story.html](http://www.washingtonpost.com/national/astrologer-susan-miller-on-2014-the-year-ahead/2013/12/31/7470f8e4-7238-11e3-8def-a33011492df2_story.html)

<http://www.theguardian.com/theobserver/2014/jan/18/susan-miller-astrologer-interview>

We've not addressed anything like this before, not in 224 monthly issues, not even in August 2001 right before 9/11, when the intelligence community was awash with buzz all summer but the public was unaware of it and woke up to their laptops on a bright and sunny Monday morning to watch, live, the first plane fly into the building.

This month is one of the more interesting situations of our time.

It may be a 'boy who cried wolf' scenario. It may not be. Our view is that one of these things may happen, any one of them a potential Great Black Swan. Another Britisher, Sherlock Holmes (Arthur Conan Doyle) famously said, in *Sign of the Four*,

“When you have eliminated the impossible, whatever remains, however improbable, must be the truth.”

Here's what is possible:

-A great earthquake, 8.8 or higher, in the US which would devastate the energy structure and the telecom fiber optic cable infrastructure of the US (natural gas, the electric grid, petroleum lines, refineries, and possibly turn nuclear power centers into leaking radiation zones a la Japan. [The best link for recent earthquakes:](#)

-A sudden and unexpected change of leadership in the White House. In the White House, something Nixonesque or worse. Or in the Pentagon, something unsettling and traumatic which could at worst could pit Americans against each other and if that were the case there would be possible issues involving the National Guard, crowd-control & martial law

-A great tornado in a highly-populated region of the country

-A crisis with the US currency: a crisis for the sovereignty of the US dollar as the world's reserve currency, particularly, from China, which, even though its economy may be slowing, is now in a position to back its currency with gold and to field its currency as the global standard, kicking off a subsequent new gold rush that would put gold at around \$2400 very quickly although the actual value would be higher

<https://www.google.com/ - q=china+and+the+gold+standard+2014>

<https://www.google.com/ - q=china+and+russia+gold+standard>

-Similarly, a crash in the value of the US Dollar against other currencies. This is why at the start of March we were talking about the USD @ \$1.90 against the British Pound and now we are talking about \$2.20 a year or two from now (Buy: FXB) and we were talking about the USD @ 1.13 against the Swiss Franc and now we are talking about \$1.30 (Buy: FXF)

<http://moneymorning.com/ob-article/schiff-us-will-win-currency-war.php>

- The spread of a biohazard or a virus like this new one in California [which appears to be a variation of the polio virus](#) or the new ebola outbreak in Guinea. World Health Organization has been all over this one, quarantining it, and Guinea is not exactly on the highly-traveled international flight circuit (NYC DC London Paris Berlin Rome Rio Sao Paulo)

[-A major crisis in the Middle East and one worse than the 6-Days War, and almost certainly having to do w Israel, Iran, and Iran's bomb](#)

<https://www.google.com/#q=iranian+missiles>

**NOTES** written March 23rd 2014 : It's not unheard of for aircraft to be lost at sea, particularly over the Pacific and in the waters of SE Asia. Flight 370 may be a very large version of Amelia Earhart's doomed aircraft. It's also relatively certain that Flight 370 is either under 13,000 feet of water, or is in Iran. It's very likely that Malaysian flight 370 was taken over by at least two men on stolen passports, or diverted by the

pilots (who would have been handsomely paid) and very skillfully flown to Iran and landed there at a military facility. If that's where it is, this Boeing 777 aircraft is now a delivery system for a nuclear weapon. So it's possible this is the start of what all these people seem to be worried about.

The most likely target for an Iranian nuclear attack is Israel. [Israeli intelligence is very clear on this matter.](#)

The 2nd and 3rd most likely targets are Washington DC and Metro NYC.

-A US domestic nuclear terrorist event in a major American city, particularly either Washington DC or Metro New York, one that would necessitate a mass evacuation

-An unexpected public incident, most likely in the greater Washington DC area or in Western Europe, which would make people suddenly aware that we are not alone in the universe, and which would badly frighten masses of people. Unlikely but possible

-Then of course there is the issue of Russia and the Crimea. And the West's response to Russia's reclaiming an area of its empire that has been a part of Russia for more than two centuries.

<http://en.wikipedia.org/wiki/Crimea>

The Crimea has had dozens of conquerors and owners over a couple thousand years (probably further back than that but there is no data) all the way back to the Cimmerians (the land of The Arnold in "Conan the Barbarian")

But the reality of modern history is: the Crimea has been a part of Russia since the era of Catherine the Great in the late 17th century

[http://en.wikipedia.org/wiki/Russian\\_Empire](http://en.wikipedia.org/wiki/Russian_Empire)

following Peter the Great's attempt to wrest this region from the Ottoman Empire, and failure to do so

[http://en.wikipedia.org/wiki/Peter\\_the\\_Great](http://en.wikipedia.org/wiki/Peter_the_Great)

The Crimea has already been a part of Russia for centuries, and 60+ % of the Crimea's inhabitants are Russian, and Russia has far more right to be there than we have to be in Afghanistan or Iraq and far more right to claim this turf and its Russian inhabitants than the UK has to Kenya

The EU West says: this is roughly equivalent to the UK claiming to re-take India for the British Empire, but we can't afford to oppose it.

The USA's conservatives say: this is Hitler taking over Poland and Obama is to blame for not stopping it.

The USA progressives say: it is an issue for the UN to address. Which is of course like asking the UN to address Iran's nuclear weapons program. Might as well ask the Girl Scouts.

The recent jousting between Obama and Putin over the Crimea is ultimately the stuff of political comedy but Obama may unjustly take the fall for Putin's winning tactics no matter what his real leadership faults are.

One of two things could happen. Obama could be goaded by US conservatives into taking military action against Russia in order to save face and prove that he has 'leadership' capacity. Also possible is that the EU might take military action against Russia although we don't see that as likely because Russia holds the energy that the EU needs.

The Ukraine's ousted president Viktor Yanukovitch was Russia-backed, now is Russia-sanctuaried, and Russia intends to "protect" Ukrainians who are "Russian" and speak Russian and they are 60%++ of the population and this situation has already flared up and may again particularly if the US sticks its nose into something that is between the Ukrainians, Russia, and the EU.

A Ukraine presidential election is scheduled for May 25. Meanwhile, on March 16th, residents of the Crimea held a referendum vote and with 80% voter turnout, 96% of residents voted to join Russia. As it stands now, the Ukraine, also a part of the traditional czarist/czarina-is Russian Empire, is leading toward joining the EU, while the Crimea already has chosen to re-join Russia.

Ukraine intends to keep its independence. But the Ukraine has been a part of the Russian Empire since the reign of Peter the Great. About 55% of Ukrainians favor establishing substantial ties with the EU or actually becoming an EU member. A similar faction, about 45%, favors continuing close ties with Russia or hooking up. But the region has been independent with its own constitution and its own parliament since the USSR crashed 25 years ago. Just in passing, we might mention that late in February, before the March Crisis, and Russia's annexation of the Crimea, Russia held military exercises on the borders of the Crimea more or less to influence the future of the Ukraine, and Russia put 150,000 troops in the field. This was before the crisis in early March. The US via Obama is currently planning on paring down its own military force to 80,000. Bad idea. Not everything that is unpleasant in the world to America's government can be addressed with drones.

Market Witch readers who paid attention to the lead article in the March 2014 MW which focused on recurring cultural & economic cycles know that we are, from 2009 to 2015, in a parallel to 1929-1935, the era which saw Adolph Hitler rise to power. And Vladimir Putin could easily get tagged with this 'modern-day Hitler' moniker, which would go a long way toward starting actions leading to war.

Be aware that regardless of what you see in the American Leftist Media re: the very marginal incidents like this one,

<https://www.google.com/#q=pussy+riot>

issues in Russia involving a few people,

Vladimir Putin is viewed by most Russians as a literal Joan of Arc dispatched by God to return Russia to wholeness and greatness.

And he is adored by most Russians. A majority of Russians- and that includes the Russians in the Ukraine and in the Crimea- believe that Vladimir Putin has been heaven-sent to guide Russia back to greatness and not even USSR greatness but Peter the Great greatness and Catherine the Great greatness and to lead Russia past the shame and ignominy of the collapse of the USSR and into a new era.

Putin is former head of the USSR's KGB (similar to Brit MI5 USA CIA) and has a fierce and patriotic view of a Russia returned to wholeness and stature. He is religious. Putin is Russian Orthodox, something that was not talked about and was suspect in the 1980s marxist USSR but which has a history that goes back centuries in his country.

How Sochi happened:

The story of this: one day in year 2000, Putin, then the newly-elected president, rode a ski lift recently-structured in Sochi region by a group of entrepreneurs headed by Pyotr Fedin, to the top of a mountain in the Krasnaya Polyana chain and then blasted his way down on long skis. He came to love this area and returned again and again on vacations and long weekends from Moscow. He was a serious skier and taught Moscow ministers and underlings secretaries how to turn how to stop with a 20 degree break and how to save face when falling and not get a spiral fracture. This did not get unnoticed and many Russians began to mix with this guy who was the type of ruler they recognized from Russia's long history.

Some Americans, exposed only to the leftist/ diversity/ political correctness/ hypersensitive-appeasement bias of information from the US media, are being aroused to frenzy over Russia's bias against pro-homosexual propaganda (Russians are devout Russian Orthodox, what might you expect?) and most Russians, typically 90% Russian Orthodox, view gays as anathema and against the teachings of God, marriage and the family, and view the Ukraine and the Crimea as part of their country and heritage just as you might view Montana as part of the USA.

Let's hope the US doesn't go to war over this this because we have tougher problems to deal with and the problems are domestic not foreign. We don't think there will be US intervention or even powerful economic sanctions in this matter.

Don't expect a confrontation from the EU, either. The EU can't afford it and the EU, especially Germany, and the UK too, needs Russia's petroleum, natural gas and export market.

<http://www.spiegel.de/international/europe/eu-concerned-about-potential-high-cost-of-sanctions-on-russia-a-957101.html>

In the midst of all this: (A) Putin's actions have reportedly been compared to Hitler's by Hillary Clinton

(B) Vladimir Putin has been nominated for a Nobel Peace Prize

(C) On March 16th Crimea's parliament voted overwhelmingly to join Russia and not the EU. US media says this was a rigged/strongarmed vote. We don't think so.

There is also the issue of recent saber-rattling between China and Japan, and of that of China's naval ambitions in the Pacific:

<https://www.google.com/#q=japan+and+china>

There is nothing we can do about the weather or earthquakes. And it's possible that a man-made history-making crisis can be thwarted.

Stand by, and let's see what happens. Meanwhile: keep your car gassed up, keep your pantry full, have some water on hand and some water purification pills (any army surplus store or Cabela's (USA: CAB), have a means of protecting yourself and your family/ loved ones, and have some cash on hand. It's not a bad idea to have a couple of 5-gal gasoline cans full if you have a safe place to store them, because if something bad happens in your metro area may have to drive out of one area into a safer one and it may be difficult to buy gasoline at the pump. Some requisite things for any emergency: matches, flashlights, blankets, sleeping bags, candles, a well-ordered first-aid kit, a supply of whatever Rx meds you take, a radio, batteries, pet food, simple foods like canned baked beans, and a few gallons of distilled or bottled water. We'll see you in May, when we either will have moved ahead past this possibly perilous few weeks as though nothing had happened, or not.

We don't see any specific crisis that would begin in either the equities or commodities markets, although both equities and commodities would secondarily react- badly, for a short time- to a major traumatic American domestic event. Long-term, as usual, a crisis would be a short-lived buying opportunity.

There is nothing we can do about any of this except to be aware of it and make you aware of it. Our interest in this is purely time-limited and very specific to a few weeks in time. People who pay attention to these sorts of concerns on a regular long-term basis and have a world-view crisis basis are often called "preppers" and they are ready to go to the end of the world with supplies of food water water purifiers antibiotics woodburning stoves tents firewood generators spare batteries for the short-wave radio, etc. Our interest is circumstantial and lasts a month or so. But the actual markers for a time-limited threat is, we feel, enough to raise concern and enough to keep a wary heads-up.

Note that all this is speculative. But if we weren't certain of the increased odds that something will happen, we would not bring any of this up.

So. Let's get to work and build a little 'American Crisis' portfolio

Here is quick list of American "crisis" stocks that would be very strong during and following in an April 2014 emergency situation:

-Johnson & Johnson (USA: JNJ) health & medical products

- Abbott Labs (USA: ABT) baby formula, contact lens products etc
- Proctor & Gamble (USA: PG) basic household and health supplies toothpaste razor blades Pampers™ Duracell™ etc
- Ammunition producers Olin Corp (USA: OLN) and Alliant Techsystems (USA: ATK)
- Taser (USA: TASR) (non-lethal crowd-control technology) and Olin Corp (USA: OLN) (Winchester™ ammunition)
- And potentially all of the primary MW War Stocks, especially those which produce drones and helicopters, including NOC AVAV Boeing TXT GD & LMT (General Atomics is privately-held) plus companies which build armored vehicles/crowd control vehicles (MRAPs) including most especially General Dynamics (USA: GD) which now owns Force Protection Inc, our favorite maker of MRAPs, plus key military and govt infoservices companies like Science Applications (USA: SAIC) and L3 Communications (USA: LLL)
- 3M (USA: MMM) basics, optical technologies, war materiel (Ceradyne) dividends every year since 1916
- NCR (USA: NCR) a primary builder of ATM machines which of course get smashed broken into vandalized set on fire during civil unrest or in a quake
- Corning (USA: GLW) plate glass flat glass window glass
- Praxair (USA: PX) industrial gases, welding equipment
- Airgas (USA: ARG) industrial gases, welding equipment
- Air products & Chemicals Inc (USA: APD) industrial gases, welding equipment
- Dollar General (USA: DG) retail consumer essentials
- Family Dollar (USA: FDO) retail consumer essentials
- Cabela's (USA: CAB) outdoors/wilderness supplies (sleeping bags, tents, clothing, et al) and firearms
- CSX USA: (CSX) Railroads, eastern half of USA. Moving things that need to be moved
- Norfolk Southern (USA: NSC) Railroads, eastern half of the USA. Moving things that need to be moved
- Caterpillar (USA: CAT: World's #1 builder of earth-moving machinery and a leading supplier of Agribiz equipment. Also manufactures construction, mining and logging equipment, plus engines for trucks boats and locomotives, plus electrical power-generation systems

-Cummins (USA: CMI) engines & power-generation equipment

-Arctic Cat (USA: ACAT) Arctic Cat™ ATVs

-Honda (Japan: HMC) small vehicles, chain saws, small portable generators & ATVs

-Deere (USA: DE) Gator™ ATVs

-Polaris (USA: PII) ATVs

The best ATVs:

<http://www.thetoptens.com/best-atv-companies/>

An ATV can be great in an emergency, even a lifesaver. Note that even if we navigate April with no Black Swan, a severe snowy winter and its potholes plus the deterioration of America's paved roads with no money available to repair them is increasingly leading to ATV riders taking to the urban streets as well as the woods and countryside and the wide open spaces to get around. You're not supposed to ride them on roads. Their high center of gravity and low pressure tires can cause them to roll or go out of control on pavement. Nevertheless, as US roads continue to crumble under us, a push is on to make ATVs street-legal in many places.

<http://www.fairwarning.org/2014/03/despite-high-death-toll-push-is-on-to-open-more-public-roads-to-atvs/>

-Autozone (USA: AZO) auto parts: headlights oil filters windshield wipers batteries etc

-Kroger (USA: KR) groceries and household essentials, also RXs and basic medical supplies

- we had formerly placed Safeway (USA: SWY) on this list: essentials. Safeway is however being bought out by Cerberus, owner of Albertsons stores. The merger will create a supermarket giant with 2400 stores and a quarter million employees. The \$9.1 billion buyout takes Safeway private.

<http://finance.yahoo.com/news/cerberus-close-9-bn-deal-buy-safeway-214241821.html>

-CVS Caremark (CVS) RXs and basics

-Lowe's (USA: LOW) home and office damage repair supplies

-Home Depot (USA: HD) home and office damage repair supplies

Note that in a crisis, credit cards may not work or be acceptable, ATMs may not work, and gold, while the basic 21st century money, is not yet in a form that you can spend at Krogers. Having some cash around, this month, is a good idea.

-AOL (USA: AOL) staying ahead of might be going on, keeping in contact w friends & family, keeping the business running

-Time Warner Cable (USA: TWX) (Comcast: USA CMCSA) (merger) news sources

-Yum! Brands (USA: YUM) Pizza Hut™ Taco Bell™ fast foods (Burger King as well (USA: BKC) pizza tacos and burgers

-Anheuser Busch Inbev (Belgium: BUD) beer and lots of it. Approximately 200 brands

-Big Oil Companies based outside the USA:

(Royal Dutch Shell (Holland: RDS:A RDS:B) (Total (France: TOT)

-FedEx (USA: FDX) it absolutely has to get there, disruptions or not. FedEx can do it

-GLD

-SGOL

-FXF

## **MW'S NEW GOLD RUSH STOCKS: THESE EIGHTEEN GOLD RUSH STOCKS APPEAR EXPENSIVE BUT AREN'T**

Much of this list is due to the rise of the social technology. Others are classics moving forward. There are some surprises.

-Google (USA: GOOG) providing info services in a myriad of ways. Through YouTube™ the ruler of Online television. Google may currently be America's strongest company. A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Facebook (USA: FB) Facebook has peaked as a way to promote businesses large and small (no one wants to 'like' Goldman Sachs 3M or Pepsico any more) but Facebook has learned how to earn money from advertising, has its cannons aimed at mobile telecom, and has 1.3 billion users monthly. An undercurrent is developing around Facebook. It's reportedly easy to [sell guns stolen jewelry and human organs on Facebook](#).

Facebook shares are a STRONG LONG-TERM BUY

-Tesla (USA: TSLA) Electric cars. Cramer calls Tesla a cult stock. It's actually a technology stock. Tesla has a flock of True Believers. Tesla may, right now, be in the earliest stages of becoming Ford Motors.

[Tesla's technology is profound](#). Tesla shares are SPECULATIVE

-[Eaton Controls](#) (Ireland: ETN) electrical engineering technologies,

QRG YOY 27.6%, 2:1 share split March 2011, ETN shares are a STRONG LONG-TERM BUY

-eBay (USA: EBAY) Where everyone goes to buy everything. Where every goes to price-check. Where everyone goes to sell something they are sure someone on earth wants. eBay owns 25% of Craigslist. And also owns PayPal™ which is becoming the world's digital banker. Billionaire curmudgeon Carl Icahn wants eBay to spin off Paypal. [Various other gadflies think eBay should be purchased by Google](#).

eBay shares are a STRONG LONG-TERM BUY

-Amazon (USA: AMZN) Where every goes to buy everything. Amazon's "run it up the flag and see if anyone salutes it" comments about delivering product by drone has most people making fun of Jeff Bezos and attempting to become the US Postal Service. But he may pull it off if he wants it badly enough. Amazon might also simply buy Fed Ex (USA: FDX) outright. STRONG BUY

-Priceline (USA: PCLN) the foundation company of the Online Travel Industry. Market Cap: \$71bil. Debt: near zero (under \$2bil) QRG YOY 29.4%. STRONG BUY

-Netflix (USA: NFLX) from mail-order movie library to fast becoming the world's 21<sup>st</sup> century popular entertainment storyteller. Operations in USA Canada Latin America UK Ireland Denmark Finland Norway Sweden and probably others by the time you read this. STRONG BUY

Notes: a small "Netflix of books" called [OysterBooks is doing for books what Netflix did for movies](#) and will probably begin to make e-books the norm in a few years. Netflix will probably buy it.

-Comcast (USA: CMCSA) The deal to merge with Time Warner (USA: TWX) has been approved by both company boards. The merger still must pass the scrutiny of the SEC. Most people who are Time Warner subscribers are angry and expect their monthly bill will go up. Both Time Warner and Comcast are already acting as if it is a done deal. Will the SEC approve it? Probably. Comcast shares are SPECULATIVE

-Autozone (USA: AZO) automotive parts. 5210 stores, including USA Mexico Puerto Rico & Brazil, expanding steadily into Latin America, STRONG BUY

-[EOG Resources](#) (USA: EOG) independent oil and natural gas: USA Caribbean Argentina China UK & Canada,

EOG Resources shares are a STRONG LONG-TERM BUY

-Norfolk Southern (USA: NSC) US East Coast RR, 21,000 miles or RR in 22 states and up into Ontario, serves every major container port on Eastern US coast, strong forward growth projections, will benefit from completion of enlarged-capacity Panama Canal, shares are a STRONG LONG-TERM BUY

-[RF Microdevices](#) (USA: RFMD) maker of mobile technology products to Apple and others,

Revenue Growth projections 18.3% annually for the coming five years, shares are SPECULATIVE

-Panera (USA: PNRA) 1777 bakery/café/restaurants, not elegant but clean bright cheerful and upscale. Attracts a wide variety of clientele from retirees to teens to middle-management secretary lunch crowd, club meetings, etc. Market Cap \$5bil. EPS \$6.81 Debt: zero. Revenue Growth Estimate 17.47% annually for the next five years. Still in its first generation: CEO is one of the two original founders. Panera shares are a MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Disney (USA: DIS) a finger in every pie: News. Cartoons. Films. Television broadcasting. Tourism. Weddings. Cruises. Clothing & souvenir products. Hotels lodging and resorts. Restaurants. Comic books. Magazines. Education especially English language learning centers. Expanding into expensive Disney Premium Luxury Experiences (exotic car driving, safaris, pirates, dolphins etc etc.) Disney World™ is THE most-visited tourist attraction in the world, attracting nearly 53 million visitors per year. Operations in Paris Shanghai Tokyo & Hong Kong. Projected Revenue Growth 15.88% annually for the next five years, profit margin 14.33% superbly managed, A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-[IntercontinentalExchange Group](#) (USA: ICE) financial and commodities exchanges, North America and Europe

Intercontinental Bought NYSE Euronext last year. If you held NYX shares you received ICE shares. ICE has no competitors. A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-[3D Systems](#) (USA: DDD)

DDD has deep and important ties to US Defense Dept, QRG YOY 52.4%, shares are A STRONG BUY

-[iShares Nasdaq Biotechnology](#) (USA: IBB) an ETF of the best and most promising biotechs up 16.45% YTD

Notes: These stocks may seem expensive or even terribly expensive. But they are not nearly as expensive as they will be in two or three years.

PLUS ONE GOLD RUSH PRIVATELY-HELD THAT WILL LIKELY IPO:

-The [Switch Bulb Company](#), based in San Jose and backed by Silicon Valley's VantagePoint Capital Partners. [Infinia™ LED light bulbs](#). Remarkable product. Reported 22-year product lifespan. No mercury.

We would be investors in this company.

PLUS ONE CHINESE COMPANY THAT WILL DEFINITELY IPO:

-China's Alibaba, a cross between USA's eBay and Amazon. The IPO is expected to bring in \$15 billion, and this would be the biggest IPO since Facebook (USA:FB) raised \$16 bil and it would give Alibaba a Market Cap of around \$130 billion.

## WHAT YOU NEED TO KNOW THIS MONTH

### Taxation and values:

-Amgen (USA: AMGN) has a cancer vaccine that works against advanced melanoma in Phase 3 testing. Shrinks tumors, activates immune reaction. SPECULATIVE but looks very good.

<http://finance.yahoo.com/news/amgen-vaccine-triggers-immune-response-211500079.html>

<http://finance.yahoo.com/news/amgens-talimogene-laherparepvec-reduced-size-213935437.html>

-So far, two cars, one a [Mercedes](#) and one a [Tesla](#), are the two prototype 21<sup>st</sup> century cars

-Despite the USA's newly-acquired Third World country status (97% poor 3% wealthy, no middle class, shortened longevity, radically-lowered education status of workforce relative to other countries etc etc) American household net worth is at an all-time high: \$80.66 trillion. \$9.8 trillion added in 2013. \$2.19 trillion in added real estate value, \$3.85 trillion in higher stock share price (S&P up 30% in a year).

[Unfortunately, most Americans who were in the equities markets prior to 2008 remain terrified of it. And the gain in household wealth is not broadly-spread, it is in the hands of a few.](#)

### -Janet Yellin and 20% inflation:

The Janet Yellin's Fed lowered the QE buys of US federal paper T-bills by another \$10 bil on March 19, to \$65 bil per month. The vote among Fed members was unanimous. That's rare. It's obvious the Fed wants out of this role as benefactor and is willing to let the chips fall. That means the Fed is no longer buoying up the Dow the Naz and the S&P and is willing to allow them to swim under their own power. The theory behind this: the Fed believes US GDP growth for 2<sup>nd</sup> ½ of 2014 is 3% or above. That is quite strong even though it does not translate into a returned Middle Class or jobs that pay above subsistence level. Two-tier economy: wealthy and poor. But the Fed doesn't deal with that, it only deals with support or neutrality re the paper money supply

### -Science and Pet Causes:

<http://www.chicagotribune.com/news/opinion/sns-201403050930--tms--vdhansonctnvh-a20140306-20140306,0,5510132.column>

<http://weather.aol.com/2014/03/06/snow-ice-cover-will-boost-great-lakes-levels/?icid=maing-grid7%7Chtmlws-sb-bb%7Cdl2%7Csec1 lnk2%26pLid%3D451110>

### -Climate change, for warmer or for colder, is causing trouble:

-Copper is wildly undervalued. Copper's Spot Price should be @ approx. \$3.62 and its Fair Value around \$5.70. Lower values are due to concerns over China's import needs and concerns over China's air quality and export volume. This does not take into account that the world, not only China but also all of Latin America Indonesia & SE Asia is expanding its Infrastructure Buildout. SCCO is headed to \$44

Iron ore @ Spot \$117 is strongly undervalued. We expect iron ore to spend the year at a base level of about \$145. Same circumstances that apply to copper and the Global Infrastructure Buildout also apply to iron ore and therefore to steel.China's future expansion? One facet= cleaner air via higher quality iron ore. Who has the best iron ore? VALE SID RIO and BHP. These stocks are STRONG LONG-TERM BUYS

[-All this stuff about Iran and its weapons delivery systems is real:](#)

And this will continue to unfold as long as Obama is in office because this regime seeks a level playing field (ie is surreptitiously pro-islam) is not pro-israel and will do nothing to thwart Iran's development of a bomb in deliverable form

And this problem will grow worse until it reaches crisis

## THIRD WORLD AMERICA

[The "wealthy poor" replace what was formerly the USA's Middle Class:](#)

## EUROPE

A primary source:

<http://www.world-newspapers.com/europe.html>

[Escalating: the cheese war:](#)

<http://www.wrx.zen.co.uk/britnews.htm>

<https://www.google.com/#q=EU%20reuters>

<https://www.google.com/#q=guardian&tbm=nws>

<http://www.dutchnews.nl/>

<http://www.spiegel.de/international/>

[The European Debt Crisis visualized:](#)

## AFRICA

<http://www.reuters.com/places/africa>

<http://allafrica.com/business/>

<http://www.world-newspapers.com/africa.html>

<http://www.onlinenewspapers.com/sa.htm>

<http://allafrica.com/>

## EUROPE & AFRICA

<https://www.google.com/#q=bloomberg+europe+and+africa>

<https://www.google.com/#q=europe+and+africa+al+jazeera+english>

<https://www.google.com/#q=europe+and+africa+reuters>

<http://allafrica.com/europeandafrica/>

## ASIA

<http://www.reuters.com/finance/markets/asia>

<http://www.reuters.com/news/archive/asiaDealsNews>

<https://www.google.com/#q=southeast+asia+economic+news>

<http://www.nst.com.my/business>

[http://www.atimes.com/atimes/Southeast\\_Asia.html](http://www.atimes.com/atimes/Southeast_Asia.html)

<http://www.economist.com/topics/south-east-asia>

[Asia's river of gold:](#)

## LATIN AMERICA

<http://www.bloomberg.com/news/latin-america/>

<http://riotimesonline.com/brazil-news/tag/rio-business/#>

US Geological Survey Studies: a global assessment of copper resources indicates that 3.5 billion metric tons of undiscovered/unexploited copper exists worldwide in 225 areas and 11 regions of the world. USGS believes that is about enough copper to satisfy current demand for approximately 150 years. [The dominant sources of undiscovered copper: in South America.](#)

## UK

[Scotland's bid for independence \(a referendum in autumn 2014\) not going away that easily:](#)

[Inside the UK:](#)

[the UK as it relates to Europe:](#)

## CANADA

<http://www.financialpost.com/index.html>

<http://www.theglobeandmail.com/report-on-business/>

<http://www.canadianbusiness.com/>

<http://www.canadianminingjournal.com/?&er=NA>

Canadian grain vs Canadian oil: <http://www.mining.com/canadian-grain-vs-canadian-oil-47189/>

## AUSTRALIA

<http://www.macrobusiness.com.au/>

<https://www.google.com/#q=reuters+australia+news>

<http://quadrant.org.au/opinion/qed/2014/01/australia-day-matters/>

## JAPAN

[The Japan Times](#)

Three years after the quake, tsunami and nuclear mess, [Japan is still in trouble:](#)  
[http://www.japantimes.co.jp/author/int-mari\\_yamaguchi/](http://www.japantimes.co.jp/author/int-mari_yamaguchi/)

# THE TRANSNATIONAL ISLAMIC SUPERSTATE

<http://america.aljazeera.com/>

<https://www.google.com/#q=AL+JAZEera>

<http://topics.bloomberg.com/islamic-finance/>

<http://topics.bloomberg.com/islamic-finance/>

<http://en-maktoob.news.yahoo.com/islamic-finance/>

<https://www.google.com/#q=iRAN+AND+FLIGHT+370>

## ENERGY

The US reportedly needs approximately \$440 billion in energy infrastructure rebuild and upgrade: pipelines etc

Fracking is about grind to a dead halt soon as scientists prove the practice causes swarms of earthquakes

<https://www.google.com/#q=fracking+and+earthquakes>

<https://www.google.com/#q=fracking+and+earthquakes+won+young+kim>

state governments backing fracking in their states may be liable for damages by homeowners and property owners whose homes and lands have been damaged by earthquakes and ruined water supplies.

<http://www.shell.com/global/aboutshell/major-projects-2.html>

<http://www.reuters.com/article/2014/01/27/us-usa-obama-keystone-analysis-idUSBREA0Q08F20140127>

<https://www.google.com/#q=keystone+pipeline>

<https://www.google.com/#q=panama+canal+and+oil>

<http://www.reuters.com/article/2014/01/23/us-brazil-refining-analysis-idUSBREA0M04I20140123>

<http://www.ogj.com/event-listing/all-petroleum-events.html>

<http://www.ogj.com/event-listing/all-petroleum-events.html>

<http://harvestpublicmedia.org/article/against-blend-wall-ethanol-crossroads>

The face of mid-21<sup>st</sup> century energy: aerial photos of desert-based solar energy projects:

<http://www.wired.com/rawfile/2012/11/jamey-stillings-ivanpah-solar-field/#slideid-62111>

## GLOBAL MINING

Our favorite source: <http://www.mining.com/>

others:

<http://www.theguardian.com/business/mining>

<https://www.google.com/#q=reuters+mining>

[Copper: global demand outstripped supply by 400,000 tons in 2012:](#)

Now let's look at the future: [note the chart for global copper demand, from 2010 to 2020, and again from 2010 to 2030.](#)

Quite astonishing. You would have to work very hard not to make money in the primary copper miners SCCO FCX BHP RIO and the gold miners who also mine copper as a byproduct.

[The Critical Metals Handbook](#): Published in the UK last year. What it will take in terms of materials to sustain the current lifestyle we enjoy in the West:

Rio Tinto (UK: RIO) and the [Mongolian government seem to be settling their differences and the expansion of the Oyu Tolgoi mines is underway:](#)

The next unexploited mining region: [Greenland \(a part of Denmark\) where vast arctic resources will attract \\$100 billion in investment efforts over the next decade:](#)

<https://www.google.com/#q=the+mining+push+in+greenland>

Australia and mining: <http://www.theguardian.com/business/2014/mar/06/gina-reinhart-australia-needs-thatcherism>

## TECHNOLOGY

It won't be much longer before you will be able to view digital versions of classical and iconic film stars of yore (Clark Gable Audrey Hepburn Spencer Tracy Julie Christie Gregory Peck et al) in their prime, acting in new films. First making cameo appearances and later probably starring in contemporary films, thanks to fast-improving pixel tech. [They're called "virtual actors"](#) and to invest in this < Disney (USA: DIS) and 3D tech companies

## INFOTECH

[The Internet: you're being watched.](#)

## TELECOM

<http://www.fiercetelecom.com/>

<http://www.reuters.com/sectors/telecom/>

## 3D TECHNOLOGY

<https://www.google.com/#q=3d+technology+news>

<https://www.google.com/#q=3D%20video>

[http://advanced-television.com/2014/01/27/dolby-labs-glasses-free-3d-later-this-year/?utm\\_source=rss&utm\\_medium=rss&utm\\_campaign=dolby-labs-glasses-free-3d-later-this-year](http://advanced-television.com/2014/01/27/dolby-labs-glasses-free-3d-later-this-year/?utm_source=rss&utm_medium=rss&utm_campaign=dolby-labs-glasses-free-3d-later-this-year)

<https://www.google.com/#q=3d+television+programming>

## AMERICANS AND THEIR GUNS

We have no idea what to make of it. We go to gun stores in several states and we visit gun stores in many states online. We occasionally attend gun shows. We see people buying 1000 rounds of 22 lr 22LR or 22 magnum at a time. We see people buying 500 rounds of 9mm ammunition at a time. This is a bit more than people are using at target ranges. These are people who may be buying these rounds because they think the Obama regime will make it illegal to buy them. More importantly they are people who are ready to deal with what they view as an impending crisis.

And on the other side of this campfire:

-Various colleges and universities, and also various cities, and being given "surplus" MRAPS (mine-resistant ambush-protected) vehicles to have on hand as part of their police department equipment.

-the USA's SSA (Social Security Administration) recently asked for price quotes from which to purchase 174,000 rounds of hollow-point ammunition

[-the US postal service has joined other US federal agencies in purchasing more than 2 billion rounds of ammunition](#)

[-a recent Ohio National Guard training drill was based on a scenario in which Second-Amendment supporters and others with 'anti-government' opinions were portrayed as "domestic terrorists"](#)

## WE ARE READING

[The Sixth Extinction](#), by [Elizabeth Kolbert](#). A compelling argument that we as a species are hastening our own demise. Using 13 examples of threatened or already extinct species, this book traces the effect of humans on the planet. Grim prognosis, but not a grim book. See also her 2006 book *Notes from a Catastrophe*

## HOW WEALTH IS CREATED

We are headed already in a Global Commodity-Based economy which fuels a 21<sup>st</sup>-century Global Infrastructure Buildout that will last longer than most of us will live.

How wealth is created: you exploit the earth's resources. You dig wealth up. That's starting to mean under the seas. Later this century or early in the next century that may mean digging it up in space: in the asteroid belt, fifty million miles out. Gold iron ore salt petroleum coal and copper. You harvest wealth from the rivers lakes and seas, from nature: Fish, underwater mining, offshore petroleum, ocean wave energy systems etc. You grow wealth: wheat rice corn olives grapes cattle pigs trees. You 'idea' wealth into existence via new inventions (iPhone 5™ the tractor, the bulldozer, the Corvette, the nuclear-powered submarine, metal alloys, the Krispy-Kreme donut) or concepts (cloud computing) (21<sup>st</sup> century windfarm energy systems) (cellphones/ smart phones) that create new industries new value systems and new global progress. Steve Jobs said: "they want it but they don't yet know that they want it." It's essentially the same thing Henry Ford said and the same thing the folks at what would become Xerox said and the same thing Leslie Wexner did with Victoria's Secret.

That's it. That's all there is. Everything else is shipping commerce marketing and wholesale/retailing and promoting new products and moving "money" (debt and credit) and middleman moving products from one place to another. Commerce (moving goods from here to there and wholesaling/retailing them to local markets) is something that has been done almost exactly as it is done now for at least 20,000 years.

How money is created: banks were once funded by kingdoms. Then the kingdoms became financed by private investment banks and their depositors who place their money in banks in exchange for a small percentage of interest on their deposits and the convenience of using the bank's facilities and expertise for business personal and mortgage loans. Banks once were established with enterprise capital and were then able to leverage that capital, in a ratio of about 10:1 to make loans against deposits or to leverage deposits in a ratio of about 10:1 (reserve cash ratio). That is, banks create money by creating 'borrowing power' ie creating debt. The USA reversed the power polarity by placing the banks under the control of the government. Initially, before banks came under the power of governments, this ratio was determined by bankers sanity and rationality and tolerance for risk. After that, these reserve ratios came to be determined by governments. This used to be governed. That ratio, determined now by governments, is now totally out of control in the US and in Europe (less so in Latin America and less problematic than in the US and the EU) and no longer subject to realistic oversee by govts. The current actual reserve cash ratio in the US is about 22. The current actual reserve cash ratio in the EU is about 40. So you can imagine how we view

stocks like BAC or JPM. The only money that has value and holds value, cross-culture and as a global means of exchange, is gold. We would encourage you to maintain a checking account, and to maintain a small cash reserve in banks. We would encourage you to hold any large amounts of cash that you have, money that is not in Market Witch High Net Asset Value stocks, in gold. In a gold ETF (GLD) or even better in a physical gold trust (SGOL or GTU) or in personally-held physical gold in coins or bars. Governments cannot create wealth.

Comment date 3/18/2014: failure to understand how wealth is created is obama's greatest failure and it will bring about his downfall sooner than expected

## TRADITIONAL INVESTMENT SKILLS

OK. Suppose. You have \$4000 to invest. Whether you are a small investor or a large investor, \$4000 is \$40 Not enough00 you want to do the best you can. This recently happened to us. With dividend \$. The Q= now what? Not enough \$ to make a major play but too much \$\$ to leave in a US bank in dollars that are deteriorating.

Our considerations:

-DIS elemental safe and growth

-TAL safe and growth

-GOOG elemental safe and growth

-AMZN elemental safe and growth

-CSX elemental & growth

-PNRA elemental, safe, growth

-NSC elemental & growth

-CYCC speculative

-FXF swiss francs

-ORAN a high-dividend play

The question:

-CYCC do we buy 1000 shares on spec?

Or do we buy something safe? Like 50 shares of RDS:B?

Our choices:

-take the \$4000 and buy 275 shares of ORAN. France telecom. Dividend on the shares= \$225 annually

-take the \$4000 and put it into Swiss francs FXX and wait and see

- take the \$400 and buy 23 shares of Panera does it seem stupid to buy 4 shares of Google? Or 23 shares of Panera? Not if the shares will rise.

There is also the issue of shares rising plus growth vs simple safety against inflation.

What we did: we bought 275 shares of ORAN, and because there wasn't a clear direction as of April 2014. The shares won't fall the dividend is solid, and we will make a larger choice investment later with this money. But the play is equally as valid with Panera. 23 shares of Panera, though it seems silly to own 23 shares of anything, is better than US dollars in the bank.

## THE BITCOIN

Bitcoin or something like Bitcoin will, with gold, become the 21st century's primary global currencies.

[All new forms of "money" or "currency" get off to bumpy starts.](#)

In the mid-1960s there weren't any credit cards like as we know them now except for American Express and Diners Club, both highly elite and with small bases, and the ones offered by department stores like Macy's. In the early 1970s Dee Hock created the credit card system that we now know as Visa, a new kind of payment system with an exchange of value that was on a par with cash. Before 1972 there weren't any Visa cards. All monetary systems like this, and in a larger sense all wealth, comes from "commerce"-- financial interaction trading value for materials goods or services, and is based on faith in the validity of a promise. Bitcoin truly is a new step in that it is (A) global and universal and nothing like that has happened since the basic global currency was gold, and (B) the bitcoin is not attached to any national currency or given validity by a national government. The bitcoin has value not because the US or the UK government says it does, but because a community of users has decided to give it intrinsic value. This has not happened since, probably ten or fifteen thousand years ago, gold became a universally-accepted currency. That bestowal of value is a current flaw, however, and the bitcoin won't have stable value and become universally-accepted until it is pegged to the value of gold.

A global peer to peer digital currency is an inevitability in this new century.

[Bitcoin: an excellent overview:](#)

[Bitcoin is still very much an Outlaw Economy commodity:](#)

The Bitcoin expansion: You can buy Bitcoins via an ATM machine in Las Vegas.

Geek Money. Nerd Money. Tekkie Money. Outlaw money. Currency the government-any government-can't control. Also a primary new form of transnational money and the first one that is wholly digital. 21<sup>st</sup> century Global Money. Same as gold: Global.

This is a currency that is outside the primary national economic systems that involve paper and electronic currencies, big banks, government treasury notes, central banks, the creation of debt via credit to create "money." Bitcoins are digital but they are paid-for up front. They are, then, cash on the barrelhead. Bitcoins are probably the biggest assist toward global free trade since the Silk Road, the transAfrican trade routes across the Sahara, and the establishment of commercial-trade shipping in the Mediterranean many thousands of years ago. The Bitcoin will become tied to gold and will become easily and instantaneously digitally convertible to gold on the spot at local agencies just like Western Union money orders or online, gold gramweight going directly into your Paypal account or your American Express account, utterly bypassing the Dollar or the Euro (as Bitcoin usage already does now) and that this will be the 21<sup>st</sup> century money.

Gold and the Bitcoin. Are they opposites? Or are they becoming the same? Both are used in the Black Markets (black markets are rapidly becoming the term for any transaction both can be used to thwart the currency systems, transfer wealth surrepticiously, buy without paying excise taxes, and without any financial 'third party' like a bank)

The creator of the Bitcoin is [Satoshi Nakamoto](#)

Satoshi Nakamoto is a myth. But the power of the bitcoin is not a myth.

Bitcoin users who buy Bitcoins and use them to make purchases or move money with Bitcoins seek to thwart national governments entirely and create a true Global Free Trade and one that cannot be controlled by Central Banks and the creation of debt as "money." The creators of Bitcoin software are concerned that governments, particularly ours, and various financial institutions, including the US Treasury and the Fed and the European Central Bank and even the Chinese government, will shut Bitcoin down. This is why BTC Global has based in Paraguay. We don't think governments, not even our government, will be able to do so. It's already far too late. It's also a stupid thing for governments to do: better to accommodate and take a slice of the pie.

At some point during the next 24-36 months the bitcoin will become linked, in the digital financial universe, to gramweight gold and become globally stabilized and this will help force, or necessitate, acceptance of gold as money by both the EU and the United States, probably some time in 2016. Both the Euro and the USD will at that point have to link to gold and recognize gold. And as the Chinese currency increasingly moves onto the world stage, the Yuan will have to link to gold as well. This will begin the 21<sup>st</sup> century age of gold as money.

## GOLD

[Evidence suggests we are entering a new gold supercycle:](#)

Gold's price rise has little to do with Russia & the Crimea:

Various big world banks have been manipulating gold prices to shore up currencies:

the Fed wants out:

China: takes over from India as world's #1 gold consumer:

Decades, centuries go by. Gold still matters:

Gold and recent US history:

Another aspect of Perilous April: China may make a play to field its currency, backed by gold, as the world's reserve currency.

### **CHINA'S APRIL SURPRISE:**

China's govt currently only reports its quantity of gold holdings every five years (it's classic Marxist planning in keeping with Marxist China's and the former USSR's "five year plans" and this report is due in April 2014. China has been buying gold in recent years at a record rate and in record quantities (China bought 52% of all the gold available last year) and when this april report is released it will show that China has dramatically increased its gold holdings. It will be a major wakeup call for Americans and American banks, and a major setback for the Treasury and the Federal Reserve, which have been trying to keep a thumbs-down on the dollar value of gold for a year. We expect gold to begin to skyrocket once more, and to close year 2014 in the \$1800s. Especially difficult for Americans and for America: China owns about \$1.3 trillion in US debt and still has such a trade surplus this it can partially support the US economy by purchasing T-bills and still have a great deal of cash left over with which to buy gold. The US is not in a position to make such purchases.

There is gold and then there is gold:

2014 is here. 2015 is coming soon and with it a change in the way countries and central banks use and view gold: Basel III

<http://www.washingtonpost.com/blogs/worldviews/wp/2013/10/10/this-surprising-chart-shows-which-countries-own-the-most-u-s-debt/>

Perth Mint Gold Certificates: virtually unassailable in the back of beyond as the US and Europe waver falter and refuse to cope:

Approved Perth Mint dealers in the US:

# HOW WEALTH IS CREATED

We are headed into a global commodity-based economy which fuels a 21<sup>st</sup>-century Global Infrastructure Buildout that will last longer than most of us will live. This is not much different from the financial structure of the 14<sup>th</sup> century.

How wealth is created: you exploit the earth's resources. You dig wealth up. That's starting to mean under the seas. Later this century or early in the next century that may mean digging it up in space: in the asteroid belt, fifty million miles out. Gold iron ore salt petroleum coal and copper. You harvest wealth from the rivers lakes and seas, from nature: Fish, underwater mining, offshore petroleum, ocean wave energy systems etc. You grow wealth: wheat rice corn olives grapes cattle pigs trees. You 'idea' wealth into existence via new inventions (iPhone 5™ the tractor, the bulldozer, the Corvette, the nuclear-powered submarine, metal alloys, the Krispy-Kreme donut) or concepts (cloud computing) (21<sup>st</sup> century windfarm energy systems) (cellphones/ smart phones) that create new industries new value systems and new global progress. Steve Jobs said: "they want it but they don't yet know that they want it." almost exactly as it is done now for at least 20,000 years.

How money is created: banks were once funded by kingdoms. Then the kingdoms became financed by private investment banks and their depositors who place their money in banks in exchange for a small per centage of interest on their deposits and the convenience of using the bank's facilities and expertise for business personal and mortgage loans. Banks once were established with enterprise capital and were then able to leverage that capital, in a ratio of about 10:1 to make loans against deposits or to leverage deposits in a ratio of about 10:1 (reserve cash ratio). That's the Federal Reserve. But it has to be founded on something. Centuries ago it was backed by kingdoms. Now, by nothing. Government \$ and individual/social wealth are two very different things. Kingdoms minted silver coins. US floats currency based on debt.

One is wealth. One is debt masquerading as wealth.

## GOT A STARTER TO INVEST? OPEN AN ACCOUNT WITH A REAL BROKER

Yo. People. Our MW skills plus your knowledge from reading us plus broker skills = \$\$\$

Do we buy and sell online via something like Scottrade? Hell no. We employ and are friends with real brokers, one 3 miles away one in Chicago one in metro LA. We would not dream of doing all this ourselves. Brokers banks investment companies trust fund managers read MW. But we have to have people to bounce stuff off of too and also to handle stuff we don't want to deal with (like corporate bonds)

Real brokers are one of those American institutions that were supposed to have died out and disappeared more two decades ago, in the 1990s, upstaged & made obsolete by eTrade™ Scottrade™ and the rest of the online brokers that were IPOs and startups at the end of the 20<sup>th</sup> century. Like newspapers, books, checking accounts, and landline telephones. Don't count on brokers becoming obsolete. Get a real broker.

You need a broker who understands what we are doing what you are learning from reading MW long-term. [We list a few of the country's best brokers on our MW website](#). The few we list are very conservative. They all read MarketWitch. They are professionals who could easily manage our own MW portfolios if we were incapacitated.

IF you cannot be real friends w your broker, you need to find someone else even if at a distance and even if in a solely telephone relationship.

You need to be in a daily/long-term situation in which you are able to phone this person and say:

You need to handle all of this and I will phone you when I can and have absolute confidence in that conversation.

## NAVIGATING THE MARKET WITCH BUY LISTS

Just ahead are the stocks we currently pay attention to, arranged in our own categories, together with our current Big Picture commentary.

There is really no such thing as a 'sector'... there are only individual companies with specific statistical characteristics, a specific cultural context, and, like people, a distinct personality. Management is very important to us, and the more we know about a company's top three execs the better. We don't like to see red numbers. We do like to see at least a 10% Profit Margin (IBM's for example is 14.85%), a FWD P/E lower than the Current P/E, and an Enterprise Value far higher than the current Market Cap. Plus great management and low debt.

Look for Market Witch ONCE-IN-A-LIFETIME BUY, A MARKET WITCH BEST BUY, STRONG BUY, STRONG LONG-TERM BUY, BUYOUT CANDIDATE, SPECIAL CASE, MARKET WITCH PORTFOLIO FOUNDATION, SPECULATIVE OR UNDERVALUED labels on stocks we think are investments that will gain value.

What the MW stock listings terms mean:

- 1) A MARKET WITCH PORTFOLIO FOUNDATION STOCK: this means: buy now, buy later, plan to hold for years and add to the position, start a wealth base for your family that will last two three four generations
- 2) A MARKET WITCH BEST BUY. Unusually profound growth potential plus dividends plus an assured future. Good current examples: RIO, BHP, DPL CME

On rare occasions we list another category, and that is

- 3) A MARKET WITCH ONCE-IN-A-LIFETIME BUY

We use this rare MW category only rarely. Here's an example: When the Nasdaq crashed at the start of the century and the Dotcom boom collapsed, many tech stocks fell dramatically as well, especially in telecom. Corning (GLW) maker of and inventor of fiber optic cable, was a star stock selling at \$134 in 1999.. Shares fell from around \$134 to around \$2 by 2002. In 2002 you could buy GLW shares for \$1.46-\$2.07. We listed Corning as a once-in-a-lifetime buy and bought a ton of it ourselves. The stock moved to \$28. In 2008 you could buy IBM shares for \$80. You can currently buy VALE for under \$13.

4) STRONG BUY. In general: buy, wait six months, twelve months hopefully make 20-30% profit, or buy for the long-term in the case of a company with strong dividends and strong forward growth. Good examples: PNRA NSC AMZN BHP RIO DE EBAY GOOG

5) STRONG LONG-TERM BUY. Buy, hold 24 months, likely make 20-25%. Or simply hold for years and reinvest the dividends. Good example: Praxair (USA: PX)

6) UNDERVALUED. This stock is selling for considerably less than what the shares are actually worth in terms of the Enterprise Value of the company compared to the stock's Market Cap. This sometimes happens because the stock is below analysts' radar... but also sometimes it doesn't pan out, in that some stocks may remain undervalued, for any of several different reasons. More often: buy and hopefully make 10-20% in six months to a year

7) BUYOUT CANDIDATE. We think another company will buy this one, the announcement of which will, when the news mainstreams and is made public, cause the shares to immediately appreciate 15-20%. Examples: Tootsie Roll (USA: TR) and Nvidia (USA: NVDA) are buyout candidates, Safeway was one and has just been bought

8) SPECULATIVE. You could lose a lot of your investment dollar or even all of it. Every single dime. Or half of it, if you chicken out and stop-loss sell toward the bottom of a curve. Locking in a loss. But you might make also 5X or more... and we don't know how long it will take or whether it will happen at all. Do not expect quick money but expect that you might make 5X or more. Or not. This is not something you do with the rent money. We usually do not even list a stock in MW pages as a speculative strong buy unless we already hold shares ourselves and that means we think the odds are unusually high that the company will pan out well. We have an approx. 89% track record. 89% of the stocks we buy appreciate. But we can be wrong, and during periods of volatility, SPECULATIVE stocks can tank and even disappear, along with your investment money

-9) A MARKET WITCH SPECIAL CASE. This may involve an IPO, a company that is making a buyout purchase that is not yet complete, the death of a CEO, a unique blowout quarter, or the introduction of a remarkable new product. For example, Odyssey Marine (OMEX) is headed toward becoming an underwater mining company: phosphates & metals. But the co still makes much of its living as a treasurehunter. Odyssey has just brought up 38 tons of silver bullion- worth around \$40million- from the SS Gairsoppa, a British cargo ship sunk by a German submarine in WWII. This is silver that was headed for safekeeping in the US while England was under attack. Odyssey has a contract with the British govt that allows it to keep 80% of the salvaged goods plus expenses. Facebook as well has been a special case in the past and so has VALE

## ABOUT FAIR VALUE CURRENT (SPOT) PRICE AND FLOOR SUPPORT and FAIR VALUE

We often mention Fair Value, usually in relation to commodities but also in relation to global indices and exchanges, specific stocks, or currencies, and we are talking about how much of something- copper, coal, diesel fuel Harley Davidson motorcycles, Tiffany diamond necklaces, etc- is available right now this instant, and also taking into account how much more –or less- there may be in six months to a year to two or three or five years based not only on rising or falling demand but on many other factors as well.

For example the Fair Value of wheat is based on current supplier crops (primarily USA Australia Canada & Russia) plus weather conditions population growth genomics and genetic engineering R& D developments, the volume of seed available, whether available crop acreage is increasing or declining, whether new potential suppliers (Brazil? Mongolia? Mexico? India? China?) are starting to grow wheat and add to the available global supply, etc. plus political or natural crises that may cause demand to rise or fall or to move from one continent or region to another.

The Fair Value of Aluminum for example (currently around US\$2.70) is based on how much aluminum block ingot is available for delivery ASAP as well as how much bauxite ore is available at spot price for delivery ASAP (this is all changing in the 21<sup>st</sup> century: Spot Price and Spot Delivery ASAP are quite different from Commodities Futures and 90-day delivery though all this is still currently available in futures- three months, six months a year- but Commodities Futures as an Economic Fixture is ending in the wake of global handhelds instant communication and fading into what is likely to be a 21<sup>st</sup> century Spot Price< ASAP delivery) plus the current supply being provided by all open and operating mines, plus new mining discoveries that add to available reserves, plus new uses for aluminum, new alloys that may increase need and demand, plus wars that may increase demand, plus new technologies (wind farms, increasing use of aluminum in 21<sup>st</sup> century vehicles, etc) and existing technologies that may change needs (autos and trucks, mining equipment, commercial and military aircraft & military construction needs) plus population increases, plus other technologies (containers, shipbuilding, engine blocks, locomotive production etc) that may enlarge the need for aluminum.

We try to determine Fair Value of both Equities & Commodities three to five years or more forward (for example copper in 2014 is \$5.70 and Fair Value for copper in 2016 is above \$10.00) based on what we see happening in the world and what we are able to track down from world-wide sources of financial information. We don't trust US media. We trust Fortune™ magazine but the only Fortune issues that matter are the Fortune 500 issue, the Fortune Global 500 issue, and the Fortune 100 Fastest-Growing Companies. All else is mostly nearsighted.

When we talk about Market Witch Floor Support it's usually in relation to equities indices or metals or soft commodities. But sometimes stocks as well, particularly profoundly fundamental High Net Asset Value stocks like Amazon Microsoft Rio Tinto Anglo American Praxair Southern Copper etc.

For example when we talk about equities indices we are looking at the Market Cap value of the component companies in any given equities market index, into the future 1yr 2yrs 3yrs ahead, based on the potential current Market Cap value of the component companies plus product demand, the impact of national politics, new technologies, wars and potential wars, plus stuff like volcanoes and earthquakes national elections, various national economic collapses (Greece? Portugal? Spain? USA?) or revolutions in current govts (China? USA? Venezuela?) plus the impact of banking (IMF ECB Federal Reserve and other Central Bank policies and rates) and more.

This second one, Market Witch Floor Support, is harder to determine. Short term crises tend to make market indices fall dramatically and sharply but only for a short time. Event time lines of two or three days, much similar to the effect that low pressure weather fronts have on Wall Street and on NYC-based traders' and fund managers' emotions and buy/sell choices.

No one knows what will happen to the Dow the Nasdaq and the FTSE, longer term, if the US and Iran or the US and Russia go at it. Or what will happen if Israel moves against Iran or if Iran moves first and war breaks out. Or whether a major broad definitive war breaks out between US & North Korea or between the West and the Transnational Islamic Superstate.

Or how much of an issue mining nationalization is or will become. [Here's a superb & highly-informative article about resource nationalism from Seeking Alpha](#)

No one can predict, also, what the longer-term impact of earthquakes tsunamis drought changing weather patterns cyberterrorist acts government overthrows nuclear weapons issues and conventional-arms wars will be on various regional economies and on long-term share prices.

And inside the US, our country is as divided as it has ever been since 1861 and the USA's Culture War continues between what are essentially two separate countries with completely different sets of values and beliefs.

We look for sociopolitical probabilities/possibilities as well as future demand markers for raw materials finished goods new service industries and new inventions and technologies.

We try to stay ahead of these matters by three to ten years ie from now into the mid- TwentyTwenties. We're focused on 2015-2016 now, and focused on late 2015 copper iron ore steel and supreme American pop-tech companies like APPL Google and QCOM but looking more realistically deep into the deep TwentyTwenties and whether the Global Commodities Supercycle and the Global Infrastructure Buildout will ride on for another decade after the mid-TwentyTwenties. We are also watching the Rise of the TransNational Islamic Superstate (Al Jazeera now has a media foothold, a cable channel in the US) and the Monetization of Gold (complete by 2022-2024). Gold mining co's are currently as undervalued as they have been since 1932. Other big issues long-term are water, precious metals, offshore windpower, undersea mining, and sovereign governments vs the creators of wealth, the mining and oil cos and, further on, the co's that control windfarm energy.

The late TwentyTeens Era of Steel, the TwentyTwenties USA/EU Infrastructure Rebuild, the rise of Indonesia, the creation of a USA 21<sup>st</sup> century Electric grid, Japan's rebuild and coming push into Solar Energy Generation from Space via microwaves, the global rise of Wind Turbine Farms as faith in nuclear power collapses, the Global Commodities Supercycle, the coming Water Wars, are more examples.

## WHEN TO BUY AND SELL

When to sell: currently almost never, if you are in Market Witch High Net Asset Value shares that are both Growth Stocks and also are High Dividend stocks. The storm in America that has been going on for a decade will begin to end in 2014-2015 and heralds the Rise of Latin America and Germany but it continues to bring to the US a new poverty amid American competition amid new global economic and working class/workforces and lifestyle and wage standards changes in developing countries. These workforce wages will vary somewhat according to regionalism and trading partner scenarios, but the USA's workforce wage scale will continue to fall in comparison. That means ordinary Americans will continue to become poorer.

The dead center of the Twenteens Decade 2014-2017 is upon us, bringing with it forward motion in the era of Steel and the Global Infrastructure Buildout, Gold as Money (this has already happened globally, the United States govt and that Fed are in total denial, but Americans with money buy gold constantly, every chance they get), the Global Infrastructure Buildout in the developing countries, the Infrastructure Rebuild in the Old-Countries/ Developed Countries that can afford it (The US can't afford to rebuild its highways and its bridges) and in the entire global economy an ongoing Global Commodities Demand Supercycle.

Reinvest these fat dividends from MW High Net Asset Value stocks into more shares of commodities stocks that are still at historic lows and undervalued.

For example, our cost basis for BHP shares (we began buying BHP in 2003 & 2004 at around \$19) is around \$6.00.

In another 5 to 8 years, our cost-basis on these shares for the entire position will start to approach zero. ie at that point ALL the BHP shares we own for our entire lives will simply have been given to us, for free. The original investment will have been paid back. We are in a similar position with SID AAUK RIO MSB VALE & SFL. This is how generational wealth that can be passed forward is established. We think this will also happen with Brazil conglom CSN (Brazil: SID) in three to five years.

Especially, right now, if you are in MW High Net Asset Value shares, if you can, simply reinvest the Q dividends in more shares. Get a job or a second or third job if necessary but don't sell these shares off now. Do not sell any High Net Asset Value shares at all. Because if you do sell at a loss, you lock in loss, plus you lose the potential future Q dividends for years to come no matter what the share price at a time when banks are paying nothing on yr deposits and the US has a negative -2.25% interest rate and an annual inflation rate against the dollar of about 10% ie< if you have \$5000 in the bank, in a year it is worth \$4400-4500. Big Six Mining shares remain one of the primary and great long-term bargains of our time. We will live to see \$2000 gold within a couple of years, and gold possibly far higher a few years after that.

And if you do sell stock shares at a profit and that money comes to you in the form of a bank check in US dollars: then what? Are you going to put that money into a bank at 1% interest given the inflation rate as well?

Make plans for the money from stock sales BEFORE you sell. None of that money should go into US dollars for any extended length of time in any form: cash, CDs, Tbills, etc. All money from not immediately reinvested should go into a gold ETF like GLD, or into a physical gold like SGOL or into a strong-currency ETF like FXF, which will put your cash into Swiss Francs.

In general, we can advise MW readers what to buy, and we can tell our readers what *we* are buying, but we cannot tell you when to sell. We can't tell you how much profit is enough for you- a 5% runup? 20% runup? 40% runup? Enough annual dividends that the cost basis of the stock has been cut in half? Only you can determine when you're satisfied.

What you are buying now, on the basis of our current MW picks, is a play on not only retention-of-capital now but for strong gains into 2015 2016 2017.

We are not good at picking Stop-Loss points. Here's why: 94% of the stocks we choose appreciate, so we basically don't care. Most of the stocks we buy into are elemental and earthy: resources, mining, metals, basic industries, lumber and, in technology, foundation products like IBM (servers et al) or NVidia (GPU chipsets) or basic networking (Cisco et al) or hard-core global infotech hardware (Corning's fiber optics, various co's that make laser pumps. The vast majority of our own stocks are High Net Asset Value companies which have long-term records of both growth and strong dividends. In a volatile world -2008 through 2015- from the base of the Second Great Depression into the start of the Great Third World War especially so- these Dividends will see us through. Even if one of these stocks falls in value, long-term, odds are it'll rise again. Meanwhile we reinvest the dividends.

We tend to hold growth stocks long-term for doubles- 2:1 stock splits- and for High Net Asset Value and for falling cost-basis as we reinvest dividends into more shares. We like to buy a stock at \$50 and sell it at \$90-100. Or more. Or to sell off half of our shares at \$100 from \$50, keep the original \$\$ investment in those shares, and take that \$50 profit and put that \$\$ into shares of another stock we like. We're not in a growth era right now but we may be again by the middle of the TwentyTeens. That's how we've done what we've done, which has been to turn... a little bit of money, starting in 1990, into ...a lot. Our return on our original investment in 1990 is currently around 40X. Even in our current Down Times our original investment is worth approximately 40 times what we started with. By late 2015 that X figure will likely be considerably higher.

What Market Witch is about: YOU can learn to do this, too.

We tend to hold stocks that do well for us for an additional 2 3 4 5 years or more, especially if we are getting valuation and growth plus dividends plus 2:1 stock splits, because that is most often the way to achieve the large long-term gains that make us happy.

We've held RIO shares since 05, BHP and SID shares since 04, AAUK shares since 03, FCX shares since 06, VALE shares since 04, Southern Copper since 2005, etc.etc.

We're projecting the prices of copper gold aluminum and iron ore for 2015 and 2016, looking for new products, watching to see which currencies hold value, waiting for France Germany and Holland to build a United States of Europe.

We sometimes tend to keep shares rather than sell them even after there has been a short-term peak and if the dividend is strong, even if the stock falls. Share price for MSB, for example, falls in the winter because the Great Lakes freeze over and iron ore can't be shipped but the MSB dividend is always above 8% annually and will be so large and for so long into the future that we will continue to accumulate more shares til around 2015 and then re-evaluate. We may continue to hold these shares- and VALE, SCCO, BHP, RIO and AAUK as well- into the TwentyTwenties. But we are also interested in companies like AutoZone (USA: AZO) Praxair (USA: PX) 3M (USA: MMM) Deere (USA: DE) Siemens (Germany: SI)

In a traditionally expanding USA economy, the kind we all remember and love from the mid-1950s through the late-1990s, you buy Adobe at \$28, and sell it at \$34, you buy IBM at \$88 and sell it at \$115 or you buy Corning @ 15 @ sell @ \$21 or ride it up to \$117.

We have entered a Global Growth Market, and we are nearing a new Momentum Market, but ordinary Americans aren't participating in them. They can't afford to. America has become 97% poor, 3% wealthy, with no Middle Class. The very definition of a Third World Country.

We are living through a strong long-term Global Bull Economy as a worldwide Infrastructure Buildout gets underway and an accompanying Global Commodities Supercycle and these things will last for the next 20-30 years. Western economic practices based on centuries-old European banking systems are in a long transition. European economies that were in the Middle Ages based on gold gave way to the Rothschild banking system of money created via debt. After nearly three centuries this monetary system is moving, in the 21<sup>st</sup> century, back to a gold base. In this long transition from a govt-created and bank-created 'wealth' (debt-based currency) into a 21<sup>st</sup> century gold-based monetary system, stuff of monetary value, usable as currency, will probably eventually include platinum palladium copper and silver and probably wheat and water as well.

To a large extent 'ordinary Americans' aren't participating in long-term wealth creation and family-wealth creation. 68% of Americans who have jobs are living paycheck to paycheck. A new form of American poverty, suburban poverty, is rampant. The poor are everywhere, and increasingly they are in the leafy suburbs long views as a refuge from urban woes like joblessness and not being able to afford food. One in nine of USA's 40+ million 'elderly-Americans' 65 and older live below the federal poverty line which is about \$11,000 for a single and about \$14,000 for a couple. 71% of the "GDP" in America is consumer-based: buying and selling "stuff" and services to each other. Very little actual wealth is being created in this process. Nor are 'ordinary' Europeans participating in wealth-creation. As of mid-2012, the average Canadian became wealthier than the average American.

In the US, the lines have been drawn and the sides chosen in a cultural and economic war of values that is for all practical purposes two separate countries.

The US is not now and has never been in a “Recession” that began in 2008. The US seems to have been in a Second Great Depression since the Nasdaq crash of 2000 but in reality the US is going through the throes of change from having been a developed nation with a huge middle class and a superb higher education system and great roads and highways, to becoming a Third World country (and the first modern nation to do this: in history, see also Greece, Rome, Islam) (See Market Witch Third World America May 2005) with a much-lowered standard of living for the vast majority of its now poorly-educated and poorly-skilled citizens even though a small highly-skilled techno-class and a small highly-skilled group of blue-collar workers (bulldozer drivers, welders, great lakes merchant seamen, etc) and continuing to earn a good living. Is the wealthy prosperous and well-educated (and singularly unified) USA coming back? No. It took 40 years to dumb-down the educational system and scatter American values to the wind via “diversity” and the now-mostly-unskilled “want fries with that” American workforce and a fragmented population cannot unite to recapture this supremacy. At least not yet. There would have to be a second US civil war first. Typical markers of a Third World Country: 97% poor 3% wealthy no Middle Class, workers have little structure in the form of unions etc and therefore no power, higher education system militates against broad upward mobility, the national government is a police state.

As an investor, what matters in this era: gold, silver, gold mining stocks, copper mining stocks, iron ore stocks, classical manufacturing stocks, global steel stocks, petroleum companies (XOM CVX RDS-B MMM CMI XAU GLD BVN SCCO) tech/engineering congloms like Siemens and Deere and Praxair and Corning and 3M and Caterpillar, very 21<sup>st</sup> Century tech stocks like Google Qualcomm and NVidia, 21<sup>st</sup> century consumer stocks like Apple eBay Panera and Dollar General , and consumer-basics stocks like Unilever PepsiCo and Anheuser-Busch/Inbev that bring the world toothpaste and peanut butter and beer and Doritos. And Railroads. When the expansion of the Panama Canal is complete, American RRs, particularly CSX and NSC. These are Market Witch High Net Asset Value companies with low or relatively-low P/E, high EPS, high Profit Margins and real tangible valuable assets.

If you’ll go to the MW website Market Witch and sign on for our FREE UPDATES, you’ll know within one hour when we buy or sell a stock. If you are not seeing updates in your email, it means we are not buying or selling any equities. If you’re not seeing Market Witch Weekenders in your email it means we are paying attention to longer-term matters.

## THE MARKET WITCH STRONG BUY LIST: THE STOCKS WE’D BE INVESTING IN RIGHT NOW:

-Howard Hughes Corp (USA: HHC) real estate, real estate development. When Howard Hughes was alive this company was called Summa Corp. Planned communities luxury condos theaters resorts malls luxury singlefam homes etc. Dallas-Based. 33.5 mil shares outstanding. UNDERVALUED

-Avista (USA: AVA) Gas & electric utility founded in 1889, 680,000 customers over some 30,000 sq miles primarily Pacific Northwest, Dividend Yield 4.20% UNDERVALUED

-[Southern Copper](#) (USA: SCCO) (but 82% controlled by Grupo Mexico) Big Mining, not just copper, but also zinc gold silver lead molybdenum coking coal lead molybdenum. 75% of revenue from copper 25% from other including gold as a byproduct. Owns the world's largest known copper reserves. Operations in Peru & Mexico, explorations in Ecuador Argentina & Chile. Copper is undervalued over the next 36 months and the multiplying number of physical copper ETFs attest to this. Gold's value in relation to silver is 52:1. Gold's value by the ounce in relation to copper's value by the pound is 497:1 and while we expect gold to rise in value til at least 2022 and reach and remain at Fair Value from then on. SCCO has the largest copper reserves of any company on earth although VALE's new copper find in Brazil and Rio Tinto's Oyu Tolgoi mines may challenge that.

SCCO is a MARKET WITCH PORTFOLIO FOUNDATION STOCK

-PNC Financial Services (USA: PNC) PNC started out in 1922 and was Pennsylvania National. 2881 branches and 7500 ATMs in 17 states and Washington DC. Based in Pittsburgh. Extremely well-managed. This company just had a billion-dollar 3<sup>rd</sup> Q profit and \$1.79 Q EPS, and it's current Full-Year EPS of \$6.64 is headed for a Full Year \$7.50-7.80 in 2015. Market Cap \$39.3bil, Enterprise Value \$66.5bil, STRONG LONG-TERM BUY

-Powershares China A-Share Portfolio ETF (CHNA) a new ETF and an Index Fund of China A-50 stocks, many of which you can't get access to as an American investor and many of which do a great deal of trade with Europe, STRONG LONG-TERM BUY

-Core Laboratories (Holland: CLB) core test sample analysis for the global petroleum industry, core and analyze before you drill, STRONG LONG-TERM BUY

-Google (USA: GOOG) possibly America's most important infotech stock, Google is expanding in several directions at once, mostly more earthy and less cerebral. Google shares are A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Autozone (USA: AZO) EPS \$27.79, expanding into Latin America, A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Taiwan Semiconductor (Taiwan: TSM) a breakthrough semiconductor manufacturer during the late 1990s, these folks actually manufacture Qualcomm's Snapdragon™ chipsets. UNDERVALUED

-Hershey (USA: HSY) Chocolate, like copper and gold, is one of the last things on earth that is going away. EPS \$3.09 Market Cap \$20bil 224 million shares outstanding Profit Margin 10.45%, UNDERVALUED

-Mattel (USA: MAT) Americana toys and dolls. Including Barbie™ the world's number-one best-selling doll. Barbie™ debuted in 1959 and has \$1.3billion in sales. Barbie has been losing doll market share recently to the very wholesome American Girl™ dolls and also even more so to Monster High™ dolls, but Monster High dolls and American Girl dolls are Mattel brands was well. Mattel wins either way. The

holidays are upon us and Mattel will benefit from that as well. Market Cap \$14.64bil EPS \$2.30 Dividend Yield 3.1%, Q Revenue up 16%, UNDERVALUED

-Blackrock (USA: BLK) A primary Global Financial Bellwether. From the 40<sup>th</sup> floor of an E 52<sup>nd</sup> street office building, this co looks out on the world and gets it right. Consider Blackrock a bank, a financial advisory brokerage, consider Blackrock and REIT, consider Blackrock a safe way to invest in emerging market shares and also in water and windfarms. Profit Margin 28%, leveraged about 50% (far less than banks) 1.69 mil shares outstanding, STRONG LONG-TERM BUY

-[Brookfield Asset Management](#) (Canada: BAM) Commercial and residential real estate, global, BAM shares are a STRONG BUY

-[Annaly Capital Management](#) (USA: NLY) Market Cap \$10.48 billion Enterprise Value \$73.34 billion, P/E 3 FWD P/E 9, Profit Margin 91%, STRONG BUY

-National Retail Properties Inc (USA: NNN) commercial real estate REIT, real estate conditions in the US are improving and this co has Dividend Yield of 4.7% dividend, UNDERVALUED

-Brunswick (USA: BC) has been off our lists for twelve years. Powerboats, leisurecraft, marine engines, recreation products. SeaRay™, Boston Whaler™, Bayliner™ CrestLiner™ and other boat brands. Small recreational & fishing boats for bluecollar Americans and small business owners with disposable income. Also bowling balls billiards supplies & bowling alleys. Founded in 1845, based in Lake Forest Illinois. Revenue Estimates for 2014 \$4.11bil with Full Year Growth Rate of 6.3%, Annual Revenue Growth Estimates of 12% each year for the next five years. UNDERVALUED

-[Tanger Factory Outlet Centers](#) (USA: SKT)

P/E 30 FWD P/E 16 QRG YOY 14.6 UNDERVALUED

-Chubb ((USA: CB) Insurance, global reach: USA Europe Latin America Asia Canada Australia. Founded 1882. Market Cap \$ 23.5bil Profit Margin 13.56% Full Year EPS estimates for 2014 \$7.29 on 2014 Full Year Revenue estimates of \$12.5bil, A MARKETWATCH PORTFOLIO FOUNDATION STOCK

-NVR (USA: NVR) singlefam USA homebuilding, Reston Virginia. QRG YOY 31.2% Market Cap \$4.25bil Annual Revenue \$3.6bil the share price seems outrageous but there are only 4.63 million shares outstanding. EPS estimates for Full Year 2014 \$71.32 on an Estimated Growth Rate for the next five years of almost 10% UNDERVALUED

-Unilever (Holland: UN) one of the world's primary consumer goods congloms, 1000s of branded products including Popsicles Breyers Liptons Pond Hellmanns Knorr Lifebuoy Vaseline Ben & Jerry's and more EPS \$2.12 Dividend Yield 3.2% UNDERVALUED

-Parker-Hannifin (USA: PH) gruntwork engineering and industrial technology [what they do](#) Market Cap \$15.4bil FWD PE 14 EPS \$6.43 UNDERVALUED

-Kimberly-Clark (USA:KMB) Toilet paper. Who can argue? Market Cap \$37bil Enterprise Value \$43bil EPS \$4.70 Dividend Yield 3.4% STRONG LONG-TERM BUY

-Cabela's (USA: CAB) American sporting goods/outdoors retailer, they've never heard of this co in Manhattan or Boston but it is the Tiffany's of Real World Americana. STRONG LONG-TERM BUY

-World Acceptance Corp (USA: WRLD) Small loans, American regional, Market Cap \$1.2bil Enterprise Value \$1.6bil Profit Margin 17.5% EPS \$8.15 QRG YOY 9.4% UNDERVALUED

-[Jarden](#) (USA: JAH) brand -name outdoor products including fishing camping skiing team sports and apparel brand names, in addition to Oster™, Crock-Pot™ Sunbeam™ Mister Coffee™ and other household brand names

FWD P/E 13.4 Market Cap \$5.62bil Enterprise Value \$8.2bil, Sales Growth projected at 12% annually for the next five years, Jarden shares are UNDERVALUED

-Sherwin Williams (USA: SHW) paints and coatings, the world's most widely-recognized paint company. STRONG LONG-TERM BUY

-[Posco](#) (S Korea: PKX) steel and iron, global sales, developing its own iron ore mines, but basically a national conglom

Market Cap \$24bil, Enterprise Vale \$44bil, EPS \$5.39, FWD P/E 5.31 Projected Growth Rate 2014 is 7%,

Posco shares are A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-[3M](#) (USA: MMM) makers of Scotch Tape™ yes, but more importantly the single strongest product-oriented/invention-oriented technology/engineering company in the US and possibly in the world. Medical supplies, optical gear, and more:

3M is now involved in 3D technologies, and 3M's purchase of armament co [Ceradyne, profoundly accretive both short and long-term](#), makes 3M also a War Stock.

3M is A MARKET WITCH PORTFOLIO FOUNDATION STOCK

AMERICA'S OTHER WAR STOCKS ARE A GOOD INVESTMENT AS WELL:

-Northrop Grumman (USA: NOC) STRONG LONG-TERM BUY

-Lockheed Martin (USA: LMT) STRONG BUY

-[AeroVironment](#) (USA: AVAV) drones, AVAV shares are UNDERVALUED

-[Boeing](#) (USA) (BA War Stock as well as commercial aircraft manufacture, Boeing is one of the 21<sup>st</sup> Century New Faces of War: Boeing's new [spy plane](#) is powered by hydrogen-fueled Ford engines, can stay in the sky for ten days. Boeing shares are UNDERVALUED

-Raytheon (USA: RTN) [Raytheon's non-lethal heat beam](#): for crowd control: for use in foreign countries by our military. But perhaps, coming soon to disperse a crowd near where you live, as well.

Raytheon shares are UNDERVALUED

-Cummins (USA: CMI) A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-EnerSys (USA: ENS) STRONG LONG-TERM BUY

-Honeywell (USA: HON) STRONG LONG-TERM BUY

-L-3 Communications Holdings (USA: LLL) STRONG LONG-TERM BUY

-Corning (US: GLW) the folks who gave the world fiberoptic cable UNDERVALUED

-[Textron](#) (USA: TXT)

<http://seekingalpha.com/article/1919051-textron-excellent-acquisition-of-beech-holdings>

Textron shares are UNDERVALUED

-Family Dollar (USA: FDO) bargain consumer goods and foods, STRONG LONG-TERM BUY

-Dollar General (USA: DG) bargain consumer goods and foods, A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Reynolds American (USA: RAI) Global Tobacco, plus eCigarettes (electronic cigarettes) plus Reynolds will be one of the primary marketers of commercially-packaged marijuana when it is fully-legalized. Dividend yield 5.2% A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Lorillard (USA: LO) Global Tobacco, plus electronic cigarettes, plus will market marijuana when it becomes legal, dividend yield 5.1%, A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Philip Morris International (USA: PM) another global tobacco that is a potential purveyor of legalized marijuana, Dividend Yield 4.8% STRONG LONG-TERM BUY

-Tesla (USA: TSLA) Tesla's Model S, an elegant Mercedes-like 4-door all-electric sedan, may be some sort of 21<sup>st</sup> century Model T Ford for our era. But the base price of the Model S is \$71,000. The Tesla S is for the most part built by robots. Tesla is in a war with various state governments: Tesla wants to own all its

dealerships. This is illegal in most states. And most US auto dealerships are franchises. Tesla will challenge this in court. The other car dealerships don't like this at all because they could be cut out of the equation. Shares are a SPECULATIVE STRONG BUY

-General Motors (USA: GM) GM is also, in addition to its Cadillac, Chevy Pickup truck, and various other successes, heading strongly into the global electric car market and it may be General Motors not Tesla that brings affordable electric cars to the masses. Meanwhile, the Chevrolet Corvette is the most sports car for the money that you can buy. UNDERVALUED

-Ryder Systems Inc (USA: R) The ubiquitous Ryder Truck™ rental trucks. The Company, founded in 1933, helped the poor move away in the First Depression, and helps Americans move two and fro now. The company does a lot more than rent trucks. Market Cap \$3.26bil, Enterprise Value \$7.23billion. FWD P/E 11.4, EPS \$4.47, UNDERVALUED

-Validus Holdings (Bermuda: VR) global marine insurance, Profit Margin 24% UNDERVALUED

-Dominion Diamond Corp (Canada: DDC) formerly Harry Winston Diamond EPS \$5.98, P/E 2.3 UNDERVALUED, SPECULATIVE

-WD40 (USA: WDFC) Globally-sold lubricants. Market Cap \$1bil EPS \$2.57 low debt well-managed QEG 12.4% UNDERVALUED

-Great Panther Silver (Canada: GPL) silver & gold, mines in Mexico Market Cap \$115million, record productions of silver and gold, SPECULATIVE

-Kroger (USA: KR) the nation's supermarkets. Market Cap \$19-20billion, Enterprise Value \$27bil, P/E 13, EPS \$2.91. Millions of people have a Kroger Card, giving Kroger the largest customer database in the world. Recently named the USA's best wine dealer. UNDERVALUED

-Valeant Pharmaceuticals (Canada: VRX) now owns Bausch & Lomb, an iconic company with a two hundred year old brand name, which is probably the finest move this company has ever made. \$26bil Market Cap. STRONG LONG-TERM BUY

-Biogen Idec (USA: BIIB) biotech/pharma, strong pipeline, \$53bil Market Cap, EPS \$6.30 Profit Margin 26% less than 2% debt, UNDERVALUED

-American Express (USA: AXP) AMEX is the world's premiere issuer of charge/credit cards based on volume, 104 million cards worldwide, at risk, as Visa and MasterCard are, to global hackers, A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Michelin SCA (France: ML) Global tires, home of legendary Michelin Radials. Market Cap \$12.3bil, EPS \$9.23, P/E 7.3 Dividend \$2.40 Yield 3.56%, Manufactures tires in 18 countries, sales in 170 countries, A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Orange (France: ORAN) formerly France Telecom (France: FTE) Changed corp name over the summer 2013. Stupidest corporate name change in history? France is supposed to be broke, but these shares are a bargain. This stock has been an MW Portfolio Foundation Stock and a Market Witch Best Buy stock at various points. The company is highly in debt, but has strong growth in Asia Pacific/French Polynesia. EPS 0.92 Dividend 0.83 Yield 5.9% STRONG BUY

-iShares MSCI France ETF ( USA: EWQ) STRONG LONG-TERM BUY

-[Glencore](#) Xstrata (Switzerland)(LSE: GLEN)(USA:GLCNF) Largest commodities broker in the world. Glencore bought Big Mining company Xstrata. [Experts say Glencore is singlehandedly taking over the Metals Trade](#)

We think this is a remarkable company and we are not sure why they have not yet gained traction tho the package has the clout to do so. Glencore is SPECULATIVE

-Royal Dutch Shell (Holland: RDS-A) global petroleum, P/E 7.81, EPS \$8.48 Dividend Yield 4.70%,

[Shell and XOM have walked out on a potential deal in the Ukraine because of risk factors](#)

RDS is A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Royal Dutch Shell (Holland: RDS-B) global petroleum, P/E 8.03 Dividend \$3.44 Yield 5.30% Knowledgeable experts say the RDS-B shares are a better investment for Americans since the Dutch govt does not keep a 15% withholding tax on them. A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Occidental Petroleum (USA: OXY) Market Cap \$71bil FWD P/E 11.29 EPS \$5.66 Profit Margin 19% Estimated Revenue Growth 8.57 annually for the next five years STRONG LONG-TERM BUY

-Exxon Mobil (USA: XOM) global petroleum, STRONG LONG-TERM BUY

-ConocoPhillips (USA:COP) global petroleum, STRONG LONG-TERM BUY

-Chevron (USA) (CVX) global petroleum, UNDERVALUED

-Total SA (France: TOT) France-based oil and gas, global reach, the world's gas stations. 20 refineries, 14,819 gas stations. Also Agribiz chems and chems. EPS \$6.81 P/E 6.42, Dividend Yield 6.00% A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Praxair (USA: PX) industrial gases and chemicals, welding equipment, coatings, North America Latin America Europe & Asia Market Cap \$32bil Enterprise Value \$41bil we buy shares of this stock every chance we get. 13% of Annual Revenue from Eurozone, 18% of Annual Revenue from Brazil. A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Airgas (USA: ARG) industrial gases and chemicals welding gear, Market Cap \$8bil Enterprise Value \$10bil, only 73.5mil shares outstanding, 6% Sales Growth Estimate on Whole Year March 2014-March 2015 on an EPS of \$5.94 A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Air Products & Chemicals (USA: APD) industrial gases chemicals and welding gear, the largest producer of industrial gases in the world plus this co has a formidable specialty chemicals business. Most Americans buy or eat something that was produced using one of APD's products. A MARKETWITCH PORTFOLIO FOUNDATION STOCK

-Precision Castparts (USA: PCP) huge variety of manufactured metal products from alloys titanium steel nickel etc. THE primary titanium stock. global sales, Profit Margin 17.32%, FWD P/E 15.5, Market Cap \$32bil, EPS \$10.35 A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-USD/Bitcoin (Uruguay: MTGOXUSD) Open-source digital global cryptocurrency. [It's worth noting that several Online stock sites including Yahoo and Google do not list Bitcoin and it's hard to find a quote at all except from CNBC:](#)

ANY Bitcoin shares are highly SPECULATIVE.

We list it here because as Bitcoin ties to gold in 24-36 months, a gold/bitcoin currency will become THE world currency and your children and your children's children will use it

-Public Storage (USA: PSA) this largest self-storage company in the US is also a stealth REIT, A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Home Depot (USA: HD) refrigerators garden hoses power drills and everything in between, Market Cap \$114bil, Enterprise Value \$123bil, A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Harley Davidson (USA: HOG) global Harley-Davidson motorcycles. Our estimated full year sales growth for 2014 is 9% on Revenue of about \$5.8bil, UNDERVALUED

-Comcast (USA: CMCSA) media conglom, 22mil video customers 18mil high-speed Internet customers, 9 million voice customers in 39 states. Owns Latin America's Telemundo. [The Comcast full array of businesses](#) has just purchased GE's 49% stake in their NBC-Universal joint venture for \$16.7bil. Raising annual dividend by 20% \$2bil stock buyback, UNDERVALUED

-Tata Motors ((INDIA: TTM) This India company in what was once the Land of the British Raj owns & now manufactures legendary and award-winning British Land Rover and Jaguar automobiles. Headed for increased global volume, Sales Growth estimates of 13.6% for Full Year ending March 2015 on Full Year Revenue of \$41bil, UNDERVALUED

-PepsiCo (USA: PEP) global food and beverage conglom, Market Cap \$110.6bil, EPS \$3.76 very strong recent Qs, raised dividend, UNDERVALUED

-QualComm (USA:QCOM) another visionary American company from the 1990s about to go on a tear again. Qualcomm invented streaming media with its CDMA wireless mobile technology. Profit Margin 29%, a likely \$26bil in Full-Year 2013 Revenue Growth of 10.9% and \$12bil in cash. Market Cap \$107bil debt \$22.0 mill= zero. New Snapdragon™ chips. UNDERVALUED

-Nvidia (USA: NVDA) Graphics chips for gaming, mobile, military, academic, and other uses  
<http://www.fool.com/investing/general/2014/01/09/nvidias-tegra-k1-completely-changes-mobile-gaming.aspx>

NVDA shares are a BUYOUT CANDIDATE and a STRONG BUY

-Nuance Communications (USA) (NUAN) Dragon™ voice recognition technologies for business industry medicine mobile devices etc company has been around for 15 years, is evolving, has NO competition, Nuance is a BUYOUT CANDIDATE (Google would buy, or Apple would) and is UNDERVALUED

-Celcom Israel Ltd (Israel: CEL) cellular communications services, Israel. EPS \$1.29, P/E 6.27, Dividend Yield 12.30%, let's drop this one and let's stay out of any investments in Israel for a while. Too risky

-Sturm, Ruger & co (USA: RGR) firearms and aerospace products. Zero debt, EPS \$3.60, QRG YOY 52%, well-managed, UNDERVALUED

-FedEx (USA: FDX) global air shipping worldwide. UNDERVALUED

-United Parcel Service (USA: UPS) Brown paper packages tied up with string and delivered in brown trucks in 195 countries and territories. UNDERVALUED

-Silver Wheaton (Canada: SLW) [silver global middleman](#), buying gold assets from VALE  
UNDERVALUED

-Fortuna Silver Mines (Peru: FSM) silver gold lead zinc mining, Peru and Oaxaca Mexico, Smallcap, FWD P/E 10.4, QRG YOY 34.7% SPECULATIVE

-Buenaventura (Compania des minas Buenaventura (Peru: BVN) gold mining, STRONG LONG-TERM BUY

-GoldCorp (Canada: GG) gold mining, STRONG LONG-TERM BUY

-Yamana Gold (Canada: AUJ) gold mining, Brazil Mexico Argentina Chile UNDERVALUED

-PowerShares Golden Dragon China ETF (PGJ) this ETF tracks the NASDAQ Golden Dragon China Index, UNDERVALUED

-China Mobile Ltd (China: CHL) Asia's largest mobile service firm. Market Cap \$224bil, EPS \$4.97 Dividend \$1.90 Yield 3.4%, \$44.7bil debt, \$63bil in cash, 660 million customers new arrangement/accord with Apple, UNDERVALUED

-Ship Finance Ltd (Bermuda: SFL) global oceanic shipping, a John Fredriksen company, UNDERVALUED, big dividend

-Rayonier (USA: RYN) Land and timberland REIT owns leases or manages 2.7mil acres of land in the US plus properties in New Zealand plus lumber and wood products production plus operates as a small chemicals products conglom, Market Cap \$6.65bil, EPS \$2.17, A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Plum Creek Timber (USA: PCL) an REIT that produces lumber plywood and medium-density fiberboard. Owns 8 million acres of timberland and ten wood-processing mills, A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-TAL International Group (USA: TAL) container leasing. A top publicly-held transport container co now that Seacube is being taken private by a Canadian pension fund. TAL: Market Cap \$1.35bil. TAL is leveraged but its Enterprise Value is \$4bil. EPS 4.25 Dividend Yield 7% A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Greif (USA: GEF) global packaging, containers for global shipping, steel, fiber and plastic drums, A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Packaging Corporation of America (USA: PKG) 4<sup>th</sup> largest maker global packaging/ containers/ corrugated boxes, EPS \$2.31, acquiring Boise as a base for more growth, extremely well-managed, UNDERVALUED

-Samsung (Korea: 005935, 005930) (London BC904) (USA: SSNLF) global electrical engineering and electrical technology, telecom, semiconductors, LED, etc, EPS \$176.26 one of the world's most expensive Over the Counter stocks and is UNDERVALUED

-Samsung: (Korea: 005935, 005930) (London BC904) (USA: SSNLF)

Samsung holds US Patent # 8390589

This patent is for: touchscreen surfaces employing nanostructure surfaces and films made from graphene, a stuff we've been talking about in our Commodities section for two years

[How this plays out](#). More about this -- [Google: Graphene](#)

Samsung shares are SPECULATIVE

-3D Systems Corp (USA: DDD) 3D printing. The Next Big Thing? The future of materialization? \$4bil Market Cap, Debt \$131mil, 57mil Shares Outstanding QRG YOY 57.3%. SPECULATIVE.

-Amazon (USA: AMZN) the king of Online Retail heads fiercely into mobile transactions. Most popular Online Shopping site (and also strongest customer satisfaction) for eight consecutive years. An exorbitant P/E is set to fall. A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Mesabi Trust (USA: MSB) American Great Lakes iron ore. The Trust will hold still for at least four more decades, maybe five, one of our favorite MW High Net Asset Value Stocks. A detailed explanation: <http://seekingalpha.com/article/1524722-mesabi-royalty-trust-a-long-life-asset-with-massive-operating-leverage>

<http://seekingalpha.com/article/1086271-using-yield-spreads-to-assess-the-relative-value-of-the-mesabi-trust>

MSB is a MARKET WITCH PORTFOLIO FOUNDATION STOCK

-PHLX Gold/Silver Sector (XAU) gold mining ETF STRONG LONG-TERM BUY

-Market Vectors Gold Miners ETF (GLX) STRONG LONG-TERM BUY

-SPDR Gold Shares ETF (GLD) Gold-holdings & positions, STRONG LONG-TERM BUY

-ETFS Swiss Physical Gold Shares (Switzerland) (SGOL) physical gold ETF STRONG BUY

-Central Gold Trust (Canada) (GTU) physical gold bullion and gold bullion certificates, STRONG LONG-TERM BUY

-ETFS Physical Platinum Shares (PPLT) physical platinum ETF, net assets \$771mil, YTD return 9.8%, UNDERVALUED (see also PHPT on LSE and various European Exchanges)

-ETFS Physical Palladium ETF (PALL) Net assets \$500mil, YTD return 7.22% UNDERVALUED

-Ultrapar Participacoes SA (BRAZIL: UGP) gas stations and quik-stop consumer products all over Brazil, also chemicals and liquid bulk shipping. UNDERVALUED

-Cosan Ltd (Brazil: CZZ) Brazil industrial and consumer conglom: sugar, chemicals, ethanol, products derived from sugar cane, 4600 gas stations, world's largest sugar cane grower, Market Cap \$4.3 bil Enterprise Value \$7.7bil, UNDERVALUED

-CPFL Energia S.A. (Brazil: [CPL](#)) is one of the Brazil's top 50 largest companies and provides electric generation and distribution there. The company is composed of CPFL Brasil, CPFL Pirantininga, CPFL Paulista, CPFL Geracao and SEMESA. UNDERVALUED

-Companhia de Saneamento Basico do Estado de Sao Paulo [SABESP] (Brazil: [SBS](#)) is a utility company that operates out of Brazil, providing water and sewage services to residential, commercial and industrial customers in over 350 municipalities in Sao Paulo, including the City of Sao Paulo. UNDERVALUED

-Companhia Energetica de Minas Gerais (CEMIG) (Brazil [CIG](#)) is the largest combined power generator and distributor in Brazil. Companhia Energetica de Minas Gerais, known as CEMIG, has over 50 power plants in operation, with a generating capacity of 6,000 megawatts. The company also owns cable television and internet and telecommunications services. UNDERVALUED

-Companhia Paranaense de Energia [COPEL] (Brazil: [ELP](#)), also known as COPEL, is an electric power company that specializes in the business of transmission, distribution and generation of electric power in Brazil's Parana state. The company also provides telecommunication and information technology services through services it has developed with various partnerships. The company has over 15 hydroelectric plants and one thermoelectric plant. UNDERVALUED

-[Embraer](#) (Brazil: ERJ) World's 4<sup>th</sup> largest airliner manufacturer

ERJ shares are a STRONG LONG-TERM BUY

-[Nestle](#) (Switzerland: NSRGF) a play on global water supply, and on global foods: world's largest food company. Astonishing array of products. What they do who they own:

Nestle shares are UNDERVALUED

-Wynn Resorts Ltd (USA:WYNN) entertainment & gaming Las Vegas & Macao. China's Macao has become the world's top gaming destination, and Wynn is at the top of its game there. Owns the Ferrari dealership in Las Vegas. A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-eBay (USA: EBAY) this primary US retailer and owner of GLOBAL credit and payment system PayPal™ is pushing its payment processor system into retail brick and mortar stores worldwide and intends to become a major market-share player in the universe of mobile-payments providers, challenging not only credit card companies and banks but also challenging the sales mechanisms of small retailers who balk and are furious at paying Visa's per centage of the take. eBay shares are A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Yahoo (USA:YHOO) buying Tumblr for \$1.1bil, Profit Margin 86%, Market Cap \$33bil, Debt: Zero. SPECULATIVE, BUYOUT CANDIDATE, UNDERVALUED

-Intercontinental Exchange (USA: ICE) Intercontinental Exchange operates regulated exchanges, clearing houses, and over-the counter this upstart, fiercely aggressive over past five years. Purchased NYSE Euronext (NYX) for \$10bil, and if you owned NYX shares you now own ICE shares. This merged company is one of the first of the new primary 21<sup>st</sup> century companies.

ICE is A MARKETWITCH PORTFOLIO FOUNDATION STOCK

-[DuPont](#) (USA: DD) global chemicals conglomerate (and creators and patent owners of such polymer products as Kevlar™ Mylar™ Neoprene™ Nylon™ Teflon™ Lycra™ & Tactel™ plus environmentally-friendly refrigerants, DuPont is also an Agribiz giant, and with its Pioneer™ products and patented corn wheat and soybean seeds etc Dupont is very likely America's most powerful Agribiz company

[Dupont is divesting, in order to focus on Agribiz.](#) DuPont is a MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Bayer (Germany: BAYRY) chemicals Agribiz health care products, high-tech materials. FWD P/E 15, shares are UNDERVALUED

-BASF (Germany: BASF) world's largest chemical co with 7.8% of global market, Market Cap \$90bil Enterprise Value \$105bil, UNDERVALUED

-Braskem SA (Brazil: BAK) largest chemical/petrochemical company in Latin America: produces and markets basic petrochemicals and thermoplastic resins internationally via three segments: Basic Petrochemicals, Polyolefins, and Vinyls. Basic Petrochemicals segment produces ethylene, propylene butadiene, toluene, xylene, benzene, gasoline and liquefied petroleum gas plus electricity, steam, and compressed air to second-generation producers. Polyolefins segment produces polyethylene, green polyethylene, and polypropylene. Vinyls segment produces polyvinyl chloride, caustic soda, and more. UNDERVALUED

-Celanese (USA: CE) major diversified chemicals, global sales, Market Cap \$8.3bil Enterprise Value \$10.4bil FWD P/E 10.7 EPS estimate for Full Year 2014 is \$5.03 Celanese is A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-[Dow Chemical \(USA: DOW\) global chemicals](#), Market Cap \$50bil Enterprise Value \$64bil QEG YOY 240%. Dow Chem shares are a STRONG LONG-TERM BUY

-[Olin Corp](#) (USA: OLN) diversified chemicals, Olin also manufactures Winchester™ ammunition. STRONG LONG-TERM BUY

**NOTES:** the world's top ten chemical companies: <http://www.etcgroup.org/content/world%E2%80%99s-top-10-chemical-companies>

The USA's top 100 chemical companies:

<https://www.google.com/fusiontables/DataSource?dsrclid=332788>

-[Monsanto](#) (USA: MON) global Agribiz, seeds, STRONG LONG-TERM BUY

Syngenta (Switzerland: SYT) global Agribiz, seeds STRONG LONG-TERM BUY

-CF Industries Holdings (USA: CF) Agribiz, nitrogen fertilizers, UNDERVALUED

-Terra Nitrogen (USA: TNH) Agribiz, nitrogen fertilizers, UNDERVALUED

-Yara International (Norway:YARIY) global Agribiz fertilizers, ops in 50 countries sales in 150 countries, has bought Bunge's Brazil opps from Vale for \$750mil (VALE bought Bunge BG three years ago now is exiting Brazil Agribiz to focus on metals & ores, Yara is UNDERVALUED

-Seaboard (USA: SEB) highly diversified Agribiz transport and oceanic shipping. Near-Zero Debt, P/E 10.64, Dividend Yield around 12% in recent years, STRONG LONG-TERM BUY

-Archer Daniels Midland (USA:ADM) Agribiz giant serves as the connection between raw crops, and the various products derived from them, in more than 75 countries. Has raised its dividend annually for 25 years, UNDERVALUED

-PowerShares Deutsche Bank Commodity Index Tracking ETF (DBC) UNDERVALUED

-[Gerdau Steel](#) (Brazil: GGB) Latin America's largest steel co. Bought USA's largest I-beam producer Chapparal years ago. Owns most of the steelcos and forge co's in Mexico. FWD P/E below 8 and sales on five continents, STRONG LONG-TERM BUY

-Companhia Siderurgica Nacional (Brazil: SID)) (often called CSN) Companhia Siderurgica Nacional (CSN) (SID) is a Brazil conglom of steel, mining (iron ore, tin, dolomite, limestone etc) RRs hydroelectric power, cement, etc. Many subsidiaries. Exports to Latin America Europe North America & Asia. Companhia Ferroviaria do Nordeste, a subsidiary of CSN, is building CSN's Transnordestina Railroad, a 1000-mile long railway project that is expected to be partly operational in early 2013. CSN owns 75% of this railroad, the Brazilian govt owns 25%.

CSN shares are a ONCE-IN-A-LIFETIME BUY to hold long-term

<http://www.reuters.com/finance/stocks/SID/key-developments/article/2675594>

<http://www.reuters.com/article/2013/01/29/csa-brazil-bndes-idUSL1N0AY1HH20130129?feedType=RSS&feedName=financialsSector&rpc=43>

-Freeport McMoRan Copper & Gold (USA: FCX) global mining gold copper etc currently the largest copper miner, diversifying into energy, great holdings with questionable management, shares are UNDERVALUED

-Apple (USA: APPL) Apple's dominance of mobile with both the iPad and iPhone is ending. But 40% of American Teenagers own an iPhone. Apple wants to be a way of life. But whether Apple can bring electrifying and scene-changing technologies to market without Steve Jobs' design-enlightened genius is very much in question. Apple is not kidding about television. Apple intends to run television. We don't think this will happen. We think Google will own television. iPhone is standard-issue for US military and many education systems

Apple's growth future is murky and no one will pull Steve Jobs- style products out of a hat, shares are price-stable but SPECULATIVE

-Cyclacel (USA: CYCC) oral cancer drug Sebaticine still in phase 3 testing but closer to FDA approval: SPECULATIVE [Read about CycloCel](#)

-Direct TV (USA: DTV) Satellite television. EPS \$4.07 Market Cap \$30bil enterprise Value 47bil FWD P/E 9.32, 20mil subscribers in the USA plus 13mil subscribers in Latin America, a number that grows by the day. UNDERVALUED

-Anheuser-Busch/Inbev SA/NV (Belgium: BUD) Beer in all its forms-200 brands including the globally-ubiquitous Bud Lite™. Inbev SA/NV was founded in 1366 in Belgium, Will buy Modelo beers, A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Companhia de Bebidas Das Americas (Brazil:ABV) Beer, Latin America. Plus Pepsi™ 7up™ Gatorade™ and lots more franchises in Latin America. (parentco is privately-held Interbrew International BV, Netherlands) A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Constellation Brands (USA: STZ) this consumer products conglom is the world's largest wine wholesaler and also has a tie-in with ABV and owns 50% of Crown Imports which has the Franchise on Modelo beer brands (Corona etc) for the USA. Market Cap \$8bil Profit Margin 15% STRONG LONG-TERM BUY

-VF Corp (USA: VFC) upscale clothing footwear backpacks luggage etc North America & Europe, they operate two dozen or so major brands, a few you might know are Lee™ and Wrangler™ jeans and Northface™ and Nautica™ outerclothing. They also own the franchise for Harley Davidson™ apparel and the franchise for NFL clothing. Market Cap \$17.5bil, EPS \$9.01, FWD P/E 14.4, STRONG LONG-TERM BUY

-JB Hunt Transportation Services (USA: JBHT) Americana, trucking. There's a driver shortage. A finance recent finance graduate can earn more money driving for JB Hunt than at a start-level white collar job. The shale gas industry means boom times for trucking. Market Cap \$7.85bil, EPS \$2.59 QRG YOY 11.1% UNDERVALUED

-Disney (USA: DIS) A finger in every pie. Disney spent \$4billion to buy Lucasfilm Ltd. The purchase of Lucasfilm also gives Disney the entire Indiana Jones film catalog and franchise and you can expect more of those as well. This deal brings Lucasfilm under the Disney flag along with Pixar, Marvel, ESPN, ABC, all companies that Disney has acquired over the last decade or so. Kathleen Kennedy, co Chairman of Lucasfilms, is the new Disney division's president. Superb leadership. Disney is one of the very few Market Witch High Net Asset Value stocks that is not a manufacturing company nor a mining company. A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Companhia Vale do Rio Doce (BRAZIL: VALE) One of Fortune mag's Global 500 companies. One of the Big Six Global Mining companies. Nickel iron ore and agribiz. Owns USA's Agribiz co Bunge (BG). Owns huge nickel producer Inco (now Vale Inco). Vale is the world's largest iron ore producer and has a

24.3% market share of all iron ore sold on earth and its ores are of very high grade. Vale is the world's 2<sup>nd</sup> largest producer of nickel and has nickel reserves that are worth a fortune in the future. Vale is also the world's largest producer of industrial salts for the chemicals industry. Vale also owns its own ships for ore transport, & its own seaports. Now Vale is bidding for the construction of some parts of the 6,200 miles of railroad projects the Brazil government wants built under its \$500bil Infrastructure Buildout that Brazil began in August 2012. Get in on something that is unlike anything since the USA's 19<sup>th</sup> century "overland route" Transcontinental Railroad. [Vale is a conglomerate:](#)

Although Southern Copper currently has the world's largest known reserve copper deposits of any company, Vale's new Salobo mine, located in the Pará state of Brazil, is the largest copper deposit ever found in Brazil. The Salobo mine has an estimated 1 billion tons of copper and gold. Vale owns 75% of it.

Vale shares are A ONCE-IN-A-LIFETIME BUY for the long-term

-BHP Billiton (UK/Australia: BHP, BLT) Big Six Mining Co. # 108 of Fortune mag's 2012 Global 500 lists. Purchase of Walter Energy (WLT) a USA producer of thermal coal for steel. Purchase of Chesapeake Energy was a move into fracking and energy. BHP's now working on "green" fracking that uses no toxic chemicals. Andrew Mackenzie is new CEO. 15 quarters of record iron ore production. QRG YOY 54.3% BHP's P/E is 8. A MARKET WITCH PORTFOLIO FOUNDATION STOCK

NOTES: Peru's Antimina copper mine, one of the world's largest, produced about 450,000 tons of copper in 2012 and expects production to be 30% higher in 2013 2014, the results of a \$1.3bil investment in production capacity. This mine is operated by a consortium of mining companies including BHP Billiton, Glencore/Xstrata, Teck Resources and Mitsubishi

-Rio Tinto (UK: RIO) Big Six Global Mining, uranium aluminum copper iron ore diamonds etc. Rio Tinto has operations on every continent. Rio Tinto shares are a MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Anglo American (UK: AAUKY) Big Six Mining Co. Founded 1917. Owns all of DeBeers diamond assets. Mining, processing, and smelting bulk commodities, base metals, and precious metals and minerals, Southern Africa, South America, Australia, North America, Asia, and Europe. Iron ores, manganese ores and alloys copper nickel platinum group metals and rough and polished diamonds, and diamond jewelry. Also heavy building materials, including aggregates, asphalt, mortar and ready-mixed concrete, concrete products, lime, and cement; integrated phosphate fertilizers, dicalcium phosphate, and phosphoric acid; and niobium products. Anglo American operates 43 stores in diamond consumer markets. New CEO. Withdrawing from the Alaska (Northern Dynasty) Pebble copper mining project due to environmentalist pressure that has gone on for years. Shares are a STRONG LONG-TERM BUY

-Mylan Pharmaceuticals (USA: MYL) manufacturer of generics in an era during which MANY proprietary Rx's end their proprietary-UNDERVALUED (see also generic pharmas TEVA and WPI but the one we'd buy is MYL) UNDERVALUED

-Gilead Sciences (USA: GILD) successful drug Truvada™ and four others used in treating HIV, plus TamiFlu™ and drugs to treat hepatitis. FWD P/E 12, STRONG LONG-TERM BUY

-GlaxoSmithKline (USA: GSK) this Global-reach Big Pharma has purchased Human Genome Science for \$3bil. Dividend Yield 4.80% FWD P/E 10.3 UNDERVALUED

-Abbott Labs (USA: ABT) global medical and health care products, particularly pharmaceuticals and pediatric and special needs foods as well. 100s of products. Abbott has split its pharmaceuticals business off as an IPO, AbbVie (USA: ABBV) and Abbott will retain no ownership stake. We're watching ABBV but are not thrilled about yet another big pharmaceutical co in a basket-of-crabs industry. Abbott itself ABT has a falling FWD PE, \$11bil in cash, a profit margin of 17%, well-managed, shares are UNDERVALUED

-Pfizer (USA: PFE) Big Pharma, maker of Xanax™ Lyrica™ and many others including a new lung-cancer drug. Dividend \$0.88, FWD P/E 10.18, Estimated Revenue 2013 is \$59.28bil UNDERVALUED

-Novartis (Switzerland: NVS) pharmaceuticals, esp anti-malarials, vetmed pharmaceuticals, Market Cap \$149bil, EPS \$3.54, Dividend \$2.48 Yield 4.1% FWD P/E 11.3 Daniel Vasella will step down after 25 years as Chairman or CEO. New Chairman is Joerg Reinhardt, former Novartis COO. Shares are UNDERVALUED

-Allergan (USA: AGN) Botox™ Juvederm™ patented breast implants. But half of AGN's \$5.61 annual revenues come from real prescription drugs that treat real medical issues. Global sales, 301 million shares outstanding. Despite the USA's Nouveau Poverty, Botox™ fillers and chemical peels are the most popular cosmetic surgery procedures. 14.5million such were performed last year. 6.1 of them were Botox™ treatments. Breast implant/enlargement surgeries are fewer these days, but it's still a thriving industry. Botox now marketed as a remedy for migraine headaches. Allergan is A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Priceline (USA: PCLN) Online middleman travel service co books reservations for any of 275,000 properties in any of 175 countries worldwide. Eps \$34.66 A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Movado Group (Switzerland: MOV) legendary signature black Movado Museum™ watches, EPS \$2.34 QRG YOY 12.3%, zero debt, founded 1881, first wristwatches in 1912, many were Movados, UNDERVALUED

-Siemens (Germany: SI) Germany's primary industrial conglomerate and Germany's General Electric is also a windfarm builder powerhouse, A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-BASF (Germany: BASF) Germany's primary chemicals and Agribiz chemicals conglomerate, an industrial and Agribiz global powerhouse. #62 of Fortune mag's 2012 Global 500, shares are A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Axiall Corp (USA: AXLL) chemicals and industrial building products Market Cap \$3.91bil, FWD P/E 10, QRG YOY 16.5%, UNDERVALUED

-Caterpillar (USA:CAT) mining equipment industrial equipment Agribiz equipment and also diesel locomotives and other RR equipment, UNDERVALUED

-Deere (USA: DE) Agribiz farm equipment plus Deere's off-road Gator™ ATV's that have become a sort of national standard. EPS \$6.75 Market Cap \$30bil Enterprise Value \$57bil Record Q sales, foreign sales lower= slightly lowered guidance. A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Cummins USA: CMI) global engines and energy systems, A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Ingersoll-Rand (USA:IR) hard technologies/hard engineering conglomerate, several brand names and 1000s of products. Market Cap \$14bil FWD P/E 12.88 EPS \$3.27 UNDERVALUED

-Agco (USA: AGCO) Allis Chalmers and other brand tractors and other Agribiz equipment, EPS \$7.07 P/E \$7.02 STRONG LONG-TERM BUY

-CNH Global (Case New Holland) (Holland: CNH) Agribiz equipment EPS \$4.43 P/E 9.63 STRONG LONG-TERM BUY

-Joy Global (USA:JOY) Mining Equipment, P/E 10, Market Cap \$6.73bil, EPS \$6.09 FWD P/E 7 UNDERVALUED

-Titan International (USA: TWI) makes huge tires and wheels for the global mining community's machines and for the US military's huge trucks cargo planes and armored vehicles and the industrial community's road-graders backhoes etc etc, UNDERVALUED

-Titan Machinery (USA: TITN) middleman American Heartland wholesaler/retailer of both used and new Agribiz farm machinery, based in Fargo North Dakota. 106 dealerships in the USA's prime wheat & corn zone states. Market Cap \$549mil Enterprise Value \$1.17bil QRG YOY 32.5% EPS \$2.12 # 66 of Fortune Mag's 2012 100 Fastest Growing Companies, STRONG LONG-TERM BUY

-Potash of Saskatchewan (Canada: POT) Agribiz, fertilizers, FWD P/E 10.4, Profit Margin 36.4%, UNDERVALUED

-Rentech Nitrogen Partners (USA: RNF) USA fertilizers, EPS \$2.65 Dividend Yield 7.40 FWD P/E 13.5 Market Cap \$1.35bil Profit Margin 41.56% near-zero debt UNDERVALUED

-Compass Minerals (USA: CMP) deep-heartland USA Agribiz co based in Overland Park Kansas, salts & fertilizers EPS \$3.81 FWD P/E 15 into 2013 on sales of 13% upward UNDERVALUED

-FMC (USA: FMC) Agribiz chemicals conglom, plus industrial chems polymers & 100s of other chemical products, Market Cap \$6.7bil Enterprise Value \$8.3bil FWD P/E 12.4 QRG YOY 18.3%  
UNDERVALUED

-Agrium (Canada: AGU) fertilizers and Agribiz products, sales in US Canada & Latin America  
UNDERVALUED

-Garmin (USA:GRMN) GPS technologies and products, Tri-Tronics dog training systems etc, EPS \$2.76, Market Cap \$7bil, Dividend \$1.80 Yield 5.10% Profit Margin 20% Debt: Zero, UNDERVALUED

-J.M. Smucker Co (USA: SJM) America's century-old century old jam company owns Jif™ peanut butter and is king of the PBJ and owns many iconic brands. Headed for a steady profits-from-basics 2014, increasing sales in China. Dividend increase. STRONG LONG-TERM BUY

-Altria Group (USA:MO) conglom with global sales also handles its own wines from vine to supermarket, and uses profits to fund a fat portfolio of leveraged and direct finance to rail aircraft electricity real estate and manufacturing co's. STRONG LONG-TERM BUY

-Tiffany's (USA) (TIF) EPS \$3.26, the legendary American jeweler, UNDERVALUED

-Flowers Foods (USA: FLO) Georgia-based Regional Southern Baker and snack food provider and poverty foods provider (Moon Pies™ Devil Dogs™ etc) and many regional brands (Dan-Dee™ Butter-Krust™ Bluebird™ et al) has bought the Hostess™ stable of bread brands including Wonder Bread™ and six others, national sales and reach and projected 12.50% 2013 Sales Growth, Flowers Foods shares are UNDERVALUED (Twinkies™ and some of the other Hostess iconic brands including Hostess Sno Balls™ are owned by a small consortium of private investment firms)

-Grupo Bimbo (Mexico: GRBMF) baked goods/snack foods empire. World's largest baking company with brands in Latin America North America the Caribbean Asia and Europe. also owns Entenmann's™ Sarah Lee™ and many others. Has also purchased part of the Hostess™ empire. Shares are UNDERVALUED

-Krispy-Kreme Doughnuts (USA: KKD) regional South food delight went national fifteen years ago ago and became an American darling then fell back. Company has survived acquisition attempts, now plans to expand US stores by 71% by 2017 and to reach 900 foreign franchises in 2017 from the current 506. Shares are UNDERVALUED

-Owens Illinois (USA: OI) World's largest maker of glass containers is heading into an era that will hopefully see end of those trillions of petroleum-based "plastic bottles." Sales in Europe Latin America North America and Asia-Pacific. Market Cap \$2.83bil Enterprise Value \$6.5bil. Heading into black-numbers sales growth for Full Year 2013 and likely Revenue of around \$7.15bil shares are UNDERVALUED

-Owens Corning (USA: OC) construction materials. Maker of roofing shingles various sidings and the legendary and iconic Pink Panther™ fiberglass insulation material. Headed for near 6% Full Year Revenue

Growth in 2013 on Annual Revenue of about \$5.7bil. Market Cap \$3.85bil Enterprise Value \$6.15bil  
UNDERVALUED

-Barrick Gold (Canada: ABX) mining: gold & copper, 26 operating mines, global. EPS \$4.51 P/E 8  
Market Cap \$36bil Enterprise Value \$48bil QRG YOY 18%, #77 of the Fortune mag 2012 Global 100  
Fastest-Growing Companies [Improvements underway](#) UNDERVALUED

-[Newmont Mining \(USA: NEM\) gold mining, FWD P/E 10.92](#) UNDERVALUED

-PHLX Gold/Silver Sector (XAU) an Index Fund of 16 of the primary global gold and silver mining stocks  
of the Philadelphia Gold & Silver Index. STRONG LONG-TERM BUY

-Central Gold Trust (Canada: GTU) physical gold bullion holding co, STRONG LONG-TERM BUY

-Central Fund of Canada (Canada) (CEF) physical metals trust 53% gold 46% silver 1% cash STRONG  
LONG-TERM BUY

-SPDR Gold Shares ETF (GLD) \$73billion in gold positions. George Soros upped his position in this  
stock by 49% recently STRONG LONG-TERM BUY

-Perth Mint Gold Certificates ([Perth](#)) (here is a [List of Approved Dealers](#)) STRONG LONG-TERM  
BUY

-Pan American Silver (PAAS) #23 of Fortune magazine's 2012 list of the world's 100 Fastest Growing  
Companies. 4<sup>th</sup> Q 2013 PAAS produced 6.8 million ounces of silver and a record 42,600 ounces of gold,  
UNDERVALUED

- Diageo (UK: DEO) world's foremost purveyor of brand alcohols (Johnny Walker™ Bailey's Irish  
Cream™ Bushmills Seagram 7™ Crown Royal™ Tanqueray™ dozens of global ales and beers etc etc) FWD  
P/E 15 Market Cap \$62bil Enterprise Value \$76bil Profit Margin 16% QRG YOY 8.2% EPS \$4.12,  
potential buyout of Jose Cuervo for about \$3bil, A MARKET WITCH PORTFOLIO FOUNDATION  
STOCK

-Conagra (USA: CAG) basic Americana consumer foodstuffs including Swiss Miss™ Peter Pan™ Hebrew  
National™ BlueBonnet™ Chef Boy-Ar-Dee™ Egg Beaters™ etc. EPS \$1.87 Market Cap 10.5bil FWD P/E  
13.09 QRG YOY 7.4% Dividend Yield 3.8% sales primarily in North America, UNDERVALUED

-Nautilus Minerals (USA: NUSMF) a foundation smallcap in the starting era of global undersea mining.  
Anglo American owns 11% of this stock. SPECULATIVE

-Odyssey Marine (USA: OMEX) the start of global undersea mining plus shipwreck treasurehunting.  
Salvage projects in the North Sea, Agribiz fertilizer project off the west coast of Mexico, etc.

Odyssey Marine shares are SPECULATIVE

-Victoria's Secret (USA:LTD)(L Brands) has changed its name from Limited Brands (LTD) to L Brands (LTD) on the way to ultimately changing the company name to Victoria's Secret, something we've advocated for fifteen years. Victoria's Secret is one of the great US brand names of all time and is quietly and steadily going completely global. Now has VS stores in England Australia & Hong Kong and mail order/catalog/sales worldwide. UNDERVALUED

-Panera (USA:PNRA) America's Café, America's bread, America's hangout. 1541 locations. Market Cap \$4.48bil EPS \$4.86 there are only 29.18mil shares outstanding QRG YOY 18.1% Zero Debt. A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Buffalo Wild Wings (USA: BWLD) EPS \$2.94 QRG YOY 29.7% Zero Debt 930 locations in US and Canada. Not just wings, but a bar and grill with full bar and they make a lot of money on beer wine and liquor. Teriffic management, Sales Growth 21% in 2013, estimated Sales Growth 2014 22.6%, projected Sales Growth of almost 20% for the next five years, UNDERVALUED

-Chipotle Mexican Grill (USA: CMG) 1450 upscale casual Mexican restaurants, EPS Full Year 2013 \$10.41, projected Annual Full Year Growth Rate 33.5% annually for next five years, there are only 18.78 million shares outstanding, UNDERVALUED

-Dean Foods (USA: DF) maker of Silk™ Almond Milks, now a hot lo-cal high-calcium product in supermarkets nationwide. Almond milks are a recent breakout product and fast mainstreaming. Market Cap \$3.07bil Enterprise Value \$6.16bil projected 2013 Full Year Revenue around \$14bil, SPECULATIVE

-International Business Machines (USA: IBM) EPS \$14.44, Market Cap \$192bil, Enterprise Value \$238bil, IBM has raised its Q dividend to \$0.95 or \$3.80 annually, and has authorized a \$15bil stock buyback, eradicating about 10% of its stock float. UNDERVALUED

-Microsoft (USA: MSFT) MARKET CAP \$240bil, FWD P/E 9.13 has bought Nokia's cell phone business and all the patents. Let's see what they do with it all. Mobile products from MSFT? Meanwhile, huge steady revenue. Market Cap \$292bil, debt: nominal. \$80 billion dollars in cash. STRONG BUY

-Bank of Nova Scotia (Canada: BNS) one of Canada's strongest and stablest banks, Market Cap \$70bil, P/E 11.3 EPS \$5.13, Revenue \$19.78bil, QEGYOY 10% Dividend \$2.40, Yield 4.2%, STRONG LONG-TERM BUY

-Everbank (USA: EVER) global online banking, based in Jacksonville Florida, remarkable products and services and the only American bank we regularly list. Market Cap \$1.69bil Enterprise Value \$4.02bil UNDERVALUED

-SAP (Germany: SAP) Business software, global. Europe's version of Oracle (USA: ORCL) UNDERVALUED

-BMW (Germany: BIT) (Germany) legendary BMW cars and motorcycles, legendary-quality chainsaws etc (Husqvarna) now also legendary bicycles and motorscooters. Setting up a manufacturing plant in Brazil that will supply SA with BMW vehicles, UNDERVALUED

-Daimler AG (Germany: DAI) (USA DDAIF) Mercedes-Benz vehicles, UNDERVALUED

- Powershares Deutsche Bank Commodities Index Tracking (DBC) commodities futures ETF, UNDERVALUED

-CSX (USA: CSX) railroads, Market Cap \$22.6bil, UNDERVALUED

-Union Pacific (USA: UNP) railroads, Market Cap \$54bil Enterprise Value \$61bil, QRG YOY 14% EPS \$7.23 A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Norfolk Southern ( USA: NSC) railroads Market Cap \$22.3bil Enterprise Value \$30bil, Profit Margin 17.64%, EPS \$5.80 STRONG BUY

-[Canadian National Railway](http://finance.yahoo.com/q?s=CNI) (Canada: CNI) <http://finance.yahoo.com/q?s=CNI> UNDERVALUED

-Canadian Pacific (USA: CP) founded in 1881 14,000 miles of track, a leader in tar-sands and ethanol shipment UNDERVALUED

Notes: the Obama USA is at war with coal, and that means they are also at war with the RRs which haul coal. CSX and NSC will benefit greatly from the expansion of the Panama Canal and increased freight quantities

-iShares MSCI ACWI World Index ETF Index (ACWI) UNDERVALUED

-SPDR Emerging Markets 50 ETF (EMFT) UNDERVALUED

-EG Shares Brazil Infrastructure ETF (BRXX) P/E 13 Yield 4.56% UNDERVALUED

-SPDR Eurostoxx 50 ETF (FEZ) UNDERVALUED

-iShares MSCI Singapore ETF (EWS) UNDERVALUED

- Market Vectors Indonesia Index ETF (IDX) UNDERVALUED

-Rydex Currency Shares Swiss Franc Trust (FXF) STRONG BUY

## THE BEST OF THE NASDAQ

-American Airlines (USA:AAL) the merger creates the world's largest airline, let's wait a quarter or two and watch this

-Deckers (USA: DECK) fashion-leader makers of UGG™ boots, UNDERVALUED

-Adobe Systems (USA: ADBE) off our Buy Lists for several years, Adobe is the world's premiere design & visuals software maker and its products include Creative Cloud, PrintScript, the Adobe PDF print system that none of us can do without, and the now-legendary Photoshop™ used by everyone: little old ladies, ten-year olds, the periodicals publishing industry, black market passport forgers, et al. Founded 1982, Market Cap \$31bil, Adobe has added 3D technology to Photoshop and is headed for a very strong full-year 2014, UNDERVALUED

-Autozone (USA: AZO) EPS \$27.79 Autozone may be the Next Nasdaq stock to clear \$1000/a share, along with Google and Priceline. STRONG LONG-TERM BUY

-[Balchem](#) ( USA: BCPC) One of the world's more interesting small diversified chemical companies,

BCPC has Market Cap \$1.71bil, Sales Growth estimates for 2014 13% and at least 12% annually projected for the next five years. Profit Margin 13.4% ZERO debt. Shares are close to being fully-valued now but bear watching. SPECULATIVE

STRONG LONG-TERM BUY

-Amazon (USA: AMZN) World's most-sought Online retailer, a company so powerful now that it can make its own arrangements with the US Postal Service, 457 million shares outstanding means there is room for at least two 2:1 splits, A MARKETWITCH PORTFOLIO FOUNDATION STOCK

-Netflix (USA: NFLX) Netflix' Q earnings recently quadrupled, to \$32mil of \$0.52 per share, up from \$7mil and 13 cents a share. 3<sup>rd</sup> Q results are evidence of Netflix' increasing popularity, Netflix has almost 32 million US subscribers, or about 1 10<sup>th</sup> of the US population, and more subscribers than HBO, which has been around for 41 years. A very high P/E is falling accordingly. SPECULATIVE, LIKELY BUYOUT CANDIDATE

-Panera (USA: PNRA) 1652 upscale-casual Bakery-Cafes, QRG YOY 11%, there are only 29 million shares outstanding, EPS 6.37 ZERO debt, projected Annual Growth Rate 17.5% annually for the next five years, A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-[Altera](#) (USA: ALTR) Deep End Deep Inside Online technology/ Electronic Communications structure mechanics co from the 90s one of the Founding Companies of Silicon Valley circa 1983

Market Cap \$10 bil Profit Margin 27% EPS \$1.43 \$3bil in cash very strong FWD Qs for 1<sup>st</sup> 2<sup>nd</sup> Qs of 2014, Estimated Revenue Growth for next five years approx. 8.5% we think that is low, Market Cap \$10 bil Total Debt \$500 mil UNDERVALUED

-sohu.com Inc (China: SOHU) online media, search, gaming, and mobile in China

<http://finance.yahoo.com/q/pr?s=SOHU+Profile> Projected sohu Full Year EPS for year 2014 \$3.03

Projected Annual Revenue Growth Rate 18.47% for the next five years, QRG YOY 32.5%, 38.28 million shares outstanding, UNDERVALUED

-Himax Technologies (Taiwan: HIMX) semiconductors for flat-panel, mobile, and everything else:  
<http://finance.yahoo.com/q/pr?s=HIMX+Profile> Market Cap \$1.72bil, debt about 5% of Market Cap, 170 million shares outstanding, QRG YOY 9.67%, Projected Annual Revenue Growth 29.4% for the next five years, UNDERVALUED

-Priceline (USA: PCLN) hotel reservations for 275,000 properties in 175 countries, 2013 EPS \$30.41, Profit Margin 26.65%, QRG YOY 26%, there are only 51.5 million shares outstanding, P SA:AMGN) biotech pharmaceuticals, Projected EPS for Full Year 2014 \$8.10, Projected Annual Revenue Growth 9.65% for the next five years, Profit Margin 26%, STRONG LONG-TERM BUY

-AOL (USA) (AOL) the most profitable Online ad agency out there. Much smaller than Google but more cost-effective. UNDERVALUED and a BUYOUT CANDIDATE

-Google (USA: GOOG) EPS \$36.75 STRONG BUY

-Nvidia (USA: NVDA) <http://en.wikipedia.org/wiki/Gamer>  
<https://www.google.com/#q=gamers+and+nvidia>

STRONG LONG-TERM BUY

-[JDS](#) Uniphase (USA: JDSU) A primary MarketWitch strong buy stock in the late 1990s, JDSU is a STRONG LONG-TERM BUY now

-Wynn Resorts (USA: WYNN) EPS \$6.18, Current Dividend \$12.00 Dividend Yield 7.5%, STRONG BUY

-First Citizens Bancshares (USA: FCNCA) EPS \$16.63, regional retail & commercial banking services, superlatively managed, only 9.62 million shares outstanding, STRONG- BUY

-National Western Life Insurance (USA: NWLI) insurance products, operations in US, Pacific Rim and Eastern Europe, EPS \$25.46, P/E 8, extremely well-managed, only 3.63 million shares outstanding, STRONG BUY

## POWERGLIDE: LET THE INDEX DO THE WORK FOR YOU

-Powershares China A-Share Portfolio ETF (CHNA) Index Fund of China A-50 stocks, many of which you can't get to as an American investor, many of which do a great deal of trade with Europe

-iShares S&P 500 Core ETF (IVV)

-iShares Core S&P Midcap Index ETF (IJH)

- iShares Cohen & Steers Realty Majors ETF (ICF)
- iShares NYSE Composite Index ETF (NYC)
- iShares Core S&P Small Cap Index ETF (IJR)
- Vanguard REIT Index INV (VGSIX)
- Vanguard Small Cap Index INV (NAESX)
- Vanguard Total Stock Market Index INV (VTSMX)

## THE PRIMARY GLOBAL WINDFARM STOCKS

- General Electric (USA: GE) UNDERVALUED
- Siemens (Germany: SI) A MARKET WITCH PORTFOLIO FOUNDATION STOCK
- Google (USA: GOOG) (investments in windfarms) STRONG BUY
- Honda (HMC) Market Cap \$72bil Enterprise Value \$120bil, Dividend Yield 5.2%, STRONG LONG-TERM BUY
- Vestas Wind Energy (Denmark: VWDRY) (12.3% wind energy market share) UNDERVALUED  
[http://en.wikipedia.org/wiki/List\\_of\\_wind\\_turbine\\_manufacturers](http://en.wikipedia.org/wiki/List_of_wind_turbine_manufacturers)

The primary Wind Energy ETF, Powershares Global Wind Energy (PWND) is an ETF not doing well

## THE STOCKS OF FINANCIAL EUROPE

- Siemens (Germany: SI) STRONG BUY
- Total (France: TOT) STRONG BUY
- Royal Dutch Shell (Holland: RDS-B) is a MARKET WITCH PORTFOLIO FOUNDATION STOCK
- KEY EUROPE/ EURO ETFs
- iShares Euro Stoxx 50 (LSE: EUE)

-iShares FTSE 100 (LSE: CUKX)

-Blackrock iShares FTSE 100 (LSE: ISF)

-SPDR Euro Stoxx 50 (USA: FEZ) STRONG BUY

-iShares MSCI Spain Index (EWP)

-iShares MSCI Germany Index (EWG) STRONG LONG-TERM BUY

-iShares MSCI France Index (EWQ) UNDERVALUED

-iShares MSCI Europe Financials (EUFN) UNDERVALUED

-iShares MSCI Germany Small Caps (EWGS)

-iShares MSCI Denmark (EDEN) STRONG BUY

-iShares MSCI Netherlands (EWN) STRONG LONG-TERM BUY

And one for the money:

-CurrencyShares Swiss Franc Trust ETF (USA: FXF) a Guggenheim currency ETF in (gold-backed) Swiss Francs, STRONG BUY

## STOCKS WE CURRENTLY HOLD

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

-Vale do Rio Doce (VALE) (Brazil) Big Six Global Mining & Agribiz (owns USA's Bunge as well as Inco (nickel) and has branched into oceanic shipping as well, first to handle its own ore with its own shipping co its own ships this will widen into an oceanic shipping sideline

-Companhia Siderurgicas SA (SID) (Brazil) (often called "CSN" in the US) steel, industrial, railroads, iron ore, power companies cement & energy in a national conglom

-Rio Tinto (RIO) (England/Australia) Big Six Global Mining, founded 1873. Over time, in mining, you win some you lose some. A failure: Rio Tinto's purchase of AlCan. RIO is opening up UP Michigan copper. Issues with Mongolian govt over resources nationalism are at least partially resolved and Oyu Tolgoi is a producing mine

-BHP Billiton (UK/Australia) (BHP) Big Six Global Mining, largest producer of silver, plus now petroleum & natural gas

-Southern Copper (SCCO) Mexico's Grupo Mexico conglomerate owns 83% of the shares. SCCO owns the largest proven copper reserves of any company on earth

Anglo-American (AAL) (AAUKY) UK, Big Six Mining, owns century-old deBeers diamond mining, new CEO Mark Cutifani, is former CEO of AngloGold Ashanti and is former COO of VALE's nickel operations in Brazil.

-Mesabi Trust (MSB) long-term iron ore mining trust, USA.

-SPDR Gold Trust (GLD) physical-gold-holding ETF

-Market Vectors Gold Miners ETF (GDX) global gold mining co's

-Gerdau Steel (GGB) (Brazil) Global Steel, GGB owns USA's Chaparral steel, North America's largest maker of I-beams, plus most of the steel mills & foundries in Mexico

-Royal Dutch Shell (Holland: RDS-B)

-Ship Finance Ltd (SFL) (Bermuda) global dryshipping

-Market Vectors Steel ETF (SLX) global steelco ETF

-CPFL Energia (CPL) (Brazil) Brazil's primary electric company

-Barrick Gold (ABX) (Canada) global gold (and other metals) mining

-Petrobras (PBR) (Brazil) petroleum

-Exxon Mobil (XOM) petroleum

-GoldCorp (GG) (Canada) global gold mining

-CSX (USA: CSX) Eastern US RRs

ETFs Physical Swiss Gold Shares (SGOL)

-Buenaventura (BVN) (Peru) gold mining plus silver copper & zinc

-CME Group (Chicago Mercantile Exchange) (CME) 5:1 stock split in 2011

-NYSE Euronext (NYX) (Now Intercontinental Group (ICE) following merger

-Impala Platinum (IMPUY.PK) platinum mining

- Mechel (MTL) (Russia/USA) steel, iron ore, nickel, & coal. Huge coal reserves in the US
- Deere (DE) agricultural equipment
- Greif (GEF) global packaging/shipping containers
- Potash (POT) (Canada) Agribiz fertilizers
- ING Group NV (ING) (Holland) global banking & insurance
- Arcelor-Mittal (MT) (Luxembourg) world's largest steelmaker
- Terra Nitrogen (TNA) (USA) fertilizers, purchased by CF Industries (CF)
- Tiffany's (TIF)
- Deutsche Telekom (USA: DETGY)
- Orange (France: ORAN) formerly France Telecom)
- Deutsche Bank (DB)
- Blackrock (BLK)
- Tootsie Roll (TR)
- Market Vectors Africa Index ETF (AFK) ETF of the Africa Titan 50
- ING Global Equity Dividend & Premium Oppty Fund
- ING Risk-managed Natural Resources Fund
- Nvidia (NVDA) graphics PCUs, 3D video streaming chipsets, cellphone microprocessors
- Praxair (PX) industrial gases global sales
- Precision Castparts (PCP) specialty metal products including titanium
- Syngenta (SYG) (Swiss) agribiz genetics & seeds, new \$50mil investment to build a corn and sunflower seeds processing plant in Argentina
- Corning (GLW) optical cable & flatscreen glass, Gorilla Glass™ Corning diesel engine filters, etc
- Annaly Capital Management (NLY) USA, REIT

- Freeport McMoran Copper & Gold (FCX) Big Six Global Mining: copper gold silver molybdenum
- iShares Silver (SLV) the primary silver ETF
- Aperam (APAM) (APEMY) specialty steels, spinoff of Mittal Steel (MT) MT shareholders rec'd free shares
- SPDR Metals and Mining ETF (XME)
- Platinum Group Metals (PLG) smallcap mining big platinum find in Africa mine opens in late 2014  
SPECULATIVE
- General Electric (GE) American conglom: an engineering stock an appliance stock a medical stock a War Stock an aerospace stock a wind energy stock & an oil & gas stock
- Yamana Gold (AUY) (Canada) Latin-American gold mining
- Banco Bradesco (BBD) (Brazil) consumer banking
- Anglo Gold Ashanti (AU) (South Africa) global gold mining
- Philip Morris International (PM) tobacco
- Altria (MO), tobacco & consumer products
- Transocean (RIG)
- Plum Creek Timber (PCL)
- Sociedad Quimica y Minera de Chile (SQM) (Peru) fertilizers ag chems & lithium
- Market Vectors Indonesia ETF (IDX) strong economy mostly untouched by crises in the West
- Grupo Mexico GMBXF)
- Cyclacel (CYCC) biotech, oral cancer drugs in FDA test phases, SPECULATIVE  
<http://seekingalpha.com/article/889431-2-4-yield-and-10-potential-blockbuster-drugs?source=yahoo>
- Nautilus Minerals (NUSMF) undersea mining including Agribiz minerals and gold, SPECULATIVE
- Frontline (FRO) global shipping, a John Fredriksen company, on the comeback trail, SPECULATIVE

Odyssey Marine (OMEX) historic salvage/treasurehunting, undersea mining including Agribiz minerals and gold, SPECULATIVE

-Oclaro (OCLR) optical networking hardware: laser pumps etc

**NOTES:** When we buy or sell a stock you'll know about it within one hour if you sign up for our MW Updates.

### **THE MW MODEL PORTFOLIOS FOR 2014 we built this December 2013:**

-Monsanto (USA: MON)

3M (USA: MMM)

Federal Express (USA: FDX)

Panera (USA: PNRA)

Priceline (USA: PCLN)

Amazon (USA: AMZN)

Rio Tinto (UK: RIO)

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Vale (Brazil: VALE)

Praxair (USA: PX)

Cummins (USA: CMI)

Syngenta (Switzerland: SYT) or DuPont (USA: DD)

BHP Billiton (UK/Australia: BHP, BBL)

Siemens (Germany: SI)

Rayonier (USA: RYN)

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Celanese (USA: CE)

Lowe's (USA: LOW)

CSX (USA: CSX)

eBay (USA: EBAY)

CME Group (USA: CME)

Intercontinental Exchange Group (ICE)

Union Pacific (USA: UNP)

\*\*\*\*\*

Airgas (USA: ARG)

Southern Copper (USA: SCCO)

Blackrock (USA: BLK)

-Invesco Mortgage Capital (USA: IVR) or Annaly (USA: NLY)

Royal Dutch Shell (Holland: RDS-B)

Total (France: TOT)

Deere (USA: DE)

\*\*\*\*\*

-Google (USA: GOOG)

CVS Caremark (USA: CVS)

Cracker Barrel Old Country Stores (USA: CBRL)

Anheuser-Busch Inbev (Belgium: BUD)

Corning (USA: GLW)

Norfolk & Southern (USA: NSC)

Wynn Resorts (USA: WYNN)

NOTES: These model portfolios are NOT listed in descending order of preference they are listed in five sets of seven companies based on a broad spread of diversity and therefore safety within each seven because we expect life in the United States to be a bit bumpy this year. Invest in one set of seven, invest in all five sets of seven, you'll do very well. Of these 35 stocks, we own shares in twenty-two

## MW 2014 SPECULATIVE STOCKS from the January 2014 MW issue

-[Methode Electronics](http://www.methode.com/) (USA: MEI) <http://www.methode.com/>

-Yahoo (USA: YHOO) (has bought Tumblr, is trying hard to monetize its increasing mobile presence)

-CVS Caremark (USA: CVS) 7458 American drugstores fill more RX's than any other US retailer, plus CVS mail-order pharmacy systems

-Cooper Tire & Rubber (USA: CTB) a 2013 deal by an Indian company to buy CTB has fallen through, leaving this small highly successful and elite tire company free-standing and very profitable

-[Gentherm](#) (USA:THRM) heating and cooling technologies

-Honda (Japan: HMC) Japan is a mess but Honda most certainly is not. Broad array of engineered products from generators to cars n trucks to snowblowers motorcycles scooters and small engines, busily expanding into Africa

-Market Vectors Indonesia ETF (USA: IDX) a region that is heating up economically, is resource-unexploited, and a region which may have one wildly undervalued currency in one SE Asian country, Viet Nam

-[JDS Uniphase](#) (USA: JDSU) fiber-optics products

-United Parcel Service (USA: UPS) As the USPS continues to falter, bleed red ink and raise prices, and as more Americans trust private enterprise responsibility than government employees in government jobs, UPS and FedEx stand to gain

-Apple (USA:APPL) [Distribution deal with China Mobile](#) will bring millions more into the iFold, although Apple's influence in the US is waning

-PepsiCo (USA:PEP) one of the largest arrays of branded consumer products of any consumer products company in the world

-Facebook (USA: FB) social networking has peaked but view Facebook as an ad agency. Should actually be called Facebook/Instagram because it is the Instagram™ half of this merged company that has the true handle on the mobile/handheld universe. We're looking at Estimate Sales Growth for 2014 of 35.8%

(that's lower than 2013 but it may also be a low estimate) and Earnings Growth Estimates of 31.5% annually for the next five years

-Nuance (USA:NUAN) Internet voiceover products. Dragon™ technology that does speech to text online. We have owned shares of this for more than a decade and have an early version on it that is an antique a tech artifact and appreciates daily. It learns from your usage, the more the you use it the better it understands you and works for you

-Bitcoin: Bitcoin (\$BCOIN) (MTGOXUSD) the global renegade currency. The stock so far is dysfunctional in US indices and difficult to buy, and the actual money value of the product is uncertain. Bitcoin will become tied to gold. Once tied to gold, the two linked, this will become the primary 21<sup>st</sup> century money.

[At this point if you wish to invest in Bitcoins, buy Bitcoins themselves.](#)

Bitcoin is part of the great financial transition of our time, from out of debt-based currency the 300 yr old Rothschilds banking model and into a global currency based on gold and Bitcoins grounded in gold and transnational units

-The Swiss Franc: a better money than ours, and headed higher against the dollar. To get into Swiss Francs from US dollars,

CurrencyShares Swiss Franc Trust ETF (USA: FXF) a Guggenheim Investments product, the Swiss Franc: tied to gold and a stronger money than ours. Also: open an account in [Everbank](#) in dollars they will hold the deposit in any currency you wish. What you wish is Swiss francs

-iShares MSCI Turkey Market Index Fund ETF (USA: TUR)

-Northern Dynasty (Canada: NAK) Alaska's potential Pebble Mine project, a decade in the making and one of the largest unexploited mining projects on earth- the site has proven resources of 55 billion pounds of copper and 67 million ounces of gold and more, worth above half a trillion dollars- met with monstrous environmental opposition, mostly founded on harming the pathways of wild salmon and reportedly bankrolled by Robert Redford. Northern Dynasty's partner in this, Big Six mining company Anglo-American (UK: AAUKY) backed out of its 50% ownership of this project, writing off at least \$300 mil in groundwork investment. Robert Redford is 78 and crass as this sounds because he has done some fine things, will either die or run out of money. This project will eventually go through. Northern Dynasty owns 100% of it. As we write this Northern Dynasty shares are \$1.14

-Burger King Worldwide (USA: BKW) sells Whoppers™ at about 7300 Burger King™ restaurants in the US plus nearly 5000 more in Europe Middle East Latin America Canada Africa & Caribbean. BKW, once more publicly-held, is now expanding in France and pushing into Asia Pacific. A far better product than McDonalds

-Nvidia (USA: NVDA)

Gamers: <http://en.wikipedia.org/wiki/Gamer>

To invest in it: Nvidia (USA: NVDA) <https://www.google.com/#q=gamers+and+nvidia>

Nvidia's Annual Revenue Growth estimate for next five years is 12% per year

-Freeport McMoRan Copper & Gold (USA: FCX) gold and copper and energy as well, well-situated in Indonesia even with a govt ban on ore exports, Estimated Revenue Growth for the next five years 11.1% per year Market Cap \$36bil Enterprise Value \$60bil

-American Airlines (USA: AAL) the merger makes it the planet's largest airline

-Wikipedia: is idealistic about being in the public domain as a public service and relying on handouts and donations (which average \$15) from users, Wikipedia has a staff of 175 but serves 500 million users and is the 5<sup>th</sup> most-visited website in the world. Wikipedia founder Jimmy Wales either secretly is a monk or believes that Wikipedia is the Red Cross, but Wikipedia doesn't have to be poor, and may finally give up its vow of poverty and admit that [it needs and would like money \(much of which for that matter could be used for Good Works\) from advertising and from shareholders.](#)

Wikipedia is a POTENTIAL IPO

-FannieMae (USA: FNMA) this is fiercely SPECULATIVE but it could go to \$11 USA singlefams are high-priced/ overpriced but because

(A) foreign investors are buying to invest in USA (B) the current price for homes in US dollars looks like superhigh but in fact reflects a garbage dollar

-General Motors (USA:GM) GMC Buick Chevrolet Cadillac brands. In mid-December 2013 the US govt sold off the last of its 'bailout' purchased GM stock, taking a \$10.5 billion loss. The US govt "bailed out" GM in 2008-2009, giving the co \$49.5 billion in exchange for 60.8% of GM stock. The govt has now recovered \$39 billion and GM is self-sustaining and free of govt ownership tho taxpayers signed for that \$10.5bil tab. Meanwhile, GM has a new CEO, a woman, she is Mary Barra, she succeeds Dan Akerson as CEO and she is the first woman at the helm of a US auto company ever. Chevrolet's Silverado™ truck won North American Truck of the Year. Chevrolet's 2014 Corvette™ won North American Car of the Year and is a huge bargain compared to Ferrari Aston Martin etc

-[Greif](#) (USA: GEF, GEF-B) global packaging and more:

-Tapingo: based in San Francisco and Tel Aviv, this company does mobile retail assist both for shopkeepers local tiny restaurateurs and retailers and for students and faculties for shopping in and around various colleges and universities. Outstanding growth outstanding advertising outstanding management and is taking any campus it chooses by storm. <http://www.tapingo.com/about/> POTENTIAL IPO

-Tesla (USA: TSLA) electric cars, and possibly the Henry Ford company of electric cars. Markets and sells its cars through its own network of 42 Tesla Stores that it calls galleries, which infuriates franchise auto dealerships and auto dealership associations. Tesla, with a Market Cap of \$17bil, will either make it on its own, or (more likely) will be snapped up by a major global automaker like Daimler (Germany: USA, DDAIF) which already owns a piece. Tesla is not yet profitable, but has low debt, almost a billion in cash, and QRG YOY of 761%

-Anglo American (UK: AAUKY) this Big Six Global Mining company suffered a disastrous CEO for a few years who is now gone, and' long-term, is extremely undervalued

About the company: The best ways to track it:

<http://markets.ft.com/research/Markets/Tearsheets/Summary?s=AAUKY:PKC>

<https://www.google.com/#q=anglo+american+mining.com&tbn=nws>

Anglo American's turnaround year is 2015 but it may start as early as spring 2014

<http://markets.ft.com/research/Markets/Tearsheets/Forecasts?s=AAUKY:PKC>

<http://finance.yahoo.com/q/pr?s=AAUKY+Profile> out into 2016 2018 this is a 3X 6X stock

-Capital Senior Housing (USA: CSU) operates 104 assisted-living properties with the capacity to serve 13,900 residents in senior assisted and senior independent living. 25% of capacity is in Texas the rest is in the American Heartland. This is a growing market. CSU's revenues are growing much much faster than expenses.

DEXTER, DOG OF THE DOW



## DEXTER IS THINKING ABOUT: COUNT YOUR BLESSINGS

Mister Puppy says: Count your Blessings. If you live in a safe place, and are financially ok, consider yourself lucky, you are in a small minority. We have not recently had an active volcano, a Great Earthquake, a domestic nuclear incident, a war between the states or a war between the government and the people inside US borders. This past winter we've had 4,406 record-degree cold numbers bested, and there were 1073 record-breaking snowfalls. Order a pizza, put a fried egg in your own dog's dinner, watch some legendary classic movies (*Lassie*, *Bright Eyes*, *To Catch a Thief*, *Sound of Music*, *Blade Runner Blues Brothers* etc) plant some flowers, go for a long hike, and hope that all these people who are so worried, are wrong. We're tip-toeing through April.

## DEXTER'S DIVIDENDS

### THE ABSOLUTE BEST DIVIDEND INVESTMENTS FOR AMERICAN INVESTORS:

-Realty Income (USA: O) P/E 38 FWD P/E 15 EPS 1.06 Dividend \$2.19 payable monthly, Yield 5.2%

-TAL International (USA:TAL) P/E 9.77 EPS \$4.25 Dividend \$2.88 Yield 7.0%

-Plum Creek Timber (USA: PCL) P/E 32 EPS \$1.30 Dividend \$1.76 Yield 4.2% SPECULATIVE

-Kinder Morgan (USA: KMI) P/E 27 EPS \$1.15 Dividend \$1.64 Yield 5.2% SPECULATIVE

-Potash (Canada: POT) P/E 17 EPS \$2.04 Dividend \$1.40 Yield 4.1%

-TC Pipelines ( USA: TCP) P/E 22 EPS \$2.14 Dividend \$3.24 Yield 7%

-Mesabi Trust (USA: MSB) P/E 12.6 EPS \$1.58 Dividend \$2.28 Yield 11.3%

-Medley Capital (USA: MCC) P/E 10.5 EPS \$1.29 Dividend \$1.48 Yield 11%

-Natural Resource Partners (USA: NRP) P/E 10.5 EPS \$1.54 Dividend \$1.40 Yield 9.2%

-Hercules Technology Growth Capital (USA: HTGC) P/E 9 EPS \$1.63 Dividend \$1.24 Yield 8.1%

-Calamos Strategic Total Return Fund (USA: CSQ) Dividend \$0.07 Monthly, Dividend Yield 7.56%

-Calamos Global Dynamic Income Fund (USA: CHW) Dividend \$0.06 Monthly Dividend Yield 8.27%

-Conoco Phillips (USA: COP) PE 12 EPS \$6.00 Dividend Yield 3.8%

-Royal Dutch Shell (Holland: RDS-B) P/E 9 EPS \$7.50 Dividend Yield 5.3%

-Southern Company (USA: SO) P/E 22.5 EPS \$1.84 Dividend Yield 4.9%

-Bank of Nova Scotia (Canada: BNS) P/E 11.34 EPS \$5.25 Dividend Yield 4%

-Royal Bank of Canada (Canada: RY) P/E 11.77 EPS \$5.65 Dividend Yield 3.7%

-Bank of Montreal (Canada: BMO) P/E 10.25 EPS \$6.38 Yield 4.20%

-Armour Residential REIT (USA: ARR) P/E 2.48 EPS \$1.63 Dividend Yield 14.9%

-Annaly Capital Management (USA: NLY) P/E 3 EPS \$3.74 Dividend \$1.20 Yield 10.6%

-Total SA (France: TOT) P/E 11 EPS \$5.46 Dividend Yield 4.5%

-GlaxoSmithKline (USA: GSK) P/E 19 EPS \$2.63 Dividend Yield 4.4%

-Eli Lilly (USA: LLY) P/E 11 EPS \$4.45 Dividend yield 4.0%

-Merck (USA: MRK) P/E 27 EPS \$1.67 Dividend Yield 3.6%

-AT&T (USA: T) P/E 26 EPS \$1.31 Dividend Yield 5.3%

-Lockheed Martin (USA: LMT) P/E 14.5 EPS \$8.92 Dividend Yield 4.2%

- Telefonica (Spain: TEF) P/E 15 EPS \$ 1.13 Dividend Yield 4.5%
- Garmin (USA: GRMN) P/E 16 EPS \$2.94 Dividend Yield 3.9%
- Orange (formerly France Telecom) (France: Oran) FWD P/E 9, FWD EPS \$1.56 Dividend Yield 4.5%
- Altria (USA: MO) P/E 16 EPS \$2.19 Dividend Yield 5.4%
- Unilever (Holland: UN USA: UL) P/E 18 EPS \$2.12 Dividend Yield 3.7%
- Electricite de France (France: EDF) P/E 14 EPS \$0.58 Dividend Yield 4.87%
- PG&E Corp (USA: PCG) Pacific Gas & Electric common shares, P/E 20 EPS \$2.11 Dividend Yield 4.3%
- Pacific Gas & Electricity (USA:PGC-A, PGC.PRA) The California Gas and Electric, 6% preferred stock, note that this is an unredeemable stock and it's much like buying an annuity. [More about it.](#)
- Philip Morris International (USA: PM) P/E 16.7 EPS \$5.15 Dividend Yield 4.4%
- Reynolds American (USA: RAI) P/E 18.4 EPS \$2.75 Dividend Yield 5.0%
- Lorillard (USA: LO) P/E 14.5 EPS \$ 3.21 Dividend Yield 4.8% very strong sales of electronic cigarettes, dividend should accordingly move higher
- Honda (Japan: HMC) P/E 16 EPS \$2.52 Dividend Yield 4.9%
- Corrections Corporation of America (USA: CXW) P/E 13.42, EPS \$2.80, Dividend Yield 5.2%
- Geo Group (USA: GEO) P/E 15.4 EPS \$2.33, Dividend Yield 5.5%
- World Wrestling Entertainment (USA: WWE) P/E 70, FWD P/E 34, EPS \$0.48 Dividend Yield 4.2%
- Companhia Vale do Rio Doce (Brazil: VALE) P/E 36.5 FWD P/E 8.3 current Full-Year EPS estimates \$2.17 Dividend Yield 4.8%
- BHP Billiton (UK/Australia: BHP BBL) P/E 16.7 EPS \$4.07 Dividend Yield 3.5%
- Freeport McMoRan Copper & Gold (USA: FCX) P/E 12.2 EPS \$2.81 Dividend Yield 3.7%
- Compania Minas Buenaventura (Peru: BVN) short-form called "Buenaventura" or "Compa") P/E 7.8 EPS Estimate Full Year 2014 \$2.44- 3.04, Dividend Yield 4.9%

-Mattel (USA: MAT) P/E 14.8 EPS \$2.52 Dividend \$1.52 Yield 4.1%

-Powershares Preferred Portfolio ETF (PGX) a fund of preferred shares, content mostly global banking & insurance companies, Dividend Yield 6.73%

-Wynn Resorts (USA: WYNN) EPS \$6.18 most recent Dividend \$12.00 Dividend Yield 7.5%

-Windstream Holdings (USA: WIN) P/E 37 Dividend \$1.00 Dividend Yield 12.6%

<http://seekingalpha.com/article/2029111-windstream-should-you-buy-this-12-percent-yielder?source=yahoo>

-iShares Emerging Markets Dividend (DVYE) P/E 11 Dividend Yield 4.85%

-Wisdom Tree Emerging Markets Equity Income Fund (DEM) P/E 8 Dividend Yield 4.36%

[A LIST OF THE PRIMARY MONTHLY-DIVIDEND STOCKS:](#)

## COMMODITIES CURRENCIES AND THE GLOBAL INDICES: THE FOUNDATION OF THE 21<sup>ST</sup> CENTURY ECONOMY

Commodities matter both right now and over at least the next 40 years are headed much higher:

Cheap access to grains food fibers petroleum ores precious metals and minerals has driven global prosperity since the post WWII years.

Throughout modern human history, given a human population of 2-4billion, supply shortages in these commodities have always led to increases in production and availability.

The world has always counted on supply eventually exceeding demand, causing commodity prices, once more, to fall.

With 7.2 billion people now and 8 billion in 2022, that won't happen. Profit margins, not commodity price, determine how much money is invested into increasing commodity resource supplies and that includes everything from gold to soybeans and pork bellies. As the cost of production increases, high profit margins may not be sustainable. Result: scarcity. Smaller supply means the price rises even higher. Scarcity breeds scarcity. In addition, any hint of War, and any actual Big War, and all commodities go far higher. Here is one thing you need to know about commodities to become wealthy between now and the autumn of 2015/winter of 2016: Gold is selling for \$1342 per ounce. Silver is selling for \$20.00 per ounce. Copper @ \$2.97 per pound is selling for \$0.19 an ounce. Copper at \$0.97/oz puts copper at \$15

### **GOLD**

Spot Price \$1344 Floor Support \$1488 current Fair Value \$2315

[Where gold comes from](#). Gold has globally monetized. In the US: the Fed and the US Treasury are trying to pretend this has not happened.

We now think SPDR Gold Shares ((USA: GLD)(ETF) are headed strongly back upward, and in general upward for at least two years, but our interest in physical gold shares like ETFS Physical Swiss Gold Shares ( UK: SGOL) and coins and bars, and we have not purchased any 'hard' gold in several years

[In 2013 China bought 52% of the world's annual gold production:](#)

To buy gold via an ETF:

-SPDR Gold Trust (USA: GLD) the largest "paper gold" ETF but fully-backed by bullion

To buy physical gold via an ETF:

-ETFS Physical Swiss Gold Shares (UK: SGOL) Market Cap/holdings \$1.95bil

-Central Fund of Canada Ltd (Canada: CEF) a fund based in Calgary Alberta that invests in commodities esp gold & silver 52% gold 46% silver

-Central gold Trust of Canada (Canada: GTU) Market Cap/holdings \$1.24bil

- Sprott Physical Gold Trust (Canada: PHYS) Toronto-based, buys and holds gold bullion in London. Does not purchase hold or sell derivatives or gold certificates or other instruments that may be exchanged for gold. About 98.9% of the assets are invested directly in physical gold bars

To buy gold certificates: [Perth Mint](#) in Australia

To buy gold coins and bars:

-[Kitco](#) in Montreal, Canada (also silver and platinum coins & bars) and [Perth Mint](#) (also silver coins & bars)

The Primary Gold Mining ETFs: GDX, GDXJ

Our favorite single gold mining stock: Buenaventura (Peru: BVN)

In the EU: Germany's moving its physical gold back into Germany:

<http://wallstcheatsheet.com/stocks/precious-metals-hold-steady-as-germany-repatriates-gold.html/?ref=YF>

[http://www.kitco.com/reports/KitcoNews20130116DeC\\_2.html](http://www.kitco.com/reports/KitcoNews20130116DeC_2.html)

## PLATINUM:

Spot price \$1433, Floor Support \$1603 Fair Value \$1910. Platinum on world markets has remained “officially” a jewelry and industrial metal as gold ran up in the mid-part of last decade but behind the scenes, big banks like GS have been buying platinum for a couple of years. Platinum, more easily portable than gold, monetized in the Global Outlaw Economy in late 2005, when it replaced the EU500 note. As gold began to broadly remonetize in 2009 in the Global Economic Mainstream, platinum didn’t officially but did in the big banks. Digital money (ie Bitcoin) which will become 21<sup>st</sup> century money tied to gold and outside the control of your government ours and the continuing reliance of your government and ours to create paper currencies via debt

Platinum news: <http://www.mining.com/tag/platinum/>

To invest in rising platinum:

-Platinum Group Metals (Canada:PLG) recent big find, SPECULATIVE, mines open next year but the company may go under and have its assets bought out before it becomes profitable

-Impala Platinum (South Africa: IMPUY)

-Anglo-American Platinum (South Africa: AGPPY)

-Anglo-American (UK: AAUKY) STRONG LONG-TERM BUY

-Rio Tinto (UK: RIO) STRONG BUY

-Lonmin (UK: LMNIY)

-ETFS Physical Platinum Shares ETF (UK: PPLT) STRONG LONG-TERM BUY

- also Platinum Group Metals (Canada: PTM)

To invest in falling platinum:

-SPLA

-PTD

## SILVER:

Spot price \$20.36 Floor Support \$24.03 Fair Value \$40.13. Silver has been at a low for three years. Silver has been in an economic no man’s land, an industrial metal and a secondary jewelry metal, unable so far to remonetize. [But demand for silver bullion via 1 oz minted coins is enormous.](#)

[US Mint silver coins from the era when the United States was still a nation](#) in command of the world and its currency backed by silver command a powerful premium.

TO INVEST IN SILVER:

-Global X Silver Miners ETF (USA: SIL)

-BHP Billiton (UK/Australia BHP, BBL) broad global mining

-Rio Tinto (UK: RIO) broad global mining

- iShares Silver Trust (SLV) a physical silver ETF

-Great Panther (Canada: GPR) silver mining

-Silver Standard Resources (USA: SSRI) silver mining

-AGQ ProShares Ultra Silver ETF (leveraged @ 200%) (USA: AGQ)

[-Silver Wheaton \(USA: SLW\) global counterparty middleman buyer from miners & seller into global open markets](#)

## **PALLADIUM:**

[Spot price \\$785 Floor Support \\$816 Fair Value \\$933](#)

Palladium is used mainly in automobile and truck catalytic converters particularly for low-temperature diesel exhaust. For high-temperature exhaust from gasoline-burners, you need platinum. Annual catalytic converter demand accounts for 81% of the world's palladium, up from about 60% five years ago. In 2000, when catalytic converter demand was consuming more than 100% of the annual mined supply (stockpiles provided the rest) palladium rose to more than \$1000/oz.

[Palladium is starting to monetize.](#) You can buy palladium coins and bars that are Russian govt or Canadian govt or commercial brands and their value is as stable as platinum and far more valuable moving forward than the US dollar.

## **RHODIUM**

Spot price \$1030 Floor Support \$1048 Fair Value \$1290

[Rhodium is an industrial metal and a lesser jewelry metal in the early stages of monetizing:](#) we're headed toward a world in which rhodium coins & bars are money, as gold is.

**NOTES:** Palladium rhodium and platinum are three of the six rare lustrous & silvery-white platinum-group metals (PGMs) called 'white metals.' The other three- osmium iridium ruthenium- are far more obscure. All white metals have similar melting properties but palladium has the lowest melting point. About ¼ of all goods manufactured today have PGMs as a component or are used in their manufacture. Rhodium has a very high melting point and is highly resistant to any form of corrosion and so is a key component of industrial coatings. Mining sites for palladium and rhodium: the Transvaal in South Africa, the Stillwater Basin complex in Montana, the Thunder Bay region of Ontario and Minnesota, and the Norilsk region of Russia. In general, any company that is mining nickel is likely to be extracting palladium and rhodium as well in the same area. Over the next few years most smaller platinum palladium and rhodium mining co's will be engulfed by the Big Six Global Mining companies

To invest in palladium & rhodium:

-Stillwater Mining (USA: SWC)

-Coeur Mining (USA: CDE)

-Impala Platinum (South Africa: IMPUY)

-Lonmin (UK: LMNIY)

-Anglo-Platinum (South Africa: AGPPY)

-Norilsk Nickel (Russia: NILSY)

-BHP Billiton (UK/Australia: BHP BBL) STRONG BUY

-Vale (Brazil: VALE) STRONG BUY

-Rio Tinto (UK: RIO) via its Eagle mines in Michigan's Upper Peninsula STRONG BUY

-ETFS Physical Palladium ETF (UK: PALL)

To invest in rising palladium: PAAL

## **COPPER**

Spot Price is \$2.97 Floor Support \$3.33 Fair Value approx \$7.16. Global production of copper in 2014 won't even meet China's demands alone for copper, and although China is a big country, the rest of the industrialized and developing countries will be clamoring for copper.

[The Big Picture: Copper, population growth, and global urbanization, from Rick Mills:](#) Note the growth chart here for world demand for copper from 2010 to 2020 and again from 2020 to 2030:

<http://www.aqmcopper.com/s/CopperFundamentals.asp>

Some forecasts predict a 50% gain in copper prices over the next few years. That would put copper at around \$5/lb. We suspect the price rise will likely be far greater. London Metals Exchange supplies of warehoused copper have fallen from summer 2013's 654,000 tons to 324,000 tons now.

[More profound recent commentary on copper:](#)

[And here is a recent larger view going fwd:](#) ditto w iron ore and steel going forward

Environmentalists can become upset with copper mining [but recognize that copper is the metal we can't do without.](#)

[Copper consumption & demand has grown at an average annual rate of 4% for more than a century.](#)

Physical copper ETFs are still stalled.

-iShares Copper Trust ETF, (physical copper) has been greenlighted by SEC but not yet up and running

-SEC-approved JPM XF Physical Copper Trust ETF, ditto.

A physical copper ETF you can buy on the London Exchange:

ETFS Physical Copper (LSE: PHCU) [some graphic analysis of relationship between copper & gold by Richard Baker @ Kitco](#)

TO INVEST IN COPPER:

-Global X Copper Miners ETF (COPX)

-iPath Dow Jones Copper Index ETN (JJC)

-First Trust ISE Global Copper Index Fund (CU)

-PowerShares DB Base Metals (DBB)

-iShares MSCI Chile Index (ECH)

-Southern Copper (USA: SCCO)

-Vale (Brazil: VALE)

-Rio Tinto (UK: RIO)

- Freeport McMoRan Copper & Gold (FCX)
- BHP Billiton (UK/Australia: BHP BBL)
- Compania de Minas Buenaventura (Peru: BVN)
- iPath Exchange-Traded Notes Dow Jones-AIG Copper Total Return Sub-Index ETN Series A (JJC)
- United States Copper Index (CPER)
- iPath Pure Beta Copper (CUPM)

Vale's Salobo mine, located in the Pará state of Brazil, is the largest copper deposit ever found in Brazil. The Salobo mine has an estimated 1 billion tons of copper and gold. Vale owns 75% of it. This newly constructed, low-cost copper-gold mine began operating in May 2012 with a design throughput capacity of 12Mtpa. Vale has subsequently begun a second phase of construction to expand the mine to 24Mtpa of mill capacity by the end of 2015. During the ramp up to 24Mtpa, the mine is expected to average 45 thousand ounces attributable gold production. Salobo has reserves of over one billion tonnes with gold and copper grades of 0.43 g/t and 0.69 percent respectively, and, along with additional resources also has substantial exploration and expansion potential. The mine is well positioned relative to infrastructure and is connected to the national power grid with ample capacity for current production and future.

- Rio Tinto (UK: RIO) Mongolian Oyu Tolgoi surface mines are now producing and shipping
- Glencore/Xstrata (Switzerland: GLNCY)
- Hindustan Copper (India: HINDCOPPER)

## **TIN**

[Current Spot Price \\$10.49 Floor Support \\$11.18 Fair Value \\$13.70](#)

To invest in tin:

- Rio Tinto (UK: RIO)
- BHP Billiton (UK/Australia: BHP, BBL)
- Gerdau (Brazil: GGB)
- CSN (Brazil: SID)

## TUNGSTEN

Spot Price \$46.75/kilo Floor Support 47.90 Fair Value \$61.10 <http://en.wikipedia.org/wiki/Tungsten>

Formerly for incandescent light bulbs. Now: <https://www.google.com/#q=tungsten>

To Invest in Tungsten:

-Teck Resources (Canada: TCK)

-Rio Tinto (UK: RIO)

-BHP Billiton UK/Australia: BHP BBL)

## ALUMINUM

Spot price \$0.78 Floor Support \$0.95 Fair Value \$2.24.

Lightweight malleable sturdy Aluminum is about to find a place in the 21<sup>st</sup> century economy and that place may be the global auto/truck manufacturing industry and even the railroad industry. As with several other metals, aluminum is much undervalued as the mid-years of the TwentyTeens approach, when there will be an aluminum shortage. Aluminum is in the process of moving from being an aircraft-based metal to an automotive-based metal. Aluminum use in vehicles, now an average of about 8% of a vehicle, will double in autos and triple in trucks by the early TwentyTwenties. [Here's Ford at the 2014 winter auto show:](#)

2014 Aluminum is projected to be oversupplied, but stockpiles of aluminum have been falling steadily for eight months, are now leveling

Emirates Aluminum (EmAl) and Dubai Aluminum, both state-sponsored/privately-held companies, are two flagship United Arab Emirates companies that will merge this year to create the world's 5<sup>th</sup> largest aluminum company, Enterprise Value about \$15bil.

To invest in Aluminum:

-BHP Billiton (UK/Australia: BHP BBL)

-Rio Tinto (UK: RIO)

-Alcoa (USA: AA)

## NICKEL

Current Spot price \$7.24 Floor Support \$9.80 Fair Value \$16.26 reflecting nickel's use in steel alloys that are basic to the Global Infrastructure Buildout. The current value ratio between nickel and silver= silver \$20/oz nickel \$0.47/oz this is a price differential of 57. This relationship should be about 20:1. For the US to mint a US nickel costs eleven cents. Warehouse stockpiles of nickel have been falling for about five months

To invest in nickel:

-Anglo-American (UK: LSE: AAL) (USA: AAUKY) major new nickel find in Finland, excellent new CEO

-Vale (Brazil: VALE)

-Mechel (Russia: MTL)

-Rio Tinto (UK: RIO)

-JJM

-JJN

## ZINC

Current Spot price \$0.89 Floor Support \$1.03 Fair Value \$1.43

The alloy of 90% copper and 10% zinc is bronze. Global demand for zinc has risen at the rate of 3% annually for several years. Zinc is currently pricier than aluminum. Zinc ore is often found with or near copper ore. Zinc coatings are a deterioration/corrosion preventative especially against salt water and a coating and surface oxidation preventative for steel

To invest in rising Zinc:

-Rio Tinto (UK: RIO)

-Buenaventura (Peru: BVN)

-Southern Copper (USA: SCCO)

-Hindustan Zinc (India: HINDZINC)

## LEAD

Spot Price \$0.94 Floor Support \$1.16 Fair Value \$1.35 Demand for lead has risen 2-3% annually for several years and is accelerating. Spot Price should stay above \$1.00 and head toward \$1.20 as more oceanic industries (drilling, oceanic green-energy plays, global commercial fish farming, oceanic mining etc) flourish in the early- and mid 21<sup>st</sup> -century and use the metal increases. Soft, malleable, with many many uses

## IRON ORE

TSI Iron Ore Index: Spot Price currently 121, we believe this is a bottom for the year. We expect iron ore to stay in the \$140-150 range for full-year 2014

Iron ore links:

<http://www.macrobusiness.com.au/2014/02/daily-iron-ore-price-update-paper-pain/>

<http://www.metalbulletin.com/Raw-materials/Iron-ore-and-coking-coal.html?Type=Channel&PageId=195565&selectCategory=9493%2b9492>

<http://www.macrobusiness.com.au/2014/02/daily-iron-ore-price-update-bulls-flee/>

Barchart's <sup>TM</sup> data on commodities futures including iron ore, [which this link is tuned to](#):

[A link to Index Mundi's iron ore monthlies](#):

Iron ore prices are still determined in secret meetings behind closed doors and not even Bloomberg can get a daily TSI figure without paying for it. We don't think this will last forever in a world on instaneity and we think a global spot market is on the way.

About 40% of all the iron ore shipped by sea comes from Western Australia's remote Pilbara region. Most of the rest comes from Brazil, via Vale, still the world's largest iron ore producer. The global iron ore trade, estimated to be US\$160 billion annually, has long been dominated by major miners including Rio Tinto, BHP Billiton and Brazil's Vale. Newest members of this elite mining group is Korea's Posco (PKX) which now has partnership mine interests in the Pilbara region, Switzerland's Glencore (USA:GLNCY) having bought Swiss Big Six miner Xstrata, and Anglo American, with iron ore projects in Brazil. <http://www.reuters.com/article/2013/01/24/australia-ironore-profits-idUSL4N0AT83I20130124>

To invest in Iron Ore:

-Vale (Brazil: VALE)

-BHP Billiton (UK/Australia: BHP BBL)

-Mesabi Trust (USA:MSB)

-CSN (Brazil: SID)

-Rio Tinto (UK: RIO)

-Anglo American (UK: AAUKY)

-Cliffs Natural Resources (USA: CLF)

## **ABOUT METALS MINING:**

<http://www.mining.com/>

<http://www.mineweb.com/mineweb/content/en/mineweb-home>

## **STEEL**

Dow Jones US Iron and Steel Index:

<http://www.advfn.com/p.php?pid=qkchart&symbol=DOWI%3ADJUST>

Stainless Steel News & Nickel Prices: <http://www.estainlesssteel.com/stainless-steel-news.shtml>

S5STEL: IND is the global steel price guide we like best and the strongest marker.

It's not a futurist view but a broad spot overview: <http://www.worldsteelprices.com/>

Others: <http://finance.yahoo.com/q?s=%5ESTEEL>

<http://www.metalbulletin.com/>

<http://www.metal.com/>

2014 will be a strong year for steel, especially the second half. Largest steelmaker in the world continues to be Arcelor Mittal (Luxembourg: MT) but the company's fortunes are still a concern.

To profit from global steel: head first, long-term, for iron ore:

-VALE (Brazil: VALE) world's largest iron ore miner. The world's largest iron-ore producer had 3<sup>rd</sup> Q net income of \$2.8 billion, 70% more than a year earlier and the first Q increase since the 2<sup>nd</sup> Q of 2011. Vale's 96% estimated increase in YOY earnings per share is the highest among 14 global peers. Vale also produces steel on its own

- CSN (Brazil: SID) This big Brazil steelmaker which is actually a conglom with fingers in many pies (steel railroads iron ore cement etc) also has its own iron ore mines

-Rio Tinto (UK: RIO) Rio Tinto is set to become the world's largest iron ore mining company as expansion gets underway at Rio's Australian Pilbara operations over the next three years. Rio's board has authorized investment & construction of infrastructure that will raise production from 290 million tons to 360 million tons by mid-2015. Iron ore price is currently around \$130 per ton, but RIO's cost of production plus freight delivery is only around \$46 a ton. Iron ore accounts for about 90% of Rio Tinto's annual revenue

-BHP Billiton (UK/Australia: BHP, BBL) world's largest and most diverse mining co

-Gerdau (Brazil: GGB) largest producer of long steel (I-beams et al) in the Americas following purchase of USA's Chaparral Steel and many small steel companies in Mexico

-Posco (South Korea: PKX), steel, New projects in India and Turkey

-Arcelor Mittal (Luxembourg: MT) World's largest steelco is managed from London by India's Mittal family

-ThyssenKrupp AG ( Germany:TKA)

-Salzgitter AG (SZG)

-Steel Dynamics (USA: STLD)

-AK Steel (USA: AKS)

-Worthington Industries (USA: WOR)

-US Steel (USA: X)

-Nucor (USA: NUE)

## **TITANIUM**

Ferro-Titanium Spot Price \$6.05 Floor Support \$8.10 Fair Value \$13-16

<http://www.infomine.com/investment/metal-prices/ferro-titanium/>

Stainless steel-titanium alloy is corrosion-resistant, far stronger than titanium alone, can be fabricated in many iterations, can be easily machined and turned into products that can be used in aerospace, medicine, gas turbines, chemical processing, and marine applications. There are several grades, and a number of specialty steel and titanium fabricators who offer various versions. A titanium alloy is what the skin of the B2 Stealth Bomber is made of. Also used as a pigment and a feedstock element

To invest in Titanium:

-Rio Tinto (UK: RIO) Rio Tinto accounts for more than 25% of the world's titanium oxide (TiO<sub>2</sub>) production

-BHP Billiton (UK/Australia BHP BBL)

- Precision Castparts (USA: PCP) \$2.9bil purchase of Titanium Metals makes PCP a strong investment in titanium. PCP: EPS \$9.21 Market Cap \$24.5bil, FWD P/E 16, Profit Margin 17%

-RTI International Metals (USA: RTI)

-Barrick Gold (Canada: ABX)

-Exxaro Resources Ltd (South Africa: JSE:EXX)

## **COBALT**

Spot Price \$14.06 Floor Support 14.90 Fair Value \$17-18

Listed on InfoMine: <http://www.infomine.com/investment/metal-prices/cobalt/>

Cobalt is usually included as a component in existing rare earth ETFs. Cobalt is one of 14 elemental metals critical for use in clean energy technologies. Nine of these 14 are classified as rare-earth elements. Cobalt is used in lithium ion batteries for electric cars, cell phones, tablets and laptops that will continue to use lithium ion batteries. And is also a key component of in Nickel Cadmium and NiMH rechargeable batteries. Cobalt is also a key metal in metallurgical superalloys, used extensively in USA's military aerospace engineering. Other industrial uses for cobalt include: As a binding agent in steel-belted tires. A component in magnets. A tool in the desulfurization of crude oil. A tool in the natural gas to LNG process.

To invest in Cobalt:

-Rio Tinto (UK: RIO)

-Molycorp (USA: MCP)

-OM Group (USA: OMG)

-Vale (Brazil: VALE)

-Freeport McMoRan Copper & Gold (USA: FCX)

## **MANGANESE**

Spot Price \$2.30/kilo Floor Support approx. \$2.90 Fair Value approx. \$3.53

Listed on Infomine: <http://www.infomine.com/investment/metal-prices/manganese/>

There's no ETF yet for manganese. Manganese is a rare metal, like titanium and chromium, but it is essentially a product from the Big Six Mining Companies. Rare metals are called "rare metals" but they are found in abundance in the earth's crust. Manganese is, like nickel, another primary component in the creation of steel alloys, and a key element in battery production for electric cars. It's also used as a gas additive. More importantly, manganese can be used to create an aluminum alloy that resists corrosion (= aluminum-manganese-hulled seagoing cargo ships). Manganese steel, called "mangalloy" in the metals industry, has enormous surface hardness and resistance to abrasion and also is not brittle. Current cost of production to mine manganese about \$1.32/lb. China currently produces about 97% of the world's manganese but that % is falling

To invest in Manganese:

-Rio Tinto (UK:RIO)

-BHP Billiton (UK/Australia: BHP BBL)

-Anglo American UK: AAUK) (AAUKY)

## **MOLYBDENUM**

Spot Price \$10.21 Floor Support \$10.50 Fair Value \$12.51

Listed on Infomine <http://www.infomine.com/investment/metal-prices/molybdenum-oxide/>

<http://en.wikipedia.org/wiki/Molybdenum>

To invest in Molybdenum:

-Thompson Creek Metals (Canada: TCM)

-BHP Billiton (UK Australia: BHP BBL)

-Rio Tinto (UK: RIO)

-Molycorp (MCP)

-Teck Resources (Canada: TEK)

-Freeport McMoRan Copper & Gold (USA: FCX)

-Deutsche Rostoff (Germany: DRO)

## GRAPHITE

<http://www.kitco.com/ind/fulp/20120709.html>

[And more: why graphite matters in technology](#)

<https://www.google.com/#q=graphene+2014>

There are approx 70 small mining companies worldwide which mine graphite. Five American mining companies that we can find mine graphite. All five are privately-held. One Canadian graphite mining company, Lomiko (TSX: LMR) (USA: LMRMF) is public, and a penny stock.

As we continue deeper into the TwentyTeens and toward the TwentyTwenties: There is a product called Graphene that can be synthesized from it. [Read about graphene:](#)

To Invest in graphite/graphene:

Rio Tinto (UK: RIO)

BHP Billiton (UK/Australia: BHP BBL)

While there are many junior miners scrambling over graphite sources and graphite mining, the Big Six Mining Companies (AAUK VALE BHP RIO Xstrata(Glencore) and FCX will rule it. We'll watch for Junior Miners that may become players, however. Lomiko is a SPECULATIVE stock and a BUYOUT CANDIDATE

## LITHIUM

There is no broad public commodities index listing for this metal, which is a primary component of a treatment for manic depression but more importantly is a crucial component of lithium-ion batteries

To invest in Lithium:

-Sociedad Quimica y Minera (Chile: SQM)

-Global X Lithium ETF (LIT)

## RARE EARTHS

<https://www.google.com/#q=rare+earths+mining+news> probably the new major player heading forward:  
Canada <https://www.google.com/#q=rare+earths+mining+news>

<http://www.popularmechanics.com/technology/engineering/news/important-rare-earth-elements#slide-1>

<http://www.techmetalsresearch.com/2013/08/counterpoint-supply-and-demand-in-the-rare-earths-market-2015-2020/>

Here is a very comprehensive work on 'clean-energy' metals which include rare earths including europium, terbium, yttrium, dysprosium niobium and neodymium plus platinum rhodium palladium and copper. This article also includes uranium as a 'clean-energy' metal. Which we don't: we see uranium is the world's dirtiest energy source, far dirtier than coal.

<http://www.kitco.com/ind/Handwerger/2013-06-07-Demand-Could-Soar-Exponentially-For-Clean-Energy-Metals-Over-The-Next-Decade.html>

China currently produces a high but falling per centage of the world's available rare earths. Prices doubled 2008-2011 as China sought to use its supplies at home rather than sell/export them. Now, the search is on for more sources.

The US has big unexploited rare earth reserves, but almost no production at all. Blame the EPA. Where the world's untouched rare earth deposits are: Siberia, Indonesia, Brazil, Quebec, Africa, Greenland & Iceland. The long play into the next decade for rare earths production: exploitation of untouched areas plus undersea mining.

[Of particular interest during the oncoming mid-TwentyTeens and the early TwentyTwenties is Greenland:](#)

[Electric cars, if they become popular, will drive up rare earth prices](#)

To invest in Rare Earths:

-Market Vectors Rare Earth/Strategic Metals ETF (REMX)

Rio Tinto (UK: RIO)

BHP Billiton (UK/Australia: BHP BBL)

-Freeport McMoRan Copper and Gold (US: FCX)

-AngloAmerican (UK: AAUKY)

-MolyCorp (USA: MCP)

NOTES: [A terrific source link for global metals prices:](#)

## URANIUM

Spot Price \$34.85 Floor Support \$34.30 Fair Value \$26.33

Uranium is a heavy metal, and a 20<sup>th</sup> century energy source as well as a 20<sup>th</sup>-century weapons base. Though electricity generation via uranium fuel rods that heat water to create steam to drive a turbine is very efficient, uranium is not a 21<sup>st</sup>-century fuel, it is a 20<sup>th</sup> century fuel. Uranium is far less 'green' than oil or natural gas, and far more dangerous than coal because humans are not responsible enough to use uranium for fuel and deal w nuclear waste disposal & byproducts, a problem which requires long-term planning and relies also on the absence of earthquakes aand volcanoes as well as reliable human intelligence and planning, which is just something that is just not possible. Humans cannot plan centuries in advance let alone control nature. There are no uses for uranium except as a fuel to power submarines and aircraft carriers, and which under those circumstances have rigid military discipline and responsibility codes. And as a mass-annihilation weapon. Which we will, we believe, see used once more, by Iran.

[Japan has acknowledged that as a result of the Fukushima disaster, some millions of Japanese who lived in the now-radioactive disaster area are permanently displaced.](#)

Uranium use as a source of electricity generation is on the wane. Watch Germany and Japan as markers for the fate and future of uranium as a power source. By 2020 80% of Western Hemisphere energy production will be wind and solar. Coal for electricity generation is now basically a lobby not a source.

To invest in uranium:

-Global X Uranium ETF: (USA:URA)

## **WATER**

The Great Lakes: <http://articles.latimes.com/2014/mar/09/nation/la-na-great-lakes-frozen-20140310>

Greenland: <http://www.weather.com/news/science/environment/greenland-glaciers-melting-faster-thought-raising-sea-level-rise-fears-20140317>

<https://www.google.com/#q=greenland+glacier+melt>

Water is the ultimate commodity. Fresh Water is now often called "blue gold." Water is the new oil and the new gold. Fresh water is no longer expendable easily available or cheap or free. This has been a problem for at least two decades and the problem is becoming acute:

[http://news.bbc.co.uk/1/hi/english/static/in\\_depth/world/2000/world\\_water\\_crisis/](http://news.bbc.co.uk/1/hi/english/static/in_depth/world/2000/world_water_crisis/)

In the US, only two of the nation's Great Lakes, Lake Huron and Lake Superior, are still very clean. Lake Michigan is in medias res, but don't even think about swimming in Lake Erie or Lake Ontario.

During the TwentyTeens and the TwentyTwenties, invest in companies that are based in or have huge assets in nations which have big fresh water reserves: [Water as the Next Major Asset Class](#)

The Largest Fresh Water Reserves:

Russia 9.4%

Canada 6%

USA has 5.5% of the world's fresh water, much of it in Alaska and the Great Lakes, which are being damaged by the day and which at some point will not be able to provide for an American population of 350 million

Indonesia 5.1%

China 5.1%

Colombia 3.9%

Peru 3.5%

India 3.5%

The Democratic Republic of Congo 2.3%

(also Bolivia New Zealand Iceland and Gabon)

## TO INVEST IN WATER

-Powershares Water Resources Portfolio: (PHO)

-Powershares Global Water Portfolio ETF (PIO)

-Nasdaq OMX US Water Index: (GRNWATUSL)

-Nasdaq UMS US Water Total return: (GRNWATUSLX)

-First Trust ISE Water Index (FIW)

-The Dow Jones US Water Index Fund: (DJUSWU)

-Nestle (FRA: NESR) (USA: NSRGY NSRGF)

-Coca Cola (USA: KO)

-Blackrock (USA: BLK)

-California Water Services Group (USA: CWT)

-Greif (GEF) global packaging & containers. [Award-winning new global product:](#)

## CEMENT

<http://www.investing.com/indices/tcesi>

Industrial construction mats are have yet to respond to the Global Infrastructure Buildout that will last for two decades or more but will as the USA & EU monetary crises end

To invest in cement:

-Cemex (Mexico: CX)

- CSN (Brazil: SID)

-Holcim (Swiss: VTX:HOLN) (USA:HCMLY)

-Buzzi Unicem MIL: (Italy:BZU) (USA:BZXZUY)

-LaFarge (France: PAR:LG) (USA:LFRGY)(LSE:0HAP)

-Anglo-American (UK: AAUKY)

-Heidelberg Cement (Germany: LSE:0MG2) (USA:HDELY)(XETRA: HEIX)

To invest in Basic Matls upward:

-Direxion Basic Matls Bull 3X Shares (MATL) (leveraged)

To short Basic Matls:

-Direxion Basic Matls Bear 3X Shares (MTAS) (leveraged)

## LUMBER

Fair Value 478, Current Futures 334. Earth's largest reserves of hardwoods are in Brazil, Canada Indonesia, Malaysia SE Asia and Siberian Russia. By far the largest lumber resources are in Russia, and those reserves are expanding. Siberia's once-treeless and permafrost-zone tundra is probably warming for at least the rest of our lifetimes and has been for fifty years, say researchers in the UK and Scandinavia, allowing alders, willows and other hardwood trees to spread across a great deal of the once-barren Russian tundra, adding to Siberia's taiga, or wilderness hardwood forest expanses. Increasing US construction affects the big commercial construction companies as well, but most big USA industrial and commercial contractors (Bechtel, Cafritz, Setterlin, etc) are privately-held.

To invest in lumber:

iShares Global Timber & Forestry ETF (WOOD)

Plum Creek Timber (USA: PCL) Forests REIT

Rayonier (USA: RYN)

## **CORN**

Spot Futures \$4.79, Fair Value \$6.60

<http://www.agweb.com/crops/>

Much flooding this spring due to severe snowfall in the American Heartland. Brazil's corn crop, now in harvest, may not be all that great. Corn is undervalued

To invest in Corn:

-CORN

-GRU

-JJG

## **WHEAT**

Spot Futures \$6.97 Fair Value \$8.93 <http://www.agweb.com/crops/>

To invest in Wheat:

-Elements MLCX Grains Index TR ETN (GRU) (up 25.99% YTD)

-Teucrium's Wheat ETF (WEAT) an ETF based on wheat futures on CME's CBOT, the Kansas City Board of Trade and the Minneapolis Grain Exchange

<http://seekingalpha.com/article/965651-all-about-the-wheat-etf>

## **OATS**

Spot Futures \$4.15, Fair Value \$6.30 <https://www.google.com/#q=oat+crops+2014>

<http://www.agweb.com/crops/>

## SOYBEANS

Spot Futures \$14.07 Fair Value \$16.80

A tough call for farmers this spring because corn prices have been low, in the \$4 range, and farmers think they can earn more from acreage in soybeans, [but corn prices are rising](#)

To invest in rising soybeans:

-SOYB

## RICE

Spot Futures \$15.43, Fair Value \$18.90

Rice is the basic daily food for half the world's population. It's becoming apparent that (A) there isn't enough rice to feed 3.6 billion Asians and (B) not all of those people can afford to buy rice even if we can get it to them and that (C) the harvested rice is in the wrong places relative to starvation and that no one can export it to where it is needed to feed starving millions because no govt will pay the tab and food is a private industry. Food shortages are on the way later this decade in several parts of the world. There is so far no ETF or ETN specific to rice. Broader investment vehicles which include rice:

-DBA

JJA

-RJA

## SUGAR

Spot Futures \$0.1669 Fair Value \$0.3133 <http://www.cmegroup.com/trading/agricultural/softs/sugar-no11.html>

Sugar is as undervalued as we have ever seen it

Brazil's [Sao Martinho SA \(SMTO3\)](#), owner of the world's largest cane-processing plant, is forecast to post the biggest profit gain among major sugar makers this year as it boosts productivity to process a record 2013 sugar crop

To invest in sugar:

-Cosan SA (USA: CZZ)

-Sao Martinho (BZ: SMTO3) not available on US indexes

-SGAR

-SGG

-CANE

## **COCOA:**

Spot Futures \$2.97 Fair Value \$3.40 <http://www.cmegroup.com/trading/agricultural/softs/cocoa.html>

[Ecuador has taken over, in early 2014, from Brazil to become the world's largest producer of chocolate](#)To invest in cocoa:

-NIB

-Nestle

## **COFFEE**

Spot Futures \$1.79 Fair Value \$2.16 <http://www.cmegroup.com/trading/agricultural/softs/coffee.html>

Spring 2014 coffee prices in the US should fall for two reasons: a big crop in Latin America (supply) and falling demand (demand) in the US for \$8.99 luxury coffees, higher than the USA's minimum wage. Various discount houses (WMT BIG FDO DG) are undercutting supermarkets like Kroger and Safeway with house brands

To invest in Coffee:

-JO

-CAFÉ

-Nestle

- Starbucks (USA: SBUX) (world's largest coffee company)

## **COTTON**

Spot Futures \$0.93 Fair Value \$1.26 <https://www.google.com/#q=cotton+prices+2014>

To profit from rising Cotton prices:

-BAL

-CTTN

TO INVEST IN A BROAD-BASED FARM-COMMODITIES FUTURES PRICE RISE:

-Elements Rogers International Commodity Agriculture ETN (RJA) replicates the Rogers Intl Commodity index and is a basket of 20 agricultural commodity futures contracts

-Market Vectors Agribiz ETF (MOO)

-Powershares DB Agriculture Fund (DBA)

-GRU

-JJG

-AGF

-JJS

-TAGS

-FUD

-COW

-UBC

-USAG

-GrainCorp (Australia: GNC) Middleman grain storage handling & processing, Market Cap \$1.91bil

-Archer Daniels Midland (USA: ADM) Grains Middleman

## **PETROLEUM**

Fair Value \$62, Spot Price \$100.37 Floor Support \$ \$98

<https://www.google.com/#q=petroleum+price+2014>

<https://www.google.com/#q=petroleum+and+panama+canal+expansion>

<https://www.google.com/#q=straits+of+hormuz>

Iran has not backed down from its nuclear weapons ambitions. This could, no it will, get messy, especially once it becomes clear to those who believe the world is inherently a “good” place and the people have ‘good’ intentions, that Iran has the Bomb and is working nonstop on a delivery system

[Meanwhile, inside the US, a cultural war on men limits America’s ability to fight or defend anything.](#)

Iraq remains in political turmoil, but at the same time is undergoing an oil boom. Who benefits most from Iraq’s production boom? The Chinese:

<http://www.nytimes.com/2013/06/03/world/middleeast/china-reaps-biggest-benefits-of-iraq-oil-boom.html?pagewanted=all& r=0>

Venezuela has the world’s largest unexploited reserves of petroleum and is undergoing a change in government. Venezuela has the largest petroleum reserves of any nation on earth: more oil than Saudi Arabia. How oil shale plays into it, and the USA’s position in it, has yet to play out.

<http://topics.nytimes.com/top/news/international/countriesandterritories/venezuela/index.html>

<https://www.google.com/#q=venezuela+and+petroleum+reuters>

A vast, once-inhabited area that was submerged by the North Sea thousands of years ago has been discovered by divers working with oil companies and science teams from several British universities. This underwater world, called Doggerland and often called ‘Britain’s Atlantis,’ once stretched from Scotland to Denmark when Britain was not an island but connected to the European continent (a hint: there used to be European brown bears in Scotland and Wales) It’s now underwater and hosts huge oil reserves.

To Invest into Doggerland petroleum:

Royal Dutch Shell (Holland: RDS: B RDS:A)

Back in the USA, America is becoming the world’s largest oil exporter and is likely to remain so via oil shale even as fracking is being discredited as destructive to our groundwater.

TO INVEST IN RISING PETROLEUM

-Chevron (USA: CVX)

-Exxon Mobil ((USA:XOM) strategic agreement with Russia’s Rosneft to join in cooperative exploration & development activities both in Russia and other parts of the world (Africa and Asia)

-ConocoPhillips (USA: COP)

-Royal Dutch Shell (Holland: RDS-A RDS-B) A MARKET WITCH PORTFOLIO FOUNDATION STOCK New CEO

-Total (France: TOT) 14,725 gas stations in Europe, plus a lot more A MARKET WITCH PORTFOLIO FOUNDATION STOCK

<http://finance.yahoo.com/q/pr?s=TOT+Profile> EPS \$5.28 P/E 10 STRONG BUY

Plus DIG RIG DBO DXO PBR and the United States Oil Fund USO

An easy way to invest in energy:

-SPDR Energy Select (XLE)

An easy way to speculate:

-Oil Futures Contango ETN (OILZ)

To short oil:

DDG,

DTO

## NATURAL GAS

Spot Futures \$4.32

[This has fallen back down from a record high as we leave behind the winter of 2013-2014](#)

With so much natural gas available, why were natural gas prices so high? [Because the producers and middlemen \( and your local gas co\) can get away with it.](#)

[Brazil may have twice as much onshore shale gas as estimated and Brazil is auction auction off acreage to drillers:](#)

To invest in this: Royal Dutch Shell (Holland: RDS-A) (RDS-B)

The US reportedly has enough reserves of “shale-gas” natural gas to run the USA for a century or even two centuries. Fracking will bring a great deal of cheap natural gas to world markets over the next few years but there will be an enormous environmental price to pay for it. There are huge shale gas reserves in the US but also in Germany, Siberia, the Middle East including Iran, in Australia, in Canada’s Northwest Territories, and Greenland, and throughout much of Africa, especially South Africa.

But Russia has fully 1/3 of the planet’s natural gas reserves. And Russia’s willingness to sell gas to Europe defines the circumstances under which Europe would confront Russia about anything.

There is so much available natural gas worldwide and more coming in the future that it may become the preferred fossil fuel of the 21<sup>st</sup> century.

The USA's natural gas industry believes the govt has low-balled the size of the reserves and the value of Utica Shale Reserves share of natural gas reserves. Govt says the size of the estimated reserves of both petroleum & natural gas in this region is worth \$224 bil: \$138 bil in natural gas \$86bil in oil. The industry says these reserves are worth more than \$500bil, more than half a trillion dollars. We think the industry's view is correct.

To invest in USA's Natural Gas infrastructure:

CBI

KMP

Royal Dutch Shell (Holland: RDS-A RDS-B)

BHP Billiton (UK/Australia: BHP BBL) (owns fracking co's Cheapeake Energy and Petrohawk)

Total SA (France: TOT)

To invest in Natural Gas futures (upward or downward)

-Natural Gas Futures Contango ETN (GASZ)

-United States Natural Gas Fund (UNG)

## **COAL**

[Coal as an energy source is steadily being politically and politically-correctly run out of town in America by environmentalists the EPA and the Obama crowd.](#)

Coal is far safer than uranium as a source of electricity. A common bumper sticker in West Virginia:  
Support Coal or sit in the Dark

As with Uranium, we believe coal is an energy source from an earlier century. Uranium is from the 20<sup>th</sup> century but coal is from the 19<sup>th</sup>, although coking coal may be used in steelmaking for at least another half-century or more. Los Angeles reportedly has recently banned coal-fired electric power plants. Some 50-60% of electricity produced in the USA's midwest is still coal-fired

To invest in Coal:

-Market Vectors Coal ETF (KOL)

-BHP Billiton (UK/Australia BHP BBL)

-Vale (Brazil: VALE)

## ETHANOL

Currently \$2.59 on the Chicago Mercantile Exchange

Ethanol, like coal, is being buried, in the United States, by politics:

<https://www.google.com/#q=ethanol+and+big+oil>

<https://www.google.com/#q=ethanol+and+the+winter+of+2014>

<http://www.nasdaq.com/markets/ethanol.aspx>

The state of the US ethanol industry can be summed up: Under siege from Big Oil. The Petroleum Lobby controls Washington. That lobby has unleashed a horrible PR campaign against US farmers over “phosphate runoff as a terrible and destructive thing, while destroying the US groundwater system via fracking. American agribiz does not have the financial clout to initiate a PR campaign of its own.

Although the ethanol as a transportation and freight fuel has been a huge success in Brazil, which produces ethanol from sugar cane, ethanol production in the USA is a political football. The Oil Lobby is determined that ethanol-from-corn, as a replacement for petroleum, will be stamped out.

<https://www.google.com/#q=proposal+would+cut+ethanol+in+gas>

<https://www.google.com/#q=ethanol+from+corn>

The Oil Lobby has waged a fierce PR campaign against ethanol-from-corn, and has essentially won by selling the media a lie about corn:

<https://www.google.com/#q=the+dirty+secret+cost+of+obama's+green+energy+push>

<http://www.agrilabs.com/t-BHWA-EthanolCoProducts.aspx>

## GASOLINE

Currently \$2.93 on the CME and \$3.89 national average at the pump. To watch the USA's inflation, watch groceries bacon beer and gasoline. Gasoline prices reached \$5 in California during 2012 and that may be a US benchmark high because now, fewer Americans are driving. Many Americans can no longer afford to purchase maintain and insure a car. American households currently spend an average of \$2912, or about 4% of household pretax income, tanking up their cars. As we pass through 2014 and head toward 2015 many more US households will not be able to spend this kind of money on gasoline and small motorbikes and bicycles and ‘cargo bicycles’ will become far more common.

We are well on the way to licensure and insurance for bicyclists in the US.

To invest in rising Gasoline:

-UGA and the primary oil companies, our favorite is Shell (Holland: RDS-A RDS-B)

## DIESEL

USA

\$3.02 at NYC \$2.87 at Long Beach \$4.29-4.49 at the pump  
<http://www.indexmundi.com/commodities/?commodity=diesel>  
[http://www.eia.gov/dnav/pet/pet\\_pri\\_spt\\_s1\\_d.htm](http://www.eia.gov/dnav/pet/pet_pri_spt_s1_d.htm)

World Bank prices per liter in US dollars by country:  
<http://data.worldbank.org/indicator/EP.PMP.DESL.CD>

Diesel fuel is globally indispensable both as AgriBiz fuel (tractors combines et al) and as the power to move goods by truck & rail and will be for decades to come. Who makes money? Not just the oil companies but also the consumer goods retailers like Lowes and Kroger, and the railroads and trucking companies, which simply raise freight rates as the price of diesel rises (or falls)

## GLOBAL CURRENCIES

Exchange rates displayed are the middle point between bid and ask) [details]

Currency	<u>Chg%</u> <u>X=1\$USD</u>	NY Time	X= 1\$USD	X\$USD =1	Gold Price/oz	Gold Chg	Gold Chg%
<u>US Dollar</u>	--	03/21-12:43	--	--	1335.40	+6.90 ▲	+0.52%
<u>Australian Dollar</u>	+0.53%	03/21-12:40	1.1005	0.9087	1469.54	-0.25 ▼	-0.02%
<u>Brazilian Real</u>	+0.67%	03/21-12:43	2.3167	0.4316	3093.72	-4.74 ▼	-0.15%
<u>British Pound</u>	-0.02%	03/21-12:43	0.6062	1.6496	809.52	+4.32 ▲	+0.54%
<u>Canadian Dollar</u>	+0.33%	03/21-12:43	1.1204	0.8926	1496.12	+2.75 ▲	+0.18%
<u>Chinese Yuan</u>	+0.04%	03/21-04:40	6.2203	0.1608	8306.59	+39.60 ▲	+0.48%
<u>Euro</u>	+0.10%	03/21-12:43	0.7248	1.3798	967.83	+4.07 ▲	+0.42%
<u>Hong Kong Dollar</u>	+0.08%	03/21-12:42	7.7589	0.1289	10361.24	+45.76 ▲	+0.44%
<u>Indian Rupee</u>	+0.72%	03/21-07:30	60.9000	0.0164	81325.86	-164.33 ▼	-0.20%
<u>Japanese Yen</u>	+0.08%	03/21-12:42	102.3450	0.0098	136671.51	+593.26 ▲	+0.44%
<u>Mexican Peso</u>	+0.26%	03/21-12:42	13.2147	0.0757	17646.91	+44.68 ▲	+0.25%
<u>Russian Ruble</u>	+0.41%	03/21-12:40	36.2425	0.0276	48398.23	+50.80 ▲	+0.11%
<u>S.African Rand</u>	+0.34%	03/21-12:42	10.8750	0.0920	14522.48	+25.22 ▲	+0.17%
<u>Swiss Franc</u>	+0.08%	03/21-12:42	0.8831	1.1324	1179.22	+5.16 ▲	+0.44%

These tables are courtesy of [Kitco](#), our mentors in data, currencies, hard money, and wisdom and who thoroughly understand the 21<sup>st</sup> century economics of hard assets vs soft paper currencies. Kitco is based in Montreal and is one of our favorite source companies. Founded in 1977 by Bart Kitner in his apartment kitchen table in Montreal. We couldn't do what we do without Kitco. You can buy physical gold from Kitco and have it delivered. They'll bring it in a FedEx truck.

## EURO

\$1.381

Fair Value is about \$1.49 <https://www.google.com/#q=the+euro+currency+2014>

The European Central Bank has kept its prime rate at a record 0.25% low because of concerns of “no recovery” and low inflation. Low rates can yes stimulate growth but the ECB has no room left to cut except to give away free loan money. The ECB may now try ‘directed loans’ offering essentially free money to commercial banks on condition they not hold it but loan it out, via extremely cheap loans, to companies.

The US wants the EU and the UK to stand with the US in confronting Russia over returning a part of the 300-year old Russian Empire to itself, valid since the time of Catherine the Great. The EU won't do it because Russia controls their natural gas supply. The UK won't do it because it's not in their economic interest.

TO INVEST IN EUROPE:

-iShares MSCI Spain Index (EWP)

-iShares MSCI Germany Index (EWG)

-iShares MSCI France Index (EWQ)

-iShares MSCI Europe Financials (EUFN)

-iShares MSCI Germany Small Caps (EWGS)

iShares MSCI Denmark (EDEN)

iShares MSCI Netherlands (EWN)

-iShares Euro Stoxx 50 (EUE)

- iShares MSCI Germany Index fund (EWG) an ETF of the strongest EU economy

-iShares MSCI Italy 25 index (EWI)

Long-Euro ETFs:

-FXE

-EU

-ERO

Double-long (leveraged) Euro ETFs:

-ULE

-URR

To short the Euro:

-DRR

-EUO

-EUFX

## US DOLLAR

DXY is at \$80.14 <http://www.bloomberg.com/quote/DXY:CUR>

Official inflation rate is approx. 2%. Real inflation rate has been more than 7% so far in 2014.

The US economy is worse than it was a year ago for ordinary Americans. Forced retirement is a problem. The byword is complacency, or more accurately a general giving up and sense of hopelessness, since Americans are coming to accept their current circumstances (working two McJobs, \$3.65 gasoline, high priced child care, no discretionary income etc) as the New Normal. Yellin's Fed wants out of the Bernanke Fed's job of propping up the equities indices, and will raise the Fed rate

The biggest and saddest black-humor comedy of our time is the official financial view that gold is the realm of "gold bugs" and that the USD has strong value.

The USA now ranks 16<sup>th</sup> among industrialized nations in the rankings of the world's educated/skilled labor forces. That status makes the USA a coming Third World Country and also makes it impossible for the US labor force and ordinary Americans to sustain economic dominance into the new century's global economy and maintain a Middle Class standard of living. Americans' standard of living will continue to fall for as far into the future as we can see, as other countries' labor force income rises, and that's til around 2018, when it may start to even out, a level global playing field for workers. But believe us: Americans are not going to be happy with their position on this field. Burger-flipping in the US < \$7.25/ hr vs burger flipping in SE Asia < \$0.47/hr you can see what's going to happen

To track the US dollar, here are primary markers in addition to the DXY:

-The CBOE Interest Rate 10-Year T-Note (TNX) rising is supposed to mean things in the US are getting better, actually rising means inflation

To invest in the US Dollar upward (fat chance with a \$17.3 trillion public debt)

-Powershares DB US Dollar Bullish Fund (UUP)

-First Trust IND/PROD Alpha/DEX Fwd ETF (FXR) a play on the Russell 1000 that stays away from US bonds

To invest in the US bond market upward:

-iShares Barclay 20-Year Treasury ETF (TLT)

-ProShares Ultra 20+Year Treasury ETF (UTF)

Do not invest in US-dollar-denominated bonds or in US muni bonds now: these are too dangerous as the USA's federal state and city governments continue to financially-implode long-term.

To short the US economy in general:

-Direxion Daily Small Cap 3X Bear (TZA)

To short the US bond market:

-ProShares Short 20+ Year Treasury (TBF) This fund has about \$1bil in total assets, allows investors to short long-dated U.S. Treasury bonds

-iPath US Treasury 10-Year Bear Fund (DTYS) to short medium-length Tbills. DTYS has gained a 4% return so far in 2011. This one stands to gain dramatically in August as a USA monetary showdown looms

-iPath US Treasury 2-Year Bear Fund (DTUS) DTUS offers lower risk but also lower return potential

To short the US dollar:

-ProShares UltraShort USD (UUP) See also (TLT)

## **BRITISH POUND**

\$1.65 Fair Value is about \$2.13

News in General: <http://www.wrx.zen.co.uk/britnews.htm>  
<http://uk.reuters.com/>

The UK has its own problems and not the least of them is the issue of Scottish Independence. [London is trying to play down the strength of this movement but no less a personage than Sean Connery, James Bond himself:](#)

The referendum vote is in the autumn of this year. Connery has a tattoo on one arm that says Scotland Forever.

British will issue a new 5-pound note beginning in 2016, made of polymer not paper. Has Winston Churchill's portrait on it, will last 2X-3X longer than paper, and will be enormously hard to counterfeit.

The UK and gold

UK has lowered its top tax rate from 50% to 45% and also has lowered its corporate tax rate to 24%.

To invest in the British pound against the US dollar:

CurrencyShares British Pound Sterling Trust (USA: FXB) (Guggenheim)

## **BRAZILIAN REAL**

\$0.437

Fair Value around \$0.50

[Brazil's current inflation rate has turned out to be far lower than everyone \(but us\) expected:](#)

News in general: <http://www.bloomberg.com/markets/stocks/movers/bovespa/>

<https://www.google.com/#q=brazil+economy+2014+thriving>

<http://www.reuters.com/places/brazil>

Brazil and Deere (USA:DE)

<http://seekingalpha.com/article/1915921-how-brazil-will-affect-deere?source=yahoo>

Brazil is now the world's 5th largest economy. And the 2<sup>nd</sup> largest economy in the Western Hemisphere behind the US and above Mexico. If you think Mexico is a sleepy village with an economy based on tourism, drugs and fishing you are sadly mistaken.

A useful mainstream info source for Brazil: [the Rio Times](#)

Of continuing importance: this link below to an article about the expansion of the Panama Canal explains the effect expansion will have on Brazil and on the the USA as well especially on eastern ports and eastern RRs CSX & NSC. The US had a major opportunity after the New Orleans hurricane to turn that port into the USA's primary 21<sup>st</sup> century port. The US govt blew it, showed no vision, did not lift a finger. That position now goes to Savannah Georgia. to play it: CSX NCS & Rayonier RYN

<http://www.minyanville.com/business-news/markets/articles/natural-gas-port-canal-Panama-Canal/8/17/2012/id/43178?page=4>

To invest in the Brazilian Real rising against the US dollar:

-Wisdom Tree Dreyfus Brazil Real Fund (BZF) STRONG LONG-TERM BUY

To short the Brazilian Real:

BZQ

## MEXICAN PESO

\$0.0757

Mexico's prime rate is 3.50% and [Mexico has left that record-low rate unchanged](#):

News in general: <https://www.google.com/#q=Mexico+economic+news+reuters&tbm=nws>  
<https://www.google.com/#q=mexico+newspapers+in+english>

Mexico is Latin America's 2<sup>nd</sup> largest economy behind Brazil. Mexico is resource-wealthy and manufacturing-wealthy in a way that the People's Republic of America no longer is. But you'd never know it from the seven-cent currency. This country's minerals, metals, basic resource and Agribiz resources are quite real.

Japan's Nissan (USA:NSANY) Motor Co, the largest automaker in Mexico and the maker of the beloved workhorse Pathfinder™ SUV, is starting Mexican production of the Nissan Note™ a subcompact that Nissan and Mexico will export throughout the Latin America

To short the Mexican Peso:

SMK

## IRANIAN RIAL

Approx 25,125 to one US dollar <http://www.x-rates.com/table/?from=USD&amount=1.00>

[It's a strong economy as well as an ancient and powerful and wealthy country, and is outside the law according to our values](#)

Iran has been playing for time, and, we believe, already has its Bomb. Next: the means to deliver it. War's coming.

News in general: <https://www.google.com/#q=iran+news>  
<https://www.google.com/#q=iran+newspapers+in+english>

Iran is governed by a form of religious totalitarianism. Iran is a nation of young people and old religious leaders and politicians. [Don't be fooled however that young Iranians like us:](#)

Iran is a theocracy. The Iran Presidency in actual function has no real power and is similar to what we might view as a diplomatic post. No power. Iran is ruled by a few elderly Muslim clerics headed by the Supreme Ruler Ayatollah Ali Khamenei. This group of elderly religious clerics are old bearded men most of them in their 80s, governing a nation of young people. Median age of Iranian women: 25. Median age of Iranian men: 24. Iran's Governing men are much out of touch with mainstream Iran population. But make no mistake, these young Iranians are not like us and they are not westerners and they place no value on US culture or values though they value European chic. Their world view: their culture is 6,000 years old. As such it is better than your culture. They could care less about Donald Duck and Mickey Mouse. There will never be a Disney World™ in Iran. Iranians like money success progress cool apartments neat houses good jobs and European chic. They have a generational issue with the Ayatollah regarding clothes freedoms cars ambitions womens equality issues etc etc...but they are very very nationalistic. They are pleased with Iran's nouveau nuclear status. And they are very much Muslim and very much proud of it. They have less issue with Iran's potential nuclear destruction of Israel than the US diplomatic community realizes because they too see it as a cleansing of Islamic turf. This will come to a head.

To study and invest in currencies not listed in Mainstream financial data: <http://fx-rate.net/>

## TURKEY

Turkish Lira \$0.447 against the USD <http://www.x-rates.com/table/?from=USD&amount=1.00>

News in general: <http://www.reuters.com/places/turkey>

<https://www.google.com/#q=turkish+newspapers+in+english>

Turkey's projected Annual Revenue Growth 20.2% for the next five years, the ETF TUR is a STRONG LONG-TERM BUY

[An enormous copper find has been made in Turkey:](#)

Turkey's economy is between East and West and has held that position for at least 4000 years. Strong modern economy. World's 4<sup>th</sup> largest sales market for gold. Population: 74.9 million. Standard of living: 60% of the population earns \$100-\$350 a month. Legal minimum (state-controlled) salary \$100/month. Level of poverty much higher than Brazil's.

The Capital: Ankara, a remarkable city to visit. [Ankara](#)

The Real Capital: Istanbul. The ancient port of Constantinople. One step too far from Europe, not far enough to get to Far East Russia, The Caucasus, or China. The link between the Saharan commodity trade

routes and the Silk Road. A center of both land and oceanic trade and commerce for- no one knows- thousands upon thousands of years. [Istanbul- the Topkapi Museum](#)

A city which, like Fez, Granada, Tokyo, Kyoto, Shanghai, Cairo, Papeete (pronounced papa-ete), Berlin, Vienna, and Rio de Janeiro, everyone should visit at least once.

Stock exchange: Borsa Istanbul Stock Exchange. Largely ignored in the West but Bloomberg tracks it.

Keeping track of it: Borsa Istanbul National 100 Index: <http://www.bloomberg.com/quote/XU100:IND>

## TO INVEST IN TURKEY

-iShares MSCI Turkey Market Index Fund ETF (USA: TUR)

## SWISS FRANC

\$1.13+ and still rising

News in general: <https://www.google.com/#q=switzerland+economic+news+reuters&tbm=nws>  
<https://www.google.com/#q=swiss+newspapers+english>

Switzerland is home to 15 Fortune magazine Global 500 companies, up from 11 in 2002. The Swiss currency, since 2011 pegged to the Euro, still requires a 40% backing in gold. For six years in a row, the Swiss govt has run budget surpluses. Since 2005, the Swiss federal debt has been paid down by \$21 billion. The wealthy are hoarding 1000-franc Swiss banknotes as well as gold ETFs and gold stocks. To invest in Switzerland: SGOL, a gold bullion trust ETF.

## TO INVEST IN SWITZERLAND

Swiss Francs: <http://internationalinvest.about.com/od/foreigncurrencies/a/Swiss-Currency-How-To-Invest-In-And-Buy-Swiss-Francs.htm>

-Currency Shares Swiss Franc Trust (USA: FXF)

-iShares MSCI Switzerland Capped Index Fund (USA:EWL)

## TO MOVE YOUR US DOLLARS INTO SWISS FRANCS WITHOUT LEAVING YOUR CHAIR:

-or through a deposit in USA's [Everbank](#) in US dollars and then asking Everbank to hold the deposit in Swiss Francs

## CANADIAN DOLLAR

\$0.892 and has been falling against the US dollar for some months. Canada has huge potential wealth and needs more people.

News in general: <http://ca.reuters.com/news/domestic>  
<http://www.world-newspapers.com/canada.html>

The World's 2<sup>nd</sup> largest country in square miles is home to enormous natural resource mineral wealth and agricultural wealth as well, and serves as one of planet earth's prime breadbaskets. Canada also has no people. If everyone in Israel moved from there to Canada in order to avoid being incinerated by Iran, an addition of 7.3million Israelis to Canada would increase Canada's population by 25%. More people live in metro Mexico City or Metro Cairo or metro Tokyo than live in Canada. For the first time in our adult lifetimes, Canada's population has grown 5.9% over five years, to 33.5million. It's the fastest population growth rate among the 8 leading industrialized nations. Increasingly both Americans and Europeans view Canada as one of the primary 21<sup>st</sup> century lands of opportunity. Canada ranks #1 as the best possible country in the world for women to live in, in terms of health care, job opportunity, educational opportunity and freedom from sexual abuse/slavery (the USA by the way ranks 6<sup>th</sup> and is headed toward 5<sup>th</sup>) Iceland, a world fishing stronghold, applied to join the EU in 2009, at first wanted to adopt the Canadian dollar and join Canada, then wanted independence, now is most likely to stay with Denmark. Meanwhile, Canada Russia and Afghanistan are the primary zones of the world's unexploited resources. Forbes reports that Canada has the world's soundest banking system and Canada has been ranked #1 for four consecutive years into 2013.

<https://www.google.com/#q=what+to+do+if+i+want+to+move+to+canada>

## AUSTRALIAN DOLLAR

\$0.901

News in general <https://www.google.com/#q=australia+economic+news+reuters>  
<http://www.reuters.com/places/australia>  
<https://www.google.com/#q=AUSTRALIAN+NEWSPAPERS>

[Australia's currency is worth about \\$0.96 against the USD](#)

Australia is the world's 2<sup>nd</sup> largest gold producer, behind China. The 'Aussie' is essentially a 'commodity currency' based on the national economic emphasis on mining and resource development. [Mining continues to be a boom industry there:](#)

Australia's national debt is about 18% of annual GDP (Greece's by comparison is 156% and the USA's is currently about 116%)

Australia is a safe place. You can buy gold and/or Australian Gold Certificates via the [Perth Mint](#) and these offer ends-of-the-earth safety. A nuclear weapons exchange could go off in the Middle East, and

Australia's economy would simply chug on, undeterred, much similar to the scenario in [On the Beach](#) ... Aussies would continue to export iron ore to China would continue to import wheat from Canada, Aussies would continue to vacation in Macau New Zealand, etc.

This island continent nation, the planet's 6<sup>th</sup> largest country after Russia China Canada the USA and Brazil, is, like Canada, a land devoid of population. Australia has only 22,621,000 residents. It's also one of the world's last-stand freedom countries (if you believe in freedom, something the US once had but no longer does, Mexico is 'free-er' than the USA is and Australia is 'free-er' than Mexico) the People's Republic of America having become a police state. (if you doubt this try flying on a commercial airliner from a US airport) Australia is also ranked #4 of the world's best countries for women, while the US ranks 6<sup>th</sup>.

#### TO INVEST IN AUSTRALIA

Relevant Australian ETFs include: Stocks - [EWA](#), [EWAS](#), [KROO](#), [AUSE](#), [FAUS](#). Bonds - [AUD](#), [AUNZ](#); Forex - [FXA](#), [GDAY](#), [CROC](#)

### JAPANESE YEN

\$0.0098 about 102 to the US dollar

News in general: <http://www.japantimes.co.jp/>  
<http://www.japantoday.com/>  
<https://www.google.com/#q=reuters+japan&tbm=news/>

<https://www.google.com/#q=japanese+newspaper+in+english+today>

#### TO INVEST IN JAPAN

iShares MSCI Japan (USA: EWJ)

-IQ Japan Midcap ETF (RSUN) an ETF of mostly domestic Japan stocks

#### TO SHORT THE JAPANESE YEN

-YCS

-EWV

### INDIAN RUPEE

\$0.0164

News in general <http://economictimes.indiatimes.com/>

<http://in.reuters.com/>

<https://www.google.com/?q=indian+newspapers+in+english> Two-thirds of India's 1.2 billion people live on less than \$2 a day. Is this a challenge to America? Not really.

Is India a country? Or a hodgepodge with borders? There are 26 states. There are 24 official languages. There are 185 dialects and 186 newspapers in those dialects. There are more than 200 political parties.

India is the world's largest democracy and Asia's 2<sup>nd</sup> largest economy (China's first, Japan is 3<sup>rd</sup>). And is the world's second largest steelmaker. India's people own 11% of the entire planet's available physical gold. Indians are importing a remarkable amount of gold to safeguard their savings. Indians bought more than 1200 tons of gold from outside the country during the last 2 Qs of 2012. Purchases of gold by individuals in India account for about 25% of all the physical gold sales in the world. Many Indians also buy gold jewelry as a way to launder undeclared cash and keep their wealth outside the formal (taxable) economy, as well as for dowries for marrying daughters. What they say in the bazaars of Bombay: "Money can change value, but when you have gold, no one can cheat you."

TO INVEST IN INDIA

-iShares MSCI India Index ETF ( USA: INDA)

To short Emerging Markets:

-EEV

## **RUSSIAN RUBLE**

\$0.0282

Uh oh. Russia wants its historic empire back. Not just Putin but the vast majority of the very conservative and very Russian Orthodox Russian people want it back, too. And they have chosen Vladimir Putin to get it back for them.

Next up in Russia's new bid for post-USSR recognition:

Sochi, autumn 2014: the Russian Gran Prix October 2014 which puts Sochi once more back on the map and brings Russia into the elite set of nations with major Formula One auto racing. And Russia's 2018 World Cup soccer championships.

News in general <http://www.reuters.com/places/russia>  
<http://www.themoscowtimes.com/>

Star of the Show: [Vladimir Putin:](#)

[Russia is not only the world's largest oil producer, Russia is also one of the world's biggest buyers of gold:](#)

TO INVEST IN RUSSIA

-iShares MSCI Russia Capped Index Fund (USA: ERUS)

-RXSJ

## CHINESE YUAN

\$0.1653

News in general <https://www.google.com/#q=china+newspapers+in+english>  
<https://www.google.com/#q=china+economic+news+reuters>  
<http://www.reuters.com/places/china>

[Chinese are not only buying homes in the US, but also in Australia:](#)

China is the world's largest gold producer. Gold is more affordable for Chinese buyers now than early in the last decade despite the run-up in price, says Deutsche Bank. "We find that U.S. household income in gold terms has declined by 63% from its peak in 2001, largely a function of a 10-year bull run in gold prices and sustained decline in traded-weighted USD," the bank says. "In contrast, China's household affordability of gold has improved as rapid growth of household income and RMB appreciation have mitigated the impact of rising gold prices."

China is steadily pushing ending the US dollar's status as the world's reserve currency as the US piles up debt:

<http://finance.yahoo.com/blogs/talking-numbers/bove-china-toppling-us-dollar-124656365.html?vp=1>

China is economically the largest of the 'developing' economies. Brazil is 2<sup>nd</sup>. China is hoarding gold and as one of the new key lender nations, is slowly preparing to take its currency into the open market and vie with the US for the job of world's reserve paper currency. China has cornered the market on cotton. China's economically-successful South Coast (Shanghai and Hong Kong) has little interest in Marxism, and China faces issues similar to that of the US: there are two countries, one based in socialist/Marxist bureaucracies and one extolling free enterprise.

However, China's government, as governments do, wants power and turf.

[It's still some time off, but we are, once more, headed for trouble in the Pacific:](#)

To invest in rising China stocks:

-iShares FSTE/Xinhua China 25 Index ETF (FXI)

## SOUTH AFRICAN RAND

\$0.0914 <https://www.google.com/#q=economic+news+south+africa>

<http://www.reuters.com/places/africa>

## EGGS

Fair Value \$1.06, current wholesale \$1.19-1.40 national retail average \$ 2.19 to 2.89 addressing fierce but unacknowledged American inflation. What's a bargain in the US: basic consumer wines under \$6.99, used cars, and both supermarket and chain brand pizza. What's not a bargain: bacon, \$1.89 three years ago and \$4.69 now

PB is a key marker for American poverty. Peanut Butter prices fell in 2013. If you think inflation is dead try buying peanut butter.

Jif™ (now a Smuckers-owned brand, SJM) \$4.19 most places

Skippy™ (Hormel) (USA: HRM) \$5.69 most places

Dollar General (USA: DG) Clover Valley™ house brand PB: \$2.49- 2.89 cheaper than iconic high-visibility brands . Dollar General can barely keep its Clover Valley™ house brand peanut butter in stock and ditto with its inexpensive coffee

Kroger (KR) and Safeway (SWY) house brand peanut butter: \$3.99/ \$4.69

## HARLEY-DAVIDSON MOTORCYCLES

Harley Davidson (USA: HOG) remains one of America's legendary companies and one of America's few Commodity Stocks one of America's best-managed as well. There Are no more members of the founding families in management. The last, Willie G Davidson, senior Vice President and Chief Designer at Harley, is the last of the Harley and Davidson family members to hold high rank in the Motor Company, and is retiring after a legendary 49-year career. As of March 23<sup>rd</sup> there are 2,163 Harleys for sale on eBay. Current composite price of new & used Harleys in the US is \$8960 and this reflects decades of Sportsters and older Harley 74s all the way back into the 1930s 40s and 1950s that are still on the road and selling used for \$3500 into the stratosphere for prized old ones.. New models and increased sales reflect a global enterprise and global sales. Most of the Harleys that have ever been built are still on the road in some form or other. Whether it's still the same machine once decades have passed and 90% of the parts are new aftermarket parts is a subject of philosophical debate. A Harley can't die unless it catches fire and burns.

You can rent a Harley from a dealer just as you can rent a car from Enterprise. In 2013, 40% of all new Harley sales will come from foreign markets. [More competition for Harley: elite new brands](#): and also various electric motorcycles (more about that in the Spring)

## THE iPhone

Trouble for Apple. For two years the company has been operating on the sentiment from Steve Jobs' funeral and the current CEO can't deliver like Steve Jobs did. Who could?

<https://www.google.com/#q=how+much+does+an+iphone+cost+in+brazil>

<https://www.google.com/#q=how+much+does+an+iphone+cost+in+china>

<https://www.google.com/#q=how+much+does+an+iphone+4+cost+in+france>

Apple products are losing market share in the US and the iPhone may be de-commodifying in America in the face of more sophisticated handhelds and other mobile devices from Google Samsung and soon from Microsoft and others but the global power of the brand and the product are nearly beyond comprehension. Both the iPhone and the iPad have been global-standard products for years and are available everywhere worldwide through Apple Stores and on the Black Market and Online, and available used via eBay and a myriad of other venues like Craigslist or from the trunk of someone's car. Apple is working on changing the iPad from a 'brand' of tablet computer to a global generic product used in schools and govt. Apple's starting point in this is to replace textbooks with the iPad in US public schools. Smartphones now account for 51% of US cell phone sales, and Apple's iPhone has a 25% market share of the US market. Apple is very likely to hook up with Bitcoin and provide an iPhone link to the digital currency

The iPhone has peaked as a commodity and is on the downslide

## CIGARETTES/TOBACCO

-Camel™ cigarettes: Fair Value \$1.26 currently \$7.49 markedly higher. Real original Camel Cigarettes are a 21<sup>st</sup> century commodity

-Marlboro™ cigarettes: Fair Value \$0.89 currently \$5.59 \$5.79 Marlboro™ is owned by Altria (MO) but is not on our list of Sahara Trade Route/Silk Road products though Marlboro's would have been in 1963 1973

America's colleges and universities are fast becoming tobacco-free, indoors and out. No smoking not only in the buildings but on university property either.

The evils of tobacco smoking are now backed up by [US economic data which show that hiring a smoker costs an employer \\$6000 a year more than hiring a non-smoker:](#)

More importantly for investors, Electronic Cigarettes, or e-cigarettes, are gaining big market share:

Lorillard <http://quotes.wsj.com/LO>

manufacturer of Kent™ True™ Old Gold™ Newport™ Maverick™ and other classic American cigarette brands and , founded in 1760, America's oldest continually operating company, has opened the electronic cigarette game with [Blu™ electronic cigarettes](#)

This is about to become a big US market as most younger Americans who smoke move to electronic (smokeless) cigarettes:

[http://blogs.wsj.com/corporate-intelligence/2013/05/29/big-tobacco-is-about-to-dive-into-e-cigarettes/?mod=WSJ\\_qtoverview\\_wslatest](http://blogs.wsj.com/corporate-intelligence/2013/05/29/big-tobacco-is-about-to-dive-into-e-cigarettes/?mod=WSJ_qtoverview_wslatest)

but US universities and colleges are quickly banning e-cigarettes as well.

TO INVEST IN E-CIGARETTES

-Lorillard (USA: LO)

-Reynolds American (RJ Reynolds) (USA: RAI) <http://ecigaretteblog.com/rjr-preps-for-smokeless-future-b1013/>

-Altria (USA: MO)

owner of Philip Morris USA maker of Marlboro™ cigarettes, has joined this small group with the purchase of e-cigarette manufacturers Green Smoke Inc for \$110 mil. This deal, with Altria's Nu-Mark™ subsidiary, includes up to \$20 mil in incentives. Green Smoke has ops in the US and Israel. Altria has been test-marketing its own e-cigarette brand, MarkTen™ since August 2013 and wants Green Smoke for both its supply chain and its products

Most colleges and universities have now initiated 'no smoking on campus' bans even outdoors though there is more than a little question whether this is legal: do the Universities own "the outside?"

[Nevertheless, this ban is catching on.](#)

but this in no way negates e-cigs, which have become the major tobacco venue for the Millennials. This is a huge market

Anthropological evidence suggests humans have cultivated and grown tobacco for at least 20,000-30,000 years and have used or smoked 'found' or 'wild' tobacco leaves for probably far longer, perhaps twice that or more. Global demand for 'leisure' commodities including tobacco, beers, wines, cigars, grain alcohols, opium poppy resin, cannabis, coca etc has never been higher. Tobacco use in the Northern Hemisphere is currently in decline based on bans and politically-correct opposition by various national governments. Southern Hemisphere: not the case.

## MARIJUANA:

Legalization of marijuana, first in the US and then steadily over most of the rest of the world's countries, is inevitable because pot hashish opium and khat all are traditional historic commodities. The legalization of pot in the US is upon us. Signature gatherers are at work in at least eight more states past Colorado to put marijuana legalization on state ballots in 2014. Or in 2016. This list includes California. It's real, it is a basic historic commodity, and there is a lot of money to be made, there will be a short-term gold rush among smalltime outlaw dopers but the fate of marijuana is to become a part of Big Traditional American Tobacco. <http://articles.latimes.com/2014/jan/19/nation/la-na-marijuana-laws-20140120>

What legalization will do: bread and circuses, and pacification for the impoverished masses. The United States will never again be a great country.

Marijuana was made illegal in the US in 1937 with the Marihuana Tax Act. Marijuana is fast becoming-legal in the US even though to some extent its use continues to carry a social stigma (our take on this: as well it should bear a social stigma, we have enough problems without our becoming a nation of stoners)

The US spends \$42 billion a year fighting pot. That is all about to end over the next couple of years.

[A marijuana investment funding model starts to take shape](#)

TO INVEST IN MARIJUANA

-Reynolds American (USA: RAI)

-Lorillard (USA: LO)

## ART ANTIQUES AND ARTIFACTS

We have mentioned for years that it so far has become difficult for diamonds to become “money” the way gold and platinum are, because aesthetic factors play into the value. However: in the USA, real mined diamonds over 1/2 carat are undervalued and real mined diamonds over 1.0 carats are very undervalued. This is one of the more difficult items to buy, because synthetic diamonds have entered the market strongly are many are available inexpensively.

[http://www.ebay.com/itm/1-OCT-ROUND-BRILLIANT-CUT-DIAMOND-SOLITAIRE-ENGAGEMENT-RING-SOLID-14K-WHITE-GOLD-/251367425871?pt=Diamond Solitaire Rings&hash=item3a86aa874f](http://www.ebay.com/itm/1-OCT-ROUND-BRILLIANT-CUT-DIAMOND-SOLITAIRE-ENGAGEMENT-RING-SOLID-14K-WHITE-GOLD-/251367425871?pt=Diamond+Solitaire+Rings&hash=item3a86aa874f)

[http://www.ebay.com/sch/brilliant-diamonds/m.html?item=251367425871&pt=Diamond Solitaire Rings&hash=item3a86aa874f&rt=nc&trksid=p2047675.l2562](http://www.ebay.com/sch/brilliant-diamonds/m.html?item=251367425871&pt=Diamond+Solitaire+Rings&hash=item3a86aa874f&rt=nc&trksid=p2047675.l2562)

As we write this, there are some 150,000 listings for “loose diamonds” on eBay.

[http://www.ebay.com/sch/i.html?\\_sacat=0&\\_nkw=loose+diamonds&\\_frs=1](http://www.ebay.com/sch/i.html?_sacat=0&_nkw=loose+diamonds&_frs=1)

A ‘simulated diamond’ is usually a zirconia. [A ‘synthetic diamond’ is man-made, a diamond made in a laboratory.](#) ‘Real’ white diamonds are increasing in value dramatically.

But because of the USA’s very uneven economy and Third World status (97% ‘poor’ 3% ‘wealthy’ no middle class) bargains are out there because Americans often have to sell things they don’t want to sell to make ends meet buy groceries pay the rent.

The best way to buy diamonds that are larger than ½ carat and are real, is to look for antique rings for sale in small towns and advertised in small town/ community newspapers in the classified ads. If you are diligent and lucky you’ll be quite surprised what you can sometimes buy in the \$500-900 range.

## THE GLOBAL BLACK MARKET

[Virtual currencies, functioning outside the banks and even outside various national borders, are very attractive to real criminals.](#)

One decade another decade one century another century the world’s a busy place. Various products substances and commodities have their markets whether they are legal in one place or another, or not. What we call global trade has been going on in the mediterranean basin, all over

<https://www.google.com/#q=black+market+gold+price>

<https://www.google.com/#q=global+black+market+antiquities>

<https://www.google.com/#q=global+black+market+art>

<https://www.google.com/#q=global+black+market+arms+trade>

<https://www.google.com/#q=global+black+market+sex+trade>

[https://www.google.com/search?q=global+black+market+drugs&source=lnms&sa=X&ei=vbvmUqudKKi4yAGF94GACw&ved=0CAgQ\\_AUoAA&biw=1182&bih=512&dpr=1](https://www.google.com/search?q=global+black+market+drugs&source=lnms&sa=X&ei=vbvmUqudKKi4yAGF94GACw&ved=0CAgQ_AUoAA&biw=1182&bih=512&dpr=1)

## SILK ROAD

[http://en.wikipedia.org/wiki/Silk\\_Road\\_\(marketplace\)](http://en.wikipedia.org/wiki/Silk_Road_(marketplace))

Bitcoin is still close enough to being Outlaw Currency that there is crossover:

<https://www.google.com/#q=bitcoin+champion+on+laundrying+charge>

Silk Road now has its own newspaper, the Silk Road Courier. Silk Road is the biggest electronic purveyor of illegal drugs and passports.

[http://en.wikipedia.org/wiki/Silk\\_Road\\_\(marketplace\)](http://en.wikipedia.org/wiki/Silk_Road_(marketplace))

<https://www.google.com/#q=silk+road+marketplace>

[Silk Road Anonymous Marketplace](#) is an online global marketplace offering almost everything illegal questionable & surreptitiously sought-after, electronically. It is the Black Market's Amazon.com. Silk Road's website will come up for you online, but it can only be accessed via the anonymizing software called Tor™ which allows users to be on the Internet untraceably.

Fragmentation here means that there is an online global and **anonymous** marketplace for: drugs antiques artwork stolen artwork bootlegged audio & video CDs cars motorcycles historic paper (ie 1920 magazines, signatures of Hitler Churchill & Eisenhower) and almost anything you care to name.

## DIAMONDS

The primary diamond news sources: <http://diamondinvestingnews.com/8133-diamond-market-outlook-2013-price-china-india.html>

<http://www.israelidiamond.co.il/english/>

UK's Rio Tinto paints a rosy picture for diamond sales: <http://www.mining.com/rio-tinto-paints-rosy-future-for-diamonds-77970/>

Unlike the arctic circle and the north pole, which is a place of ice and water, the Antarctic is Antarctica, a real continent, a huge land mass. Mining there is, so far, banned, the result of an environmental accord treaty that protects this icy continent for research and wildlife for at least fifty years. But scientists from Australia have found kimberlite there, and this means kimberlite diamond pipes and it suggests that the Antarctic may be a place of unspeakable and unexploited mineral wealth much like Afghanistan but far far larger: Antarctica is twice the size of Australia.

The five primary global diamond companies are Rio Tinto (UK: RIO) (world's largest producer of colored diamonds) Russia's Alrosa Nyurba (Russia: ALNU) (world's largest producer of white diamonds) Anglo American (UK: AAUKY) (sole owner of DeBeers) and BHP Billiton (UK/Australia: BHP/ BBL) (various regional diamond mines) and Dominion Diamond Corp (USA: DDC) (formerly Harry Winston).

Alrosa is the world's largest diamond miner, and accounts for 97% of Russia's diamond production and about 25% of the entire world's annual newly-mined diamonds. That % would be higher but Alrosa sells much of its production into the Russian state stockpile coffers (Russia's Gokhran Respository) because Russia's govt thinks diamond prices are too low and so hoards them and keeps them off the market. Russia's diamonds are for the most part extreme high quality. To invest in Alrosa: buy shares of Rio Tinto

(RIO) which has partnership agreements with Russia's state-owned but partly-public Alrosa and mines diamonds via these partnerships in Russia.

DeBeers, which controlled the Western World diamond market- and ultimately, diamond pricing, and which is now wholly-owned by Anglo-American, now no longer controls the diamond market but still controls 30% of it

Rio Tinto (UK: RIO) is the world's largest producer of colored diamonds. In terms of volume, it only falls behind Alrosa and De Beers. At the moment, Rio Tinto has diamond units in Canada, Australia and Zimbabwe. The company has a 100% stake in its Argyle Diamond Mine in Australia, a 60% stake in the Diavik Diamond mine in Canada and a 78% interest in the Murowa Diamond mine in Zimbabwe.

[DeBeers is seeking new markets](#)

[Synthetic diamonds are real, and it's DeBeers \(owned 100% by Anglo American\) that's making them.](#)

Synthetic diamonds have the potential to permanently alter the semiconductor industry and to bring it from the late-20<sup>th</sup> century into the mid-21<sup>st</sup> century using diamond as the etching surface rather than silicon.

Estimates are that since diamond mining started in ancient times, the world's entire global stock of diamonds is about 5.2 billion carats but only about 15% to 20% of those have historically been "cuttable."

When 'fresh' diamonds are mined, staff at BHP, RIO, AAUK and others sort, classify and sell the rough stones to middlemen through one of three different sales methods. The most common is the "sightholder system" through which buyers ("sightholders") make regular purchases based on long-term contracts. This system fosters close working relationships between buyers and sellers and creates high barriers to entry for new participants. There are fewer than 100 sightholders in the world and only 10 to 15 major market participants, yet 70% of all raw diamond sales occur within these few systems.

Antwerp (Belgium) still hosts 80% of rough-diamond trades by volume and a vast majority of diamond cutting and polishing occurs in half a dozen municipalities around the world including Antwerp, New York, London, and Surat, India.

The greatest demand for diamonds still comes from the USA. But this is falling fast and will end in late 2014 if ordinary Americans' financial circumstances continue to deteriorate, and China will then become the leading diamond consumer.

## TO INVEST IN DIAMONDS

-Rio Tinto (Brazil: RIO) world's largest production of colored diamonds

-Anglo American (UK: AAUK (USA: AAUKY) owns all DeBeers diamond assets

-BHP Billiton (UK/Australia: BHP, BBL)

-Purefunds ISE Diamond/Gemstones ETF (USA: GEMS) (ETF)

The Largest US diamond retailer is Costco USA: COST) but other strong US retail diamond sellers are Tiffany (USA: TIF) TIF and Wal-Mart (USA: WMT)

## **REAL ESTATE & HOUSING:**

Single house prices are up, and some Americans are getting out from being underwater and mortgage-poor. Many Americans are working two or three jobs, all “underemployed” jobs, and getting used to it. A low supply of ‘used’ homes nationwide means home sales are down because prices are up. Prices are up because the dollar is losing value. The American Dream is, for most Americans, vanishing. Foreclosures are still high.

The four primary Online Real Estate House-Finder/ House seller companies:

-Zillow (USA:Z)

-eBay (USA: EBAY)

-Trulia (USA: TRLA)

-Move (USA: MOVE)

Buy while you can, if you can, if you want a house. US real estate markets are higher but will go higher still., but singlefamily home prices are rising quickly even though current sales are down. [Property values are up. But the USA's standard of living is sinking:](#)

Do not buy a house as an investment. Buy a house as a comfortable familiar place to live in. Investment? Buy BHP shares or Mesabi Trust shares or Amazon shares or Southern Copper shares or 3M Praxair RDS etc

As an investment, you can still buy apartment buildings especially in marginal neighborhoods and single family homes en masse as an investment if you are willing to deal with Americans being less and less able to afford to make the rent in 2013 2014 2015. Also to make money you have to buy several singlefams and that is a lot of work. Toilets and roofs. Singlefamily home prices are rising. Homes in economically-damaged areas are being snapped up by consortiums of investors and by would-be landlord czars and who are paying cash for these houses by the dozen. Remember that landlording for both apartment buildings and singlefamily houses, is a labor-intensive prospect- you either fix the toilets or you pay someone to fix them which cuts into your profits, you either vacuum the offices and empty the wastebaskets or you pay someone to do so and that cuts into your profit. If you wish to make a black-numbers profit, you must do most of the gruntwork upkeep/rehab/maintenance work yourself. Which makes you a field hand or a low hourly-wage worker. Plus you also must collect the rent. There are easier ways to make money.

23% of ALL US home sales are sales of foreclosed properties. Worst are Nevada Florida and Georgia, where sales of foreclosed homes comprise more than 40% of the home sales market

TO SHORT US REAL ESTATE:

-SRS

TO INVEST IN COMPANIES THAT OWN MALLS:

-SPG

-VGSIX

-ICF

-GRT

-RYN

-CBL

-GGP

-SPG

-BX

TO INVEST IN HOUSING & COMMERCIAL REAL ESTATE:

To invest in real estate without actually buying property and being a landlord and having to repair roofs & toilets & collect rent:

-ICF (an ETF)

-VGSIX (a Vanguard Index Fund)

-SPDR S&P Homebuilders ETF ( USA:XHB)

-iShares Dow Jones Real Estate ETF (USA: IYR) an ETF of the Dow Jones Real Estate Index

-US Real Estate SmallCap ETF (USA:ROOF)

-First Trust FTSE EN Developing Markets Real Estate IDX (USA: FFR)

-Brookfield Asset Management (USA: BAM)

-Realty Income Corp (USA: O) and REIT Market Cap \$6bil Dividend \$1.75 Yield 4.30%

-Boston Properties (USA: BXP)

-Ford (USA: F) and General Motors (USA: GM) Ford's F-150 pickup trucks and Chevrolet and GMC's full-sized pickups are America's small construction companies' basic corporate and work transportation

-Goldman Sachs (GS) To invest in German real estate: GS. It is not generally known that GS owns all sorts of diverse things, including the Village Voice. One of those things GS owns is a fortune in European apartment buildings and flats, especially in Germany, and office buildings as well.

Undeveloped & unimproved country property/land of more than 10 acres and that is not farmland but suburban/ exurban is still a bargain now in many parts of the USA. Look for places that have 10 or more acres and one house or none. Plan to sell the property in a few years- or even one or two- to someone who wants the water, the mineral rights, or to a developer/builder who will subdivide it for houses, build a mall on it, or sell it to a foreign company that wants an American factory site. Bargains are also out there in wilderness land. Look for locations that have water or are also are near water. It's far too late now to buy inexpensive US farmland. Prime USA farmland is \$3300-\$20,000 acre. We have seen prime US farmland sell for \$24,000/acre in late 2012. Farm acreage, long-term, is as valuable as gold and perhaps more so. US farm acreage has increased in value at nearly 6% a year for a quarter century. We have not found any farmland ETFs we're satisfied with as an investment.

## THE GLOBAL MARKET INDEXES

Courtesy of Reuters™

<http://www.reuters.com/finance/markets/indices>

### ASIA PACIFIC

-Jakarta Stock Exchange Composite (JCI) (Indonesia) one of the strongest if not the strongest of the Asia/Pacific indexes

To invest in this index:

Market Vectors Indonesia ETF (IDX)

-Straits Times Index (FSSTI)) (including Singapore) Singapore is an island nation and a global financial stronghold much like an oceanic Switzerland. Circumstances upward similar to Indonesia which has far broader resources

To invest into this index:

-SPDR Straits Times Index ETF (STI)

-S&P Asia 50 index (SAXCME) (AIA)

## THE BIG PICTURE

The MSCI World Index (MXWO)

Easiest way to track this index is via Bloomberg: <http://www.bloomberg.com/quote/DBXWD:SJ>

MSCI World Index is a global index of 1500 stocks in 23 countries, and it is our favorite index as a bellwether of the global economy. Right now this index reflects strong economies in Mexico India Indonesia Brazil Peru Germany and to a lesser extent Holland

-MSCI Emerging Markets Index (MXEF): This broad global 'emerging' index says that the emerging markets countries are far stronger in many ways than the countries whose analysts track them. The wild card now is Africa but also countries like Mongolia

To invest into this index:

EMFT

-MSCI Emerging Markets Latin America Index (MXLA) A very good Western Hemisphere marker, and tracks stocks in seven Latin American countries/markets. The wild card coming up in this region is Venezuela's new government

To invest in it:

EEML

-Thomson Reuters/ Jefferies CRB Commodities Index (the "CRB") (Reuters CCI) (CRY: IND)

To invest into the CRB upward:

-CME (USA:CME)

-Greenhaven Continuous Commodity Index (GCC)

THE VIXEs

The Volatility S&P 500 (VIX) <http://finance.yahoo.com/q?s=^VIX>

This is the traditional "VIX" number, the primary American Fear Index. Lower is better, higher is worse. It's at 14, it should be at 20. The US economy is in no way improving, and the US itself has broken into

two countries each with a completely different set of values beliefs social mores and attitudes toward manufacturing education entrepreneurship and spending.

[Here's an interesting commentary on the primary VIX:](#)

[There are now so many separate VIXEN](#), one for petroleum the CBOE Gold Volatility Index (GVZ) etc that it's pointless to list them all. They're also increasingly irrelevant as the USA occupies a shrinking position in the global economy.

Additional volatility markers you can use to measure economic disaster potential or fear levels upward or downward:

[iPath S&P 500 VIX ST Futures](#) ETN

[Pro-shares VIX Short-Term Futures](#) ETF (VIXY)

[Proshares Mid-Term Futures](#) ETF (VIXM)

iShares Barclay 20+Yr Treasury Bond ETF (TLT) an additional 'fear' index, this one is a marker for the strength of the US dollar based on US bond interest

## MARKET WITCH GLOBAL LEADER STOCKS

-European Aeronautics NV (Netherlands) (EADS) (PA: EAD) (LSE: OKVV) (USA: EADSY) Pan-European military contractor, global sales, owns Airbus, the world's leading manufacturer of commercial aircraft (Boeing would dispute this) while Airbus Military builds tanker transport and mission aircraft. EADS Eurocopter is the world's largest helicopter supplier. Major partner in the Eurofighter consortium as well as a missile systems provider. 120,000 employees, 43bil Euros in annual revenue. Airbus is checkmating Boeing these days in the commercial airliner industry

-Apple (USA:AAPL) Can Apple, without genius Steve Jobs, ever again come with entirely new product categories? Researchers @ Piper Jaffray say 40% of American teenagers own an iPhone

-Cirrus Logic (USA:CRUS) maker of audio chips for APPL tech toys, Zero Debt, only 65mil shares outstanding

**NOTES:** In North America, AAPL & Google have an 83.5% market share of smartphone sales but this is changing and Microsoft will change it further

-Microsoft (USA: MSFT) In laptop & tablet land, Windows 8™ is upon us. Purchase of Skype puts MSFT in the telecom business. Microsoft's Windows Phone 7.5 mobile system (Mango) is a hit. MSFT's Kinect™ videogaming system is revolutionary. It is joystick (a staple of video games for decades)- free and involves the use of a computerized camera to track and mimic the movements of a player's body and match them to the player's avatar in the game, allowing a player to kick someone by moving his/her actual foot

-Google (USA: GOOG) Google's YouTube™ and not cable or the networks, now defines television for anyone under 30

-Daimler (Mercedes Benz) (Germany: DDAIF) Market Cap \$53bil. Mercedes has recaptured its decades-long role the traditional luxury auto market and has strong sales in Asia. A Mercedes electric car is coming in 2014.

-Michelin SCA (France: ML) global tires, home of the legendary Michelin Radials, manufactures tires in 18 countries, sells Michelins in 170 countries

-VolkswagenGermany:VOW3) (USA:VLKAY) Cars trucks & buses. Owns Porsche. Owns Bentley. Top imported car seller on the planet. Sales everywhere. Annual sales is above 4 million vehicles. \$1bil in VW production capability in Mexico. Investing \$4.5bil in VW production infrastructure in Brazil thru 2016. Newly-engineered VW Beetle™. VW plans big-volume vehicle sales in Brazil & Latin America

-eBay (USA: EBAY) Saving America's poor from spending weekends in abandoned drive-in movie lots selling stuff in wretched flea markets, eBay has globally mainstreamed. eBay's subsidiary Paypal now has reciprocity with fifteen US retailers including Abercrombie & Fitch Toys R Us JC Penny and Barnes & Noble and some motels chains too) that allows purchasers of stuff to pay for those purchases via their cellphones, or using the same point of purchase technology that services Visa & Mastercard etc at the cash register. equipment and is expanding the online company's Paypal service into additional bricks & mortar stores. Home Depot began accepting Paypal, just like a Visa, in its 2000-plus stores in 2013 and so did Dollar General with its 6000++ stores. Ebay is enticing some of the world's best retailers, and is challenging Amazon's Online dominance

-Boeing (USA: BA) America's rule-the-skies company, in war & peace, for seventy years. A Boeing B-29 Superfortress named the Enola Gay delivered the Hiroshima bomb. The Boeing hopeful-breakthrough 787 Dreamliner with its carbon-fiber body shell components thought to have implications for the aluminum-based aircraft industry is bringing the company bad press and loss of competitive edge. Boeing has targeted Brazil as its next potential sales market and plans to sell 1000 aircraft in that country as well as compete for a piece of Brazil's defense budget. Boeing says those orders would be worth \$100billion. Brazil's Embraer SA (EMBR3) is the world's 4<sup>th</sup> largest aircraft manufacturer but Boeing believes it can easily compete with Embraer. But can it compete with European Aeronautics Airbus?

-Northrop-Grumman (USA: NOC) the past, the present, and the future of war

-MasterCard (USA: MA)Debt: zero. Should pay a far higher dividend. No matter what happens to the currencies, consumer credit is global. Directly serves 22,000 financial institutions. MasterCard also owns 51% majority of London-based and privately- held Mondex International, which reportedly is at the heart of a bio-implant personal-finance/checking acct/debitcard RFID chip

-Visa Inc (USA: V) Visa could be eventually taking over Paypal business by buying eBay & its Paypal system (many small business owners hate Paypal but have no option) and in doing so scooping up ALL the

small business credit and also picking up ALL the mini-business loans in emerging countries. Debt: zero, owns & operates VisaNet™

-HSBC Holdings (UK: HBC) (HKSE: 0005) London-based, global banking 7500 offices in 87 countries. Rising labor costs in developing countries, strong FWD Guidance

-Casino Guichard-Perrachon SA (France: EPA:CO) USA: CGUIF) consumer goods, groceries, Europe & Latin America. Franprix™ and Leader™ stores, major expansion into Latin America and Asia

-Carrefour SA (France: USA: CRRFY) (France) consumer goods, groceries, Europe & Latin America

-Yum! Brands (USA: YUM) this Americana company that hosts your local Pizza Hut™ KFC™ & Taco Bell outlets is the world's largest restaurant company, a global powerhouse with 39,000 restaurants in 125 countries. Yum Brands now has a foothold in Africa, and it probably portends a rush of USA fastfood chains into Africa, low debt, well-managed. Lifetime partnership with Pepsi. KFC chicken is increasingly popular in China

-Oracle (USA: ORCL) global business/industrial software New & faster Oracle hardware technologies, the Solaris computer and the Exalytics data analysis machine, challenge SAP & IBM. Now famous for the Americas Cup

-Hitachi (Japan: HIT) diversified engineering consumer electronics & telecom, lithium ion batteries, LED screens etc, most recent purchase is network storage co Bluarc in an all-cash deal

-Proctor & Gamble (USA: PG) global basic consumer products

-Unilever (Holland: UL) global basic consumer products

-Colgate-Palmolive (USA: CL) global basic consumer products

-Johnson & Johnson (USA: JNJ) Global consumer health care products projections are for 6.41% Annual Growth for the next five years

-Siemens (Germany: China: SI) Europe's most important conglom: wind energy water desalinization locomotives etc etc. Siemens has ceased building nuclear power plants. And has launched an urban planning unit that will operate initially in the US and China

-ABB Ltd (ABB) (Swiss) power and automation technologies on four continents

-China Mobile (CHL) World's largest Mobile Telecom, 600++ million customers, based in Hong Kong, almost no debt and \$60bil in cash

-Baidu (China: BDU) China's version of Google also serves Japan, Market Cap 449.3bil, EPS \$2.59, FWD P/E 31.4, QRG YOY 85.1%, Profit Margin 45%, near zero debt

-Toyota (Japan: TM) Japan's legendarily tough wilderness cars (Toyota Land Cruiser, Toyota FJ Cruiser etc) Toyota sales are off the charts in Asia, so much so that Toyota is building plants in India, the world's largest democracy. Toyota has lost clout in the US as GM and Ford make a comeback, but Toyota is back on top as the world's largest vehicle manufacturer

-Novartis (Swiss: NVS) Market Cap \$135bil. Global pharmaceutical and Vetmeds. Europe's 2<sup>nd</sup> biggest pharmaceutical in terms of sales volume

-Sanofi (France: SNY) Market Cap \$89bil, Global pharmaceuticals & vetmeds. Products include Hartguard™ and Frontline™. Europe's biggest pharmaceutical

-Abbott Labs (USA: ABT) Market Cap \$85.6bil, had planned to split the 124-yr old co into one co for drugs (Humira™ Depakote™ Niapan™ baby formula etc, this co will retain the Abbott name and will have revenue of about \$22bil) and a second company established with a new name, for medical devices Spending \$270mil on a US facility to make nutritional drinks for adults

-3M (USA: MMM) broadbase US techno conglom also owns Scotch tape™ and is also a War Stock

-Dupont (USA: DD) Global chems & Agribiz

-BASF Germany: FRA: BAS) (LSE: BFA) (USA: BASFY) Global chems & Agribiz

-PepsiCo (USA: PEP) global consumer foods bev& snacks 100s of products inc Quaker Tropicana GatorAde Doritos Mountain View Frito Lay sales in 142 countries superbly-managed div \$2.06 yield 3.3%

-Coca Cola (USA: KO) expanded product range and global pricing, \$980mil deal to buy half-ownership of Aujan Group, an established Saudi Arabian regional soft drinks/fruit drinks bottler

See also: Coca Cola Femsa SA (COCSF) (Latin American bottling)

-Wal-Mart (USA: WMT) Wal-Mart & Sam's Clubs. World's largest retailer. Big Box stores in US Canada China Brazil Japan Mexico Chile UK etc. Set to become THE consumer retail player in Africa over next 20-50 years. Wal-Mart's Online market share is second only to Amazon. Most profitability per Sq Ft of any US retailer. America's #1 most valuable retailer brand name. America's largest retailer of organic foods. World's largest buyer of cotton. USA's largest contributor to food banks. The now- contested WMT purchase of South Africa's MassMart stores for \$2.32bil would give Wal-Mart a new and a permanent pied-a-terre in sub-saharan Africa. A proposal by WMT to build stores in India has been turned down by that govt. Recent poor US sales reflect permanent American poverty. Wal Mart plans a chain of small-stores (15,000 SQ FT or less) taking up the market that 7-11 used to have in the US. Wal-Mart may on the downward trajectory of its long success arc. We believe the era of big-box stores is ending.

-McDonald's (USA: MCD) the burgers have been America's staple basic daily food since the 1970s when American households began to need two jobs to support an American lifestyle that once could be managed on one salary (and now can't be managed at all) and Americans said farewell to social amenities like the dining room table and stay-at-home Moms... MCD is now global and plays to two-income families worldwide. There are 32,478 MCDs in 117 countries. 26,216 are franchises, 6262 owned by MCD. There is an MCD in the Louvre. Want to invest in China? Buy MCD

-IBM (USA: IBM) Founded as we know it today in 1924, a player in almost every aspect of InfoTech, IBM was awarded more than 4000 patents in 2010, more than any other company on earth. IBM's CEO, Virginia Rometty, is IBM's first woman CEO. IBM's genius "Watson" computer that can read 200 million pages in three seconds is about to play a new game: financial services. Citigroup (C) the USA's 3<sup>rd</sup> largest bank, has hired IBM's Watson to analyze customer needs stock data and assist with digital banking. Citi says Watson can help lower investment risk. IBM says: we'll get a billion in new revenue from this by 2015.

-Nestle (Swiss: SWX: NESNE) (USA: NSRGY) Market Cap \$187bil, world's largest foods company, now deeply involved in health, nutrition & wellness also pet care & pharmaceuticals. Acquired Pfizer's baby foods division

-Honda (Japan: HMC) far more than a simple builder of cars, Honda is a global engineering consumer products conglom: motorcycles chain saws tractors trucks generators and a host of other diverse products with a legendary reputation for dependability. Market Cap \$60bil Enterprise Value \$100bil EPS \$2.12. Spending \$355mil on production improvements for 4 USA Honda vehicle plants. Very strong Most Recent Q sales in USA. May be losing out to Korean car sales and also to Toyota and GM. But there are Americans who will drive no other car. Honda products have legendary reliability. The engine in the Honda Pilot™ SUV, a 3.5 liter 250hp V6, is the only mass-produced engine on the planet that has never had a recall. Honda has entered the windfarm/wind generator industry and should do well with its sturdy troublefree products

-Nissan (Japan: TOK:7203) (USA: NSANY) by far the most trustworthy and maintenance-free of Japan's mainstream cars & SUVs. Nissan's Leaf™ electric car is a potential in-town success, but Road & Track reports that the Leaf will only do 114 miles before it needs a recharge. Short commute, or around the neighborhood, that is a week of driving

-AstraZeneca (UK: AZN) global biopharmaceuticals, owns French-based research co Novexel, heavily involved in infection research. Sales in 100 countries, P/E 8, EPS \$5.73

-Roche Holding AG (Swiss: RHHBY) (Swiss) global pharmaceuticals, promising MS drug in the pipeline

-Merck & Co (USA: MRK) Big Pharma, strong R&D pipeline

-General Electric (USA: GE) global wind energy global energy global med-tech, defense, etc, oldest company in the Dow and the only surviving original Dow component

-General Motors (USA: GM) has just had record earnings. GM cars are selling globally and this once great company is well on the way to becoming great again. GM is buying a major stake in iconic French automaker Peugeot SA (EPA:UG)( USA: PEUGY). GMC and Chevy Silverado pickup trucks now offer an option of a version that will run on either gasoline or natural gas. New Cadillac and Chevrolet products are outstanding

-Gazprom (Russia: GAZP) natural gas and gas pipeline systems, sales in Europe all the way to Turkey

-Amazon (USA:AMZN) one of America's two strongest & broadest retailers, second only to Wal-Mart, and world's largest online retailer Amazon's ereader, the Kindle, has a 24% market share of ereaders and supplies and manufacturing capacity have been unable to keep up with demand

-Mittal (Luxembourg: MT) Global Steel, world's largest steel company

-Companhia Vale do Rio Doce (Brazil: VALE) Brazil's iron ore giant and world's largest iron ore provider plus nickel plus shipping plus Agribiz steel etc etc

-Corning (USA: GLW) fiberoptics etc etc brought us into this new age

-Dow Chemical (USA: DOW) chemicals engineering & agribiz conglom. Profoundly successful joint venture Dow-Corning with GLW. Strong ties w the US Defense Dept. Increasing presence in Latin America. Rohm & Haas purchase was a superb move. Now supplying chems to the natural gas & oil shale-frakking biz

**Notes:** New Middle Classes in Russia Brazil Argentina Colombia Indonesia Malaysia India and Mexico, and the nouveau riche in China, plus successful Canadians and well-heeled Aussies, are helping create the new global economy as the US sinks deeper into poverty and the EU lacks the moral force to repair itself. Middle classes in most of Europe, except for Germany & Holland, are in trouble.

## USA POVERTY STOCKS: COMPANIES THAT SERVICE AMERICA'S BLUE-COLLAR AND POOR

-eBay (USA:EBAY) Poor America's income source, Rich America's convenience store. Tiny one-person eBay 'kitchen-table' micro-size companies re-retail America's detritus and sell everything from 50 yr old Time magazines to airplanes, yachts, thousand-year old coins, houses, cars, and Persian carpets. Ebay helps America's poor but eBay has definitely mainstreamed globally. Ebay is the world's largest car dealership and also a major US real estate agent. Owns Paypal, & at least 25% of Craigslist. Owns GSI Commerce (ecommerce & marketing) owns Magento (open source e-commerce platforms/software) Many Americans buy nearly all basic consumer/household goods (jewelry clocks furniture clothing cars boats houses rugs art copper cookware laptops smartphones yard furniture clothing) except food on eBay. Ebay is headed heavily into mobile/handheld usage/access

-Best Buy (USA: BBY) sprawling big-box consumer-electronics stores. USA's largest consumer-electronics co. It's changing times for the consumer-tech retail industry and purchases are usually from Online sources (or an Apple Store) rather than a Big Box store. BBY is in trouble. BBY is a gone-with-the-wind retailer and a buyout candidate

-Costco (USA: COST) membership bigbox warehouse retailing, 560 stores in US Canada Japan UK Taiwan Korea Australia & Mex. Sells everything from diamonds and refrigerators to dried dates

-Flowers Foods (USA: FLO) Georgia-based Deep-South regional packaged-food brands including DanDee® Holsum® and BlueBird® this regional business is thriving. Flowers has bought the Hostess™ stable of brands Twinkies™ Wonder Bread™ etc for \$390million. Market Cap \$3.43bil, national reach and sales

-Campbell's Soup (USA: CPB) founded 1869, mm-mmm good™ Americana canned soups which were the USA's first Fast Food and which seem to us expensive caloric and high-sodium, but: CPB also owns a stack of remarkable USA food brands including V8™ Swanson™ Pepperidge Farm™ Prego™ etc etc Campbell-owned brands are sold in 120 countries

-Kellogg (USA: K) Keebler™ products, the corn flakes etc, plus Rice Krispies™ Cheese-it™ and Pop-Tarts™ one of America's most beloved and legendary trash foods. Bought Pringles™ from PG, which exits PG entirely from foods

-Prestige Brands (USA: PBH) over the counter 'medicines' like Dramamine & Chloraseptic plus household products like Comet and Spic n Span

-ConAgra (USA:CAG) Classic American Kitchen trademark foods including Eggbeaters® Healthy Choice® LaChoy® Swiss Miss® Peter Pan™ etc sales in North America Europe & Asia

-Reynolds American (USA: RAI) tobacco: Camel® Kool® Winston® Pall Mall® Natural® American Spirit® plus roll yr own tobaccos and snuffs. Five of America's top ten tobacco brands are Reynolds Tobacco products

-Philip Morris Intl (USA: PM) global international-brand tobacco, Camel™ Camel Orbs™ e

-Altria (USA: MO) Cigarettes, including Marlboro™, global sales, Profit Margin 21%. Annual revenue \$16.71bil, \$3.6bil in cash plus American classic brand-name products. Owns 28.6% of SAB Miller. Owns US Tobacco (UST) ("smokeless" tobacco etc etc)

-Cash America (USA: CSH) USA's largest pawn shop chain: 2853 stores in 36 states; also check-cashing and cash-advance services. History Channel's "Pawn Stars" has made pawn shops not only socially acceptable, but chic

-Advance America Cash Advance (USA: AEA) can't make it payday? Money up front, but at a price. AEA is owned by a Mexican parentco

-Manpower (USA: MAN) all about getting the US workforce a job with a fast paycheck. Based in Milwaukee.

-EZ Corp (USA: EZPW) 416 EZPawn® and EZMONEY® locations: pawn shops & check cashing, co is leveraged

-Darden Restaurants Inc (USA: DRI) 2100 Olive Garden® Red Lobster® Longhorn® Bahama Breeze® Eddie's Prime Seafood WildFish Seafood Grille etc. restaurants. Blue-Collar Luxury, Casual Comfort. Good food, huge portions. Olive Garden is America's favorite Italian food chain. Darden restaurantgoers are fiercely loyal. Blue collar Americans might go to Olive Garden or Red Lobster a couple of times a year, birthdays holidays and other special occasions. Pizza hut has begun selling by the slice

-Yum Brands (USA:YUM) KFC™, Taco Bell™, Pizza Hut™ considered American Junkfood franchises in the US, but YUM brands are a phenomenal global franchise with 39,000 restaurants in 125 countries and is an increasingly strong presence in China & SE Asia. Taco Bell, cheerfully called taco bell called taco hell on the street, is going upscale and challenging various other fastfood restaurants including Chipotle

-Dollar General (USA: DG) 9500 stores in 35 states. Still services the Real Poor but increasingly the formerly Upper Middle Class/Newly-Poor shop here. Some DGs now sell beer and wine. Strong expansion will give DG 11,000 stores in 40 states. Taking market shares from Wal-Mart because it is not as overwhelmingly low-rent as Family Dollar

-Family Dollar (USA: FDO) the most low-rent of all American retail chain stores. 7000 stores in 44 US states. The poor buy their groceries and their shoes and their household goods here

-Dollar Tree (USA: DLTR) Retail products under \$1.00 at 3806 locations in 48 states. Near-zero debt. Superbly managed. Caters to the genteel well-tailored bargain shopper Soccer Mom, not the raggedy homeless. Stores are clean & smell good. QEG YOY 36.7%. 2:1 stock split June 2012

-Big Lots (USA: BIG) 1000s of bargain & closeout items. 1415 stores in the Lower 48 plus 88 Liquidation World™ stores in Canada. 14 consecutive quarters of record earnings has ended. Big Lots changed its target audience two years ago from the wretched raggedy and homeless to the newly-poor middle class, which puts the co in competition with Target, Macy's etc. This didn't work and now the SEC is after the co's CEO for insider trading. Now selling beer & wine as well as budget groceries furniture household appliances etc but Big Lots may be on the downside of its success arc, having vacated its niche. But the company could also be becoming a low-budget Target

-99Cents Only Stores (USA: NDN) recent buyout into private equity for \$1.6 bil it's a regional price-point & closeout consumer goods retailer, 271 stores 200 in California

-Autozone (USA: AZO) car parts & accessories. Low-renters go to Autozone, buy parts, and change out brakes pads etc in the AZ parking lot. It is a serious lower-class stock... and making a lot of money. 4229 car parts stores in US and Puerto Rico, 188 in Mexico.

-LKQ ( USA: LKQX) USA's top recycled auto parts seller

-AutoNation (USA: AN) auto financing repair sales parts & service, Q profits up 60%, the Bill & Melinda Gate Foundation owns 10.7 mil shares of this stock

-Advance Auto Parts ( USA: AAP) Roanoke Virginia, windshield wiper blades brake pads et al. 4000 locations in 39 states, Low debt, well managed

-Corrections Corp of America (USA: CXW) privately managed prisons. Has outperformed other S&P listed midcaps for years,

-Geo Group (USA: GEO) privately-managed prisons but global. Purchased its only major rival Cornell for \$374 mil

-DeVry (USA: DV) a degree from Devry, once considered low-rent and grasping at straws, now usually means a real job in the real world with a real paycheck while other millennial-generation 23-30 year olds with a B.A. are living in their parents' basements

-World Wrestling Entertainment Inc (USA: WWE) live and televised WrestleMania Actor Mickey Rourke put wrestling back into fashion several years ago in a brilliant film performance of a down-and out pro wrestler. Wrestling has once more gone out of fashion in the US but WWE operates in Europe Africa Asia-Pacific Latin America and the Middle East as well as USA.

-Dunkin Donuts (USA: DNKN) recent IPO, Market Cap \$3.12bil. Far more low-rent than KKD, Dunkin Donuts is in the same league as Waffle House. Parentco Dunkin Brands Group also owns & operates Baskin-Robbins ice cream. Ops in 29 countries, there are 10,600 DD outlets and 7000 Baskin-Robbins restaurants. Based in Quincey, Mass.

-Hormel (USA: HRL) creators and purveyors of Spam™. There are Spam® cookbooks. There is a Spam Museum. Hormel has purchased legendary Skippy™ peanut butter from Unilever (UL) \$0.68 dividend, Market Cap \$8.47bil, uninterrupted dividend every single Q since 1928

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

-Ryder Systems Inc (USA: R) Ryder truck rental

-SuperValu (USA: SVU) Albertsons™ OSCO, Jewel™ Cub foods™ and others, third largest foods retailer in the US after Kroger & Safeway

-Kroger (USA: KR) USA's All-American Neighborhood Supermarket. 2500 Kroger stores 750 convenience stores 650 superstore/fuel centers that sell lobster cheerios lawn furniture leather couches tires house-brand health & beauty products RX's and flu shots. House brands increasingly superlative. 62 million Americans

have a Kroger card. How do they do it? Kroger knows what people want. KR is half-owner of London's Dunn-Humby, one of the planet's premiere market research/consumer behavior companies, now building a 250,000 Sq Ft US HQ in Cincinnati. Clients include Macy's and PG

-Safeway (USA: SWY) your basic California supermarket, where divorcees buy cheese & catfood at 11pm

-FirstGroup (LSE: FGP) (England) global public transportation in UK Australia Europe & North America, including ownership of the USA's legendary Greyhound Bus System. Superbly-managed. To buy in you must buy LSE shares

NOTES: America's primary poverty food: it's not macaroni and cheese, it's [Ramen](#):

## AMERICANA STOCKS

### As American as... well, as these companies

-Cabela's (USA: CAB) hunting fishing camping & outdoor gear retailer and North America's primary one. 34 stores 32 in the US and two in Canada, A visit to a Cabela's wilderness store is an adventure in itself. The products and the stores are tourist attractions and wildly popular in the New Wealth Belt states and the states of the Former United States of America. To the half of America that is not part of the People's Republic of America, a Cabela's store is the equivalent of a Cartier store or a Tiffany's

-Sherwin Williams (USA: SHW) paints and coatings, #207 largest US company, founded 1866, 4100 paint stores, Sherwin Williams, Dutch Boy, Krylon, Thompson's Water Seal Minwax etc brands, products also sold through hardware stores, big outlets like Lowes and Home Depot. Outstandingly well-managed, dividend should be higher. This is the company that makes your house paint: it's almost impossible to be more Americana than this company

-Cisco (USA: CSCO) the king of networking stocks. Superb CEO. For a decade Cisco just bought out any smaller competitor -and all those patents. This company is looking at 5% growth annually for the next five years

-Microsoft (USA: MSFT) epic launch era includes a new Windows 8™ system that costs \$70 rather than Windows 7™'s \$200. New Windows Phone new MSFT Office and new Windows Server, plus a tablet. Zero Debt, new mail system Outlook replacing Hotmail

-QualComm (USA: QCOM) off these pages for some years, Qualcomm's recently -introduced Snapdragon™ S4 processors are flying off the shelves. In the late 90s Qualcomm's proprietary CDMA technologies made the mobile world we live in today possible

-Lorillard (USA: LO) tobacco, American iconic brands plus electronic cigarettes Dividend Yield 5.2% founded in 1760, America's oldest continually-functioning company

-Reynolds American (USA: RAI) tobacco, iconic brands plus electronic cigarettes, Dividend Yield 5.2%

3M (USA: MMM) as American as it gets. Founded as Minnesota mining & Manufacturing co in 1902, originally to mine for abrasives. Legendary historically-iconic products include Scotch Tape™ Post-its™ & Scotch-Brite™ 560 US patents, operations in more than 60 countries, sales everywhere globally

-Borg-Warner (USA:BWA) highly-engineered electrical and mechanical automotive systems. Well-managed

-PG&E Corp (USA: PCG) (Pacific Gas & Electricity) who you owe your soul to if you live in California. EPS \$2.63, dividend yield 4.48%, and one of the strongest and steadiest dividends ever

-BlackRock (USA:BLK) investment management co on 52<sup>nd</sup> St. manages itself superbly. Bought Barclay's (BARC.LSE) iShares® Funds ETF business.

-Diamond Hill Investment Group (USA: DHIL) investment and insurance services

-American Express (USA: AXP) this high-end credit card co is back on our lists after years of absence. Upscale American Express has recently had far fewer late payments

-Starbucks (USA: SBUX) as Americana as coffee can be. World's largest coffee company. Founded 1971. CEO Howard Schultz is one of the most honored American CEOs of our time. Owns its own coffee plantations. the co has been putting profits from the co into buying coffee farms for 11 years, 17,000+ store locations worldwide and is headed toward the MW Global Momentum stocks listing. 9% Q revenue gain, opening Starbucks outlets in China, at the start of opening Starbucks stores in India. Starbux sees both these plays as paying off bigtime in 5-10 years as it moves to rule coffee globally by purchasing more and more coffee plantations and expanding its Starbux stores globally

-Cracker Barrel Old Country Stores Inc. (USA: CBRL) upscale travel dining on USA Interstates. 608 locations in 42 states. Masquerading as a bargain roadside lunchspot, the co is run by sharks. Cracker Barrel has a nasty habit of trapping its customers, via a manipulated wait for a table, in an area crammed with point of purchase stuff. The French onion soup is great. Cracker Barrel was much favored by Tammy Wynette while on tour. In a newly- impoverished Third World America, this co's cash flow may be waning; we increasingly live in an America in which travelers sleep in rest stops because they cannot afford motels

-Simon Property Group (USA: SPG) American malls & interstate outlet centers etc.

-Owens Corning (USA: OC) Pink Panther™ fiberglass building material/insulation. Doing well during what has been a horrible time for the home construction industry industry. Big patent portfolio still growing. A sleeper stock and we are watching it. Fiberglass may have new uses upcoming, one of which may be as natural gas pipeline

-Cardinal Health (USA: CAH) World's largest health care products middleman. Wholesaler of medical supplies and pills. Cardinal has purchased privately-held Zuellig Pharma China for \$470mil, giving CAH a

foothold in one of the planets fastest growing health care markets. China will become world's 2<sup>nd</sup> largest pharmaceutical market, behind USA. Company founder Robt Walter was a visionary

-Hasbro (USA: HAS) key and legendary manufacturer of Americana Toys. GI Joe™ etc. Owns the My Little Pony™ franchise, strong FWD guidance

-Mattel (USA: MAT) Barbie® and American Girl® dolls. USA doll-saint Barbie, hated, made fun of and loved, has a 50% market share of all commercially-sold dolls on earth. Mattel also manufactures the Magic 8 Ball™. Monster High™ dolls. Also dolls of characters from the Twilight book & movie series, plus a Barbie that has a videocam in it. Very strong recent Qs

-Scotts Miracle-Gro (USA: SMG) Legendary lawn care products co in a time when Americans can no longer afford to lavish care on lawns

-Vulcan Materials (USA: VMC) Gruntwork USA const matls provider, aggregates for highways & gen const gravel asphalt, redi-mix, etc

-Granite Construction Co (USA: GVA) the people who build airports bridges highways etc

NOTES: The US now has a \$900++ billion backlog of unaffordable highway and bridge repair

-Monster Beverage Corp (USA: MNST) formerly Hansen Natural. Founded 1985, dozens of alternative health food & energy beverages beverages to Pepsi & Coke, products favored by elite Moms in North Shore Chicago, Malibu, and Seattle and also by the Moms and Dads. This is a very strong company, has manageable debt, and is superbly-managed. There are 87mil shares outstanding

-Snap-On Inc (USA: SNA) products that are in every mechanic's toolchest in nearly every auto repair shop and every truck repair shop in America, and also in every other car & truck repair shop in 130 other countries. Based in Kenosha Wisconsin & founded in 1920

-Hershey (USA: HSY) America's premiere mainstream chocolate co, founded 1892, Dozens of products including Hersheys Kisses™ and Payday™ candy bars. Hershey owns a ton of Cadbury shares, meaning that the Kraft Foods purchase of Cadbury gives Kraft leverage over Hershey Chocolate

- Kraft Foods (USA: KFT) Oreo cookies and Maxwell House coffee, how much more Americana can you get. Nabisco Oreos Philadelphia Cream Cheese Jello Cadbury's Kraft Caramels etc etc dropped from the Dow components list but a strong USA company

-Tootsie Roll (USA: TR) the same fabulous candy since 1896. TR is the Last Candy Man Standing that is not owned by a conglom. Founded in Chicago. Near zero debt

-JM Smucker (USA: SJM) this Ohio farm family began selling jams from a horse cart in 1897, the Smucker family now brings you Jif™ peanut butter plus iconic American kitchen brands Martha White®

Pillsbury® Folgers® Hungry Jack® Crisco® Crosse & Blackwell® PET® plus a wide array of Smucker house-brand products. Smucker is making a strong push into China

-Kimberly Clark (USA: KMB) toilet paper & other paper products we love this co and have invested in & out of it since 1993

-Chipotle Mexican Grill (USA: CMG) near zero debt. America's chosen Mexican Food. Approx. 1084 US restaurants and they are real restaurants, not slumfood fastfoods. There are only 31mil shares outstanding and this is almost certainly the best-managed restaurant chain in North America but shares are expensive and the restaurant play is being challenged by Taco Bell (a component of YUM brands YUM)

-Mattress Firm Holding Company (USA: MFRM) 2011 IPO, retailer and franchisee for 787 US mattress stores. Purveyor of iconic Tempurpedic™ brand mattresses and pillows, wholesales to Macy's sears Costco and others

-Harley Davidson (USA: HOG) A 20<sup>th</sup>-century American phenomenon now is a worldwide 21<sup>st</sup> century anachronism and a global legend surviving in the 21<sup>st</sup> century. Harleys are status symbols and evidence of coolness in Brazil Norway India Germany France Mexico Australia etc. and most recently, once more and yet again, in the United States among a new generation of young Americans seeking coolness. New models include the Harley 72 and a redesigned V-Rod. 40% of Harley's revenue comes from export sales

-O'Reilly Automotive (USA: ORLY) a smaller Autozone, but still has 3613 retail stores, superbly managed, should pay a dividend

-Thor Industries (USA: THOR) America's RV company. Elkhart Indiana. RV's motor coaches & ambulances. Several brand names.

-Eaton (USA: ETN) electrical & hydraulic components for military & industrial transport (trucks Aggribz machinery and Caterpillar mining dozers loaders et al etc automotive & aerospace

-Parker Hannifin (USA: PH) Motion & control systems & technologies, including those of wind farms. Facilities in 39 US states and 45 countries

-Briggs & Stratton (USA: BGG) astonishing that this co is still free-standing or even still alive, the co makes lawn mower engines home generators etc etc. Founded in 1908 based in a town in Wisconsin whose name we can't pronounce

-Ford (USA: F) Still Americana not global. Ford will market four electric vehicles in 2012. Ford's Enterprise Value is 3X the value of its Market Cap. The Ford F-150 is back on top as the USA's best-selling American-made vehicle and trucks are increasingly important in the 21<sup>st</sup> century. Recent strong sales in China. Ford has re-instituted its dividend Ford F-150 has been America's favorite Pickup Truck for three generations

-Cummins Engine (USA: CMI) world's largest maker of high-horsepower diesel engines, gas engines for trucks industrial and military use, high-power electric generators, etc.

-Polaris (USA:PII) all-terrain vehicles (ATVs) snowmobiles and Harley-clone motorcycles plus accessories & clothing. Near-zero debt, extremely well-managed. Owns SwissAuto Powersports, a high performance engine co, has purchased the Indian Motorcycle™ brand name and will build Indians

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

-Navistar (NAV) delivery system trucks road trucks motor homes buses military vehicles diesel engines plus owns agribiz machinery co International Harvester. Navistar builds an electric truck the eStar that has become THE fleet truck of Pacific Gas & Electric (PCG) and West Coast FedEx (FDX)

-Owens Corning (USA: 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 but the market is there

-Owens-Illinois (USA: OI) world's largest glass container maker. 70% of revenues from outside the US. A lower share price and lower FWD guidance means the world is still obsessed w plastic water bottles, which means our species, now overrunning the planet w 7 billion, may be doomed, too stupid to survive

-Energizer Holdings (USA: ENR) Energizer Bunny® batteries

-Dollar Thrifty Group (USA: DTG) the airport rent-a-car people, 19mil shares outstanding

NOTES: Enterprise Rent-a-Car, a far far stronger and better-managed car rental company, is privately-held

-Lowe's (USA: LOW) if you own a house in North America or if you own a small construction company, you know about Lowes. 1649 stores in US & Canada

-Home Depot (USA: HD) the other home improvement retailer, 2244 stores in US China & Mexico. Profoundly strong recent Q means the US may at last have bottomed out

-Colgate Palmolive (USA: CL) consumer products, global the numbers are ok but cannot compete w Unilever, Nestle, and Brazil & Mexico consumer products makers

-General Mills (USA: GIS) Agribiz conglom, food processor & purveyor of best-beloved US brands Aunt Jemima® Betty Crocker Pillsbury Green Giant Yoplait Cocoa Puffs & many more. Cheerios™ is a 70-year old product. Raised guidance and raised prices. Owns Majority Stake % of French yogurt company Yoplait

-Johnson Controls (USA: JCI) heating ventilation @ AC systems, auto manufacturing parts, batteries building management & security systems etc etc. Founded 1885

-GrafTech (USA: GTI) industrial graphite welding electrodes, one of two co's in the world (the other is DGL Carbon) that makes these basic welding necessities

-Lincoln Electric (USA: LECO) old-line welding supplies, based in Cleveland

-Stanley Black & Decker (USA: SWK) America's premiere branded consumer hand tool & pneumatics tool manufacturer, also engineered security systems worldwide. Founded 1843

-Greif (USA: GEF) USA's leading industrial packaging company. Steel plastic and containers for freight-system and oceanic shipping & packaging. Ops in South China including a big packaging-service complex that enables GEF to exploit the Far East and Asia Pacific the way FedEx does. \$3.5bil annual sales, 16,000 employees. [Award-winning new global product:](#)

-PraxAir (USA: PX) industrial gases, there is a global shortage of several industrial gases including helium

-AirGas (USA: ARG) through its subsidiaries is a distributor of industrial, medical and specialty gases including nitrous oxide liquid carbon dioxide etc, plus welding gases welding equipment and supplies, and industrial safety products

-Valspar (USA: VAL) industrial surface coatings

-PPG Industries (USA: PPG) industrial surface coatings

-Disney (USA: DIS) The greatest entertainment company of all time. Pirates of the Caribbean, National Treasure, The Sorcerer's Apprentice, Tinkerbell, The Parent Trap and many other entertainment franchises. Construction of \$4.4bil Disney theme park in Shanghai now under way. All primary Disney films being re-issued in 3D. Disney is a force in video games as well. A partnership in Russia produces children's programming & movies. Ownership of the Marvel™ comic empire gives Disney characters usable for decades. Ownership of the Muppet kingdom since 2004 is an investment that may make Disney fat profits for a century. Disney theme parks and cruise ships are America's #1 wedding and vacation destinations, now too a wedding dress line. In 2016 Disney will open an Avatar™ theme park in Orlando, offering the experience of the lush 3D world of Pandora, after two Avatar/Pandora 3D Sequels are released, in late: 2014 & 2015. Fat dividend hike. Disney is buying heavily into India via buyout of India's UTV for around \$390mil

-FedEx (Federal Express) (USA: FDX) global shipping and mail. Recent infrastructure buildout in China and Pacific Rim countries. FedEx is one of the world's premiere redflag/greenflag global economic markers. Strong FWD Guidance. To find out in advance what will happen to FedEx & UPS, watch global oceanic shipping

-United Parcel Service (USA: UPS) The May 2008 deal to provide air transport services to rival DHL was essentially a takeover of DHL. Huge UPS international airfreight hub port in Shanghai supports UPS' far-eastern and global airfreight business. 954 million shares outstanding

-Western Union (USA: WU) global money transfer everywhere. 375,000 agent locations. FWD P/E 11 \$12bil market cap 16.7% profit margin. Founded 1851 and based on US govt funding of the telegraph in 1843...which Samuel Morse, a design major at NYU in 1835, perfected from a European invention

-Citigroup (USA: C) Americana mainstream banking

-JP Morgan Chase (USA: JPM) Americana mainstream banking

TO INVEST IN 3D

-Disney (USA: DIS) in October 2012 Disney bought the entire LucasFilm franchise for \$4.2billion. Including all of Star Wars™...since 1978 the Star Wars franchise has earned \$21 billion. Disney will re-release all of the earlier Star Wars films plus all of the Star Wars future films in 3D

-Apple (USA: APPL)

-Google (USA: GOOG)

Google Glass: shop in virtual reality, shop in 3D

[http://www.mercurynews.com/business/ci\\_24820288/virtual-reality-transforms-real-life-shopping-stores](http://www.mercurynews.com/business/ci_24820288/virtual-reality-transforms-real-life-shopping-stores)

-Samsung (Korea: SSNLF) EPS \$176.26

-Nvidia (USA: NVDA)

-Microsoft (USA: MSFT)

-3M (USA: MMM)

-Corning (USA:GLW)

-Warner Brothers Entertainment (Time Warner) (USA: TWX) Mortal Kombat™ et al

-Disney (USA: DIS)

## HAUTE STUFF

Euro-Flash, Asian Terminal-Hipness, Japanese Cool, Latin American Decadence, & Good Old USA Hedonics

- Prada (FRA:PRP) (USA: PRDSY) recent IPO for this Italian co could not possibly have come at a worse time, but Prada is in expansion into China & Asia-Pacific will open 260 new shops

Notes: China's Chou Tai Fook IPO (China's primary domestic national high-end jeweler) is a bigger IPO than Prada was and presents a direct threat to Tiffany, w the potential to go global

Notes: rumors of a Versace IPO have been out there for years. Hasn't happened.

-Hermes International (RMS) French luxury goods esp handbags & silks. Very strong 1<sup>st</sup>/half profits, very strong Full-Year Guidance FWD strong sales in China

-Tiffany & Co (TIF) branded luxuries in the fabled Tiffany Blue Box™. One of America's fifteen strongest brand names. 200++ luxury retail stores worldwide.

-Bulgari (BULG:MI) World's 3<sup>rd</sup> largest jewelry maker behind Tiffany and Richemont (CFR:VX) (Richemont is parentco of Cartier)

-Bang & Olufsen (Denmark)(USA: BGOUF)(LSE:0MRM) extreme high end audio-visual consumer technology products including an \$85,000 3D television and onboard sound systems for Aston Martins. 1000 dealers in 100 countries

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

-Dominion Diamond Corp (DDC)Harry Winston Diamond Corp (HWD) is gone, the Harry Winston brand and retail units sold to Swatch. HWD is now Dominion Diamond Corp (DDC) and owns some of the world's best diamond mines including the Ekati, which it bought from BHP, and the Diavik, which it co-owns with Rio Tinto

-African Minerals Ltd (LSE:AMI) UK, based on island of Guernsey 2.13.6 mil shares outstanding, diamonds but also titanium vanadium & iron, most ops in Sierra Leone (UK's Blackrock owns 7.8% of the shares) (USA shares: AMLZF:PK) we favor the LSE shares

-Petra Diamonds Ltd (LSE: PDL) owns controlling interest in South Africa's Cullinan mines

-Gem Diamonds Ltd (LSE: GEMD) 138.27 mil shares out -African Diamonds (AFD:LSE)

-Movado Group (MOV) legendary signature cool black-faced modernist Swiss watches

-Panera (PNRA) 1652 company-owned and franchise-operated upscale bakery/restaurant/cafes in US & Canada. Zero debt. PNRA has outperformed every other major US restaurant stock for twelve consecutive years. Restaurant format- upscale spacious casual w comfy seating and enclosed open fireplaces- is so successful that Wendy's McDonalds Burger King & Subway now are starting to copy it. Sales up, strong FWD Guidance

-Discovery Communications (DISCA) is the 21<sup>ST</sup> century Readers Digest. World's number one video nonfiction media company. More than 1.5 billion subscribers in 170 countries. Operates 100-plus cable

networks worldwide, led by Discovery Channel, TLC, Animal Planet, Science Channel, Planet Green, Investigation Discovery and HD Theater. Also offers consumer and educational products and services, including digital media content services like HowStuffWorks.com. Market Cap \$21bil

-Compagnie Financiere Richemont (CFR:VTX) (CFRHF:PK) Cartier, Piaget, Baume & Mercier Dunhill and other brand name luxury products

-Estee Lauder (EL) legendary branded cosmetics beauty & health care products, owns several brands including Tommy Hilfiger™ founded 1946, \$10bil Market Cap, \$800mil in cash, sales in 150 countries

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

-Chubb (CB) insurance provider in the extremely profitable niche market of insuring fine art, jewelry, and other luxury material like yachts

-Brookfield Properties Corp (BPO) REIT of buildings, buying things now that will be worth much more later. Expanding into Australia via real estate purchases

-Kohlberg Kravis Roberts (KKR) private equity & venture capital co with interests in Australia Japan Hong Kong Taiwan India Viet Nam Denmark France Germany Netherlands Norway Sweden UK Caribbean Mexico South America and the US. A useful marker to understand where investment \$\$ is flowing to, and why

-AON Corp (AON) Chicago. World's largest insurance broker. Does strictly underwriting, bears no direct risk at all, strictly a broker. Offices all over the world. Services the New Global Middle Class that is replacing the formerly dominant but now vanished US middle class as the buyers of global goods and services. 65% of AON's sales come from outside the US. AON is a beneficiary in the Japan mess. Losses borne by the insurance industry will simply be made up for via rising premiums. Higher premiums mean higher commissions for AON

-Brookfield Asset Management (BAM) Real Estate REIT but global: biz property, power, and infrastructure investments including subsidiary Brookfield Incorporacoes SA (SAO:BISA3) which buys office buildings and property in Brazil

-Swatch Group Ltd (VTX:UHR) (USA: SWGNF) luxury personal products & accessories major brand watches, including Omega™, the world's official James Bond watch. Global sales, annual profits above \$1 billion for the first time in 09

-Ruger (Sturm, Ruger & co) (RGR) Aerospace, and defense products & services. To ordinary citizens in the Former United States of America, Ruger means pistols and rifles, and good ones. Superbly managed, zero debt

-Oxford Industries (OXM) design manufacture distribution & sales of private-label apparel & accessories, US & UK. See also Iconix (ICON)

-Burberry (LSE:BRBY) (USA:BBRYF) The Legendary UK plaid. A key facet of the original wave of 'Preppy' clothing in the USA. In England, the Queen wears Burberry, and so do Prince Charles & Prince Wm

-The Limited (now L Brands) (Victoria's Secret) (USA: LTD) Victoria's Secret™ & also Henri Bendel™ and others. Mistresswear & hottiewear, upscale luggage, femme fashion, sportswear, bathroom products. 22<sup>nd</sup> most valuable American brand. Every Victoria's Secret catalog goes to 400 million addresses worldwide. There are downtown Victoria's Secret stores in London Sydney Tokyo and elsewhere. An online catalog too but recent market research indicates real hardcopy catalogs sell thirty times more product than Online catalogs

-Leica Camera AG (USA: LEIMF) (Munich: LCA1) The one, the only. Fabulous new 25mm-600mm lens SLR camera

-Pool Corp (POOL) these guys handle ALL the supply products for home swimming pool care. And for commercial pools like motels, too. 290 sales centers USA & Europe. well managed

-Polo Ralph Lauren Group (RL) upscale clothes and lifestyle products. RL himself we find smarmy, but the co is not

-Abercrombie & Fitch (ANF) global upscale casual clothing & accessories. Continually causing an uproar in the US with their audacious sexual-content-laden catalogs that so upset erotophobes and bluehairs. In Istanbul London Tokyo Moscow Paris the ANF brand is as hot as Versace & Gucci & Chanel. Strongest ANF brand is the status symbol label Hollister™. The co is failing in the US, where there are fewer and fewer privileged US teens children of parents with deep pockets, but ANF but has strong sales overseas

-Allergan (AGN) Rx Botox™ for skin and Rx Latisse™ for long eyelashes...market for Botox is expanding globally. Botox now used as a treatment for migraine headaches. Eyelash grower Latisse™ is now used by men as antidote to male pattern baldness

-Royal Caribbean (RCL) luxury cruise ships. World's largest cruise ship Oasis of the Seas. Sister ship, Allure of the Seas

-Carnival (CCL) luxury cruise ships, 98 ships as well as hotels, motorcoaches, and domed rail cars

-Disney (DIS) Disney Cruise Lines has been in the cruise biz seriously since the launch of the 4000-passenger Disney Dream. A twin-sister ship, the Disney Fantasy, will launch this year. Disney facilities, both parks and ships, are the single most popular wedding venue in the US. Disney now has its own line of wedding dresses to capitalize on the entire package.

**Notes:** People who go on cruises love them. And the cruise ship industry has grown at 10% annually since 2003, despite lean economic times

-Rick's Cabaret Int'l (RICK) (RIK: DE XETRA) USA 34 strip club/nightclubs, two industry trade publications, 25 'sex industry' websites. 77,000++ customers a month, there will always be strippers

-Cedar Fair (FUN) 11 Amusement parks including Kings Island and Knotts Berry Farm but esp Cedar Point, home of the world's biggest most famous and most sought-after roller-coaster, an end-destination for tourists from worldwide. Sold California's Great America™ resort playground to private equity

-Marriott International (MAR) 3718 company-owned or franchised hotels/motels lodging facilities plus 3838 home and condo short-term rental properties in 65 countries. Market Cap \$12bil. Dangerously high P/E Dangerously low Profit Margin. New hotels in Russia. Buying condo complexes like mad, pouring it on in the vacation rentals market. In trouble in the US, where there is no longer a middle class that can afford \$125 a night motels. Doing well elsewhere. New CEO Arne Sorenson, an American sophisticate born in Japan in 1959 and a JD from University of Minnesota, estimates that China will send 100 million tourists abroad in the next 3-4 years, up from only one million a few years back. Marriott is building new Marriotts in the US

See also Intercontinental Hotels (IHG) and Choice Hotels (CHH)

-Starwood (HOT) upscale hotels & resorts worldwide

-Hyatt Hotels (H) (recent IPO) 451 properties worldwide in 43 countries

-Krispy Kreme (KKD American-Southern Dixie White Soul Food but considered chic outside the US. Brand name is 6X more valuable than the Market Cap. A stealth REIT, Krispy Kreme owns the property under most of its retail stores. Is slowly heading into foreign markets

-Green Mountain Coffee Roasters (GMCR) 225 varieties of coffee, plus other beverages

-Monster Beverages (USA: MNST) energy drinks, the primary competitor of the privately-held Red Bull™ Monster has 40% market share of the entire US energy drink market

-Dean Foods (USA: DF) maker of Silk™ Almond Milks

-Olin Corp (USA: OLN) parentco of Winchester® and Browning® sporting and military firearms and Winchester® and other brand-name ammunitions. 4.4% dividend. Strong sales to police depts. & military as well as private sector

-International Speedway Corp ( USA:ISCA) NASCAR is a multi-billion dollar industry and a world of diamonds minks 50k pickup trucks & cowboy hats. It's USA's Shakespeare. 100 million Americans watch NASCAR races on TV. Danica Patrick has been useful to the biz. Also the dead guys, drivers who

sacrificed their lives on the altar of NASCAR. NASCAR is in transition but open to new icons and old traditions. The co is starting to open casinos as well.

NASCAR was originally, in the post WWII late forties, called “stock car racing” and stock car racing was directly descended from the moonshine business of the Rural South and the necessity of high speed delivery cars that could outrun police and state patrol cars. 75 years later, the descendants of one Junior Johnson, an early Nascar superstar and a former moonshiner car driver who did time for it, have opened the Johnson Distilling Company in Kentucky and they sell ‘legal’ white lightning (legal in that they pay taxes on their stills) in a clear glass jar and you can probably buy it (guaranteed to be less than 30 days old) at your local liquor store

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

-Hermes (France PA: RMS) luxury personal goods, Paris. 300 stores in Europe Asia Japan Pacific & Americas, EPS \$7.51

-Natura Cosméticos (Brazil SAO: NATU) cosmetics sunscreens health & beauty etc, a 2008 IPO, sales throughout South America Central America and Mexico, still expanding. Company has had strong upward sales curve in Latin America

-Solazyme (USA: SZYM) proprietary transforms a variety of plant sugars into oils... but not fuel oils, the kinds of oils used in skin-care products and foods. Market Cap \$1.29bil

-Gucci Group (Italy: GUCG.PK) global luxury personal products

-Industria de Diseño Textil SA (Inditex) (Spain: ITX) design apparel footwear, fashion, household goods home furnishings, parentco of Zara® stores and seven other brands, global sales

-Deckers Outdoor (USA:DECK) the iconic star-quality Alley-Oop© style Uggs™ sheepskin boots favored by upscale women worldwide. Uggs™ are global, have actually been around since the 1960s and are and fashion-elite anywhere. Several companies make and sell Uggs but Deckers has 84% market share. Zero debt, there are only 37mil shares outstanding.

-Cost Plus Inc (USA: CPWM) Cost Plus and World Market stores. 250 stores in 30 states under various Cost Plus, Cost Plus World Market, Cost Plus Import, & World Market brands. Wonderful things from worldwide . Gorgeous global products: leather chairs and furniture, global foods and wines, and a thousand other things. This tinycap company took the USA by storm about 1968 starting from San Francisco, and its time has come round again, only 22.3mil shares outstanding, well-managed

-Nordstrom (France: NRD)(USA:JWN) upscale fashion goods retail, men women & kids. 207 stores in 28 states. Market Cap \$9.66bil FWD P/E 12.59 QRG YOY 11.3%, well managed

-Coach (USA: COH) luxury leather goods & accessories, thriving business in Japan Macao & China as well as in upscale Europe & USA

-Brown Forman (USA: 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 stock

-Constellation Brands (USA:STZ) upscale brand-name beers and wines distributor, the world's largest distributor of wine. Market Cap \$4.14bil, Enterprise Value \$7.2bil, P/E 7 EPS \$2.95

-Whole Foods Market (USA:WFMI) elite status groceries. 284 stores, USA UK & Canada. \$8bil annual sales. Owns Wild Oats Natural Foods. A better co is Trader Joe's™ but it's privately-held. Only 4% of WFMI shoppers are overweight, which means that US obesity is class-related & wealth-related. QEG YOY 91%. Barron's likes this stock. Reason enough to stay away

-Hanson Natural (USA: HANS) is to soft drinks what WFMI is to supermarkets

-AquaBounty (UK:ABTX) (Scotland) custom made heart-healthy dinner table fish (genetically-enhanced salmon tilapia & trout) supplements dwindling wild fish populations

-L'Oreal (France: OR.P) (LRLCY:PK) France-based global hair/ body/cosmetics products, 599mil shares out

-Open Table (USA: OPEN) make restaurant reservations Online from your handheld or your laptop in US Canada Mexico Europe & Asia. A time will come when no upscale restaurant on any continent will be without membership. 23mil shares outstanding. US sales are flat to shrinking as fewer Americans can view "fine dining" as an amusement, but the company is a probable global play and a buyout candidate

-Wendy's (USA: WEN) Market Cap \$1.78bil, 390mil shares out. 6,194 restaurants (most are franchises) in the US and 27 foreign countries. Wendy's back from the dead, is becoming a global niche market luxury food, even as McDonald's (MCD) blames an impoverished economy for poor Q sales. In Wendy's restaurants in Japan, you can buy a foie-gras burger (\$16.50) a grilled chicken sandwich topped with truffles (eat your heart out, Chick-Fil-A), a lobster-and-caviar burger (\$16.35) and more. In depression-era Third World America, you won't be able to buy these. In our USSA police-state country, foie gras is in fact illegal in California

-Diageo (UK: DEO) world's largest supplier of alcoholic beverages (Johnny Walker® Smirnoff® Guinness® etc etc) EPS \$6.34 next three years look very strong

-Honorary Listing: Bacardi Ltd: where the world gets its rum. Based in Bermuda. Privately-held

-Fortune Brands (USA: FBHS) global upscale home& consumer products (Moen® faucets, Jim Beam® bourbon, Master® locks etc etc.

-Anheuser-Busch InBev SA (Belgium: BUD) Brussels-based, global upscale brewer. 200 beer brands, sales in 120 countries in Asia Pac, Americas, Europe. Live with it, Bud Lite™ is the world's beer, but Ambev brands are gaining US market share

-Ambev ( Brazil: ABV) (Companhia de Bebidas Das Americas) this giant co-managed Latin American brewery also sells many other beverages. Distribution alliances in Canada. EPS \$5.04, 616 mil shares outstanding, Q earnings growth YOY 34.1%

-Heineken NV ( Holland: LSE: OLNE)(HINKF: USA ADR) legendary Dutch masterbrewer bought Femsa for 3.8bil Euros giving Heineken its own foothold in South America

-SAB Miller (UK: LSE:SAB)( USA:SBMRY) Pilsner Urquell, Grolsch, Peroni, Miller brands, high alcohol-content 'bubblemum' drink Blast™ etc bought world's 2<sup>nd</sup> largest brewer by volume. Bought Argentina's Cerveceria Argentina SA Isenbeck, (Isenbeck & Warsteiner beers etc) to enter the Argentina market (dominated by Budweiser) with a flourish. Shares up 292% YOY. Has bought Foster's for \$10.2bil

-Molson Coors (Canada: TAP) Market Cap \$7.5bil EPS \$3.58 P/E 11 many beer brands incl Pilsner Urquell Milwaukee & Carling, EPS \$3.58

Alcohol notes: Much of America is working part-time or is underemployed and is binge-drinking and plastered, especially the young. Drinking among college students hasn't been this heavy since the 1920s. Top selling liquor brands in the US: Kamchatka vodka, Jack Daniels bourbon, Bacardi Superior Light rum, Captain Morgan Spiced Rum, Absolut vodka, Smirnoff vodka, and Crown Royal Canadian whiskey. Sales of "grocery-store-level" wines (\$5.99-\$9.99) have never been stronger.

-LVMH Moët Hennessy Louis Vuitton (France:MC:PA)(LVMHF.PK) luxury goods: champagne brandy fashion accessories luggage etc. shares were up 78% in 09. New 'vintage' luggage- real suitcases, made of brown harness leather – are back in fashion

-Luxottica ( Italy:MIL: LUX) (USA:LUX) Americans spend 415bil a year on eyewear. Italian sunglasses giant Luxottica owns ALL major global brands (Ray-Ban etc etc) and ALL major glasses and sunglasses licensures from luxury brandnames (Versace, Burberry et al) plus owns Lenscrafters®, 5500+ stores plus franchises. strong presence in China

-British American Tobacco (UK:BTI: LSE) (BATS.L) global tobacco, brands sold in 180+ major markets

-Church & Dwight (CHD) Trojan® and other brand name condoms. 66% market share in USA

-Berkshire Hathaway (USA: BRK-A, BRK-B) owns 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, plus Burlington Northern RR. Recent \$9bil purchase of Lubrizol. Berkshire is too secretive of its stats & Q numbers for us. Dairy Queen™ restaurants opened in China during 2012

-Nike (USA: NKE) expensive high status casual shoes, \$300 gangsta thug shoes. Makes Air Jordans™ the nation's most high-status black gang member shoe (see Wikipedia: crips and bloods). Nike took the NFL shoe and uniform franchise away from Reebok, and is marketing Nikes in India

-Adidas (Germany: LSE:0H3L)(USA:ADDYY) German high-status sports shoes equipment & clothing (Reebok etc)

-Boston Properties (USA: BXP) a commercial property REIT with holdings in prime USA locations

-MGM Mirage (USA: MGM) Las Vegas: high crime rate, house odds against you, anything available for a price. MGM Mirage's Market Cap is far lower than Enterprise Value. Planning a \$500 mil 150-acre resort casino 65 miles west of Boston

-Wynn Resorts (USA: WYNN) Gaming and entertainment, Las Vegas and Macao. Macao has played out so well for the co that Steve Wynn may move the co HQ offices to Macao. Owns the Ferrari dealership in Las Vegas. Market Cap 14bil, Enterprise Value \$16bil 124mil shares out, FWD P/E falling

-Las Vegas Sands (USA: LVS) owns the Venetian Hotels. The Vegas Venetian opened in 1999. The Venetian Macau has 3,000 suites & a million sq feet of leasable retail space plus 870 gaming tables and 2400 slots. One of the top ten fastest-growing Large Cap stocks in the world. The Sands wants to build a "Euro-Vegas" in Spain, plans a 15-bil euro (\$20.3 billion) massive Las Vegas strip-style casino resort even though Spain has a 21% unemployment rate. Gaming traffic in Las Vegas reportedly is down 42% in 2012

-Bitwin.party Digital Entertainment (UK: LSE: BPTY) Global Online Gambling is a \$100bil annual revenue industry. Global Online Gaming is here no matter what the FCC has to say about it. It is an unstoppable industry. This company is a success. You must be able to buy shares via the London exchange

-Peugeot Citroen SA (France: PSA) (UG:EPA) (PEUGY:PK) (France) France's legendary car co launched an electric mini-car in Europe in October based on Mitsubishi's MiEV electric introduced in Japan in 09. Joint ventures w Mitsubishi (8058:TYO) (MBC:LSE)(MSBHF:PK) in Russia. Strong sales in Japan and Asia. General Motors owns a stake in Peugeot

-Renault (France: LSE:OHB6) USA: RNSDF)(Euronext: RNO) enormously successful maker of cars for the European Everyman has a profit margin too low for us, but will almost double its car sales in Brazil this year

-Fiat ( ItalyF:MIL) (FIAT:PAR) ( USA:FIATY)Turin-based Fiat is the parentco of Ferrari, Maserati, Alfa Romeo, and about 60% of Chrysler/ Jeep. Also Fiat cars & trucks, which have and been backbone basic middle class and small work/delivery vehicles in Europe since post WWII. In the 1970s the Fiat 124 was the poor man's Ferrari. Fiat re-entered the US car market with the Fiat 500, which is a hit. An electric Fiat 500 will debut. Chrysler is currently Fiat's strongest brand and Jeep sales are stronger than ever. Fiat marketed 7 new models in Brazil in 2013. Ferrari has introduced its first hybrid

Volkswagen (Germany: ) USA: VLKAY) Audi SEAT KODA Bentley Bugatti Lamborghini Porsche Ducati VW Commercial Vehicles Scania and MAN brand names. P/E 9.72 EPS \$5.05

-Porsche (Germany: LSE: 0JHU) (USA: POAHF) (ETR: PAH3) Owned by VW. An auto superstar since early 1950s, Porsche is a global cultural icon affecting fashion, design, etc. 28,000 race track victories. Now

completely owned by Volkswagen, Porsche is very much a 21<sup>st</sup> century force to be reckoned with. The Panamera 4-door is a delight though many Porsche purists are outraged by it. There are now seven models of Panamera including a hybrid that can be driven at up to 53mph on electric power alone. Porsches is aggressively going after the Latin American market

#### [Porsche's first production wholly outside Germany:](#)

-BMW (Bayerische Motoren Werke) ( Germany: XETRA: BMW.DE) (FRA:BMW.F) (USA: BAMXY) famous in the US for its Preppie Yuppie Eurocars that handle well & have fragile suspensions but can be driven for 250k miles. BMW also owns and manufactures Rolls Royce® autos and Husqvarna® products (motorcycles off-roaders snowblowers etc: the co has marketed a \$3000 solar-and- battery-powered hybrid lawn mower) and BMW® motorcycles, plus the British Mini-Cooper. Newly-marketed: two versions of a 650cc highly-upscale BMW motorscooter. A Rolls Royce electric car is already upon us. New \$900mil BMW auto plant in North Carolina. [BMW's i3 electric car, body of carbon fiber, is in showrooms.](#)

-Bombardier ( Canada: TOR: BBD:B)(USA: BDRAF) executive aircraft, Ski-Doo™ and Sea-Doo™ plus Can-Am™ trikes

-Tesla (USA: TSLA) Home of George Clooney's electric roadster sports car. This elitist red-ink car company is in a make-or break phase and it looks like it is make not break. 2014 may be the first year of the age of the electric car. The Tesla S, an elegant 4-door electric sedan, is now available.. If this car's engineering is ok (so far the reports are of quirks and glitches, but...) if and the Tesla S takes off, TSLA is headed for niche-market greatness and perhaps more: it may herald a new automotive era. And Tesla will then get bought by a major auto manufacturing co like Daimler (Germany: DAI)

Panasonic (Japan: PCRFY) owns a 2% share of Tesla. Daimler (Germany:DAI) owns a 10% stake in Tesla and is using Tesla technologies to work toward an Electric Mercedes Benz sedan and station wagon. Tesla has had its first-ever profitable Q

To make money on Tesla it is safest to buy shares of Mercedes Benz (Daimler) (DAI) but Tesla's own shares are soaring and we expect that Tesla will become a BUYOUT CANDIDATE

-General Motors (USA: GM) this once great USA company is back with a vengeance. It's Cadillac vehicles offer luxury handling and speed comparable or more so to BMW Mercedes etc and at a price break. Chevrolet's Volt™ hybrid electric is unique. Chevrolet's Camaro is one of America's best-loved cars and its Z-28 (580 HP) is one of the fastest cars on earth. The 2014 Corvette™ has won so many awards local and national we cant count them, may be the world's best off-the-showroom-floor 2-seat sports car, and costs half what a comparable Eurocar would cost. Chevy and GMC pickup trucks are at the top of their game. Global sales. Market Cap \$50bil, EPS \$2.79

-Tata Motors (India: TTM) Tata Motors owns Jaguar Land Rover and manufactures those famous and iconic British automobiles. These brands account for 60% of Tata's annual revenue and 85% of its pre-tax profits. Tata is increasing capital spending by 40% during the coming fiscal year to boost production, wants to reach sales volume of around 500,000 units as opposed to 360,000 units now. This still pales

against BMW's sales of 1.5 million units annually but it also makes Jaguars and Land Rovers rarer and more elite. Sales are up 30% in a year. Share price is up by a factor of 12 in four years

THE CAR THING - [Not everyone wants a Prius:](#)

## ADVERTISING

Omnicom and Publicis, the world's two largest traditional bricks and mortar ad agencies, are merging. Marketing/advertising giants Omnicom Group (USA: OMC) and Publicis Groupe (France: PUB USA: PGPEF) will merge to form the world's largest advertising holding company. On July 27, New York based-Omnicom Group and Paris-based Publicis Groupe announced they would combine in a "merger of equals" that has a combined market cap of \$35 billion. The company will be called Publicis Omnicom Group and will be led by Omnicom CEO John Wren and Publicis CEO Maurice Levy, who will be co-chief executives. The marriage brings together well-known ad firms such as Omnicom's BBDO Worldwide, TBWA Worldwide and DDB Worldwide with Publicis' Saatchi & Saatchi and Leo Burnett. The new company will have more than 130,000 employees. The combined company is expected to be listed on the New York Stock Exchange and Euronext Paris under the symbol OMC. The company has just purchased a major PR firm in Singapore

-Interpublic Group (USA: IPG) Market Cap \$4.65bil, global advertising and marketing services, NYC-based, P/E 11.2

-WPP (Ireland: WPPGY) Market Cap \$17bil, P/E 13.24, EPS \$5.07 based in Dublin Ireland, global reach advertising PR and marketing

-Omnicom (USA: OMC) advertising conglom, many subsidiary agencies, global reach

-Facebook (USA: FB): World's biggest social network they will figure out how to make \$\$\$#&\*\$\$\$\$\$ from mobile ads and they will have a 50% or higher margin on this venue. Facebook owns Instagram™. Whatever happens in the US- mass culture, Facebook has more than a billion participants and is the largest advertising venue in human history

-Twitter (USA: TWTR) This IPO already has been co-opted by the corporate world and by the US federal govt for their own purposes.

We believe the era of Online Social Networking has peaked.

-LinkedIn (USA: LNKD) upscale whitecollar internet professional networking now is global. It's a viable concept but perhaps shouldn't be a public company. The P/E is 943...

-Google (GOOG) Google search system itself plus YouTube™ and Google's gmail (450 million users) makes Google the largest ad agency on earth in terms of revenue

See also: JRN TVL MHP DTV CRWN

# AGRIBIZ

## SEVEN BILLION PEOPLE AND RISING: CAN WE FEED THEM?

[The worst drought in California in a century, caused by a change in the path of one of the jetstreams, continues:](#)

A new and unexpected Agribiz Banker is nurturing small Agribiz businesses with small business loans: Whole Foods Market (USA: WFM) has decided this is a way to go, and has been steadily supporting companies that make local products since 2007: <http://www.ocreger.com/articles/loan-597900-whole-foods.html>

Brazil & Deere (USA:DE) <http://seekingalpha.com/article/1915921-how-brazil-will-affect-deere>

Can we feed 7 bil people? Or 8 billion people? Maybe not.

If we can't save the honeybee, we don't eat. No pollenization, no apples no peaches no cherries no corn. <https://www.google.com/#q=the+honey+bee+crisis>

Chinese and American scientists and researchers say that a virus that typically infects plants has been found in honeybees. This pathogen could be at least part of the cause of the death of vast numbers of these insects in a phenomenon known as colony collapse disorder. Scientists inadvertently found tobacco ringspot virus during routine screening of honeybees. The results show the first evidence that honeybees exposed to virus-infected pollen can also be infected and that the virus can become widespread in a hive. Honeybees can also spread the virus to additional plants as they move from one plant to another. It's a start. If we can save the bees, we'll eat.

American farmers spent the last few years planting as much corn as they could, but with its price half what it was a couple of years ago, corn's luster has dulled and many growers are. *Forbes* magazine and website publisher, indicated farmers intend to reduce corn planting to 92 million acres, a 3 perc

The official 2014 on the potential size of the US corn and soy crops won't be released by the U.S. Department of Agriculture until March 31

The world's next Agribiz leader? [Brazil's Mato Grosso is taking over from the US as the world's breadbasket.](#)

SOME PRIMARY AGRIBIZ STOCKS

-[Smithfield Foods has been bought by the Chinese.](#)

A privately-held Chinese company, Shuanghui, based in Hong Kong, was allowed to buy SFD for \$7.1 billion without a pre-emptive bid from the SEC. It's a signal of how desperately China is working to feed its huge teeming-masses population. In a crowded world, food is a strategic economic issue. Smithfield was an American icon company.

-Caterpillar (USA: CAT) agricultural machinery, global

-Deere (USA:DE) agricultural machinery, global.

-CNH Global (Case New Holland) (Holland: CNH) Case New Holland and other iconic agricultural machinery brands

Note: [CNH is owned by Fiat, which has merged its truck and tractor division with CNH](#)

-Cummins (USA: CMI) agricultural machinery, global sales

-Kubota (Japan: KUB) agricultural machinery, global

-Komatsu (Japan: KMTUY) agricultural machinery, global. Market Cap \$22.57bil Enterprise Value \$31bil

-AGCO (USA:AGCO) agricultural equipment, global

-Lindsay Corp (LNN) (USA) agricultural water systems and irrigation systems, USA & Canada

-Arts-Way (USA:ARTW) agricultural machinery and feed systems & modular ag buildings, rapidly expanding, UNDERVALUED

-Toro (USA:TTC) not just lawn mowers. agricultural equipment, micro-irrigation systems, global sales in 90 countries

-CF Industries (USA: CF) fertilizers, US Canada & UK < Europe

-Mosaic (USA: MOS) phosphates and potash crop nutrients also animal feeds etc

-Yara International (Norway: USA:YARIY) fertilizers and other crop nutrition enterprises. Operations in 51 countries and sales in 150 countries. Buying Bunge's Brazil fertilizers business for \$750mil (VALE bought Bunge three years ago, now is exiting Agribiz)

-Potash of Saskatchewan (Canada: POT) fertilizers mining, sales in US & Canada

-Terra Nitrogen (USA:TNH) fertilizers, sales in USA. The Dividend of \$16.84 is a Dividend Yield of more than 7.7%

-Agrium (Canada:AGU) broad spectrum of products, fertilizers seeds agrichems animal health etc etc US Canada & EPS \$8.56,

-DuPont (USA:DD) Agricultural products seeds chemical products etc, global sales

-Dow Chem (USA: DOW) agricultural chem products, global sales

-Monsanto (USA:MON) Gen-modified seeds and anti-weeds, world's largest seed company, global sales. Rapidly expanding through 2016, joint-project with BASF called DroughtGard™ dry-weather resistant seeds. Agriscience is the only way to feed these seven billion people who live in the 21<sup>st</sup> century. Monsanto is selectively buying up assets of small plant genetics agribiz companies like Agradis

-Syngenta (Swiss: SYT) seeds, global. Specialty: vegetable seeds. Europe's Monsanto. Market Cap \$30bil.

The global seed market is a \$41bil annual industry. It will be a \$60 bil market by late 2015

-BASF (Germany: USA:BASFY) German chemical conglom, wide variety of Agribiz chemical products, worldwide sales, Sales Growth 2013 about 3%, Dividend \$3.30 Yield 4.26%.

-Rogers International Agricultural Commodities ETN (RJA)

## AFRICA STOCKS

To invest in Africa:

-Randgold Resources (South Africa: GOLD)

-Monsanto (USA: MON) STRONG LONG TERM BUY

-IBM (USA: IBM) UNDERVALUED

-Google (USA: GOOG) STRONG BUY

-Royal Dutch Shell (Holland: RDS-A RDS-B) A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Core Laboratories (Holland: CLB) test sample analysis for the petroleum industry STRONG LONG-TERM BUY

-Microsoft (USA: MSFT) STRONG LONG-TERM BUY

-Apple (USA: APPL)

-Siemens (Germany: SI) A MARKET WITCH PORTFOLIO FOUNDATION STOCK

-Hewlett Packard (USA: HPQ)

-Cisco (USA: CSCO)

-Intel (USA: INTC)

-Rio Tinto (Brazil: RIO) STRONG LONG-TERM BUY

-BHP Billiton (UK/Australia: BHP) (BBL), STRONG LONG-TERM BUY

AFK

GAF

EZA

MES

PMNA

FM

## WAR STOCKS

“War is wonderful. They’ll never stamp it out. It’s one of the few times people can act their best. It’s so economical in terms of gesture and motion: every single gesture is precise, every effort is at its maximum.”

-Canadian poet/songwriter/performer Leonard Cohen

NOTES: Obama’s Pentagon plans to scale back the US Army to its lowest level of troops since pre WWII. Obama also plans to force the Pentagon to scrap the USAF’s entire fleet of A-10 ‘tank killer’ aircraft, to reduce the US Navy’s planned fleet of combat ships plus many other cuts, which will spell the end of US military dominance. Do not expect the Pentagon nor the Joint Chiefs of Staff to take this lightly nor to allow the United States to become weak.

An elderly psychic has this to say for April: Old USA curses are returning. Matters that the world and the USA thought were long-dead and gone will be coming back in April 2014

We believe this psychic is addressing a Washington DC crisis. Of 44 US presidents, [20 have been the target of assassination attempts. Four of those were successful.](#)

We think this is madness. Worse than you can imagine. But it's very possible during April 2014. Hold your breath, cross your fingers.

The Real Future of war is no longer the future.

Here is war's new long-term face: ABOARD THE USS GEORGE H.W. BUSH, The Navy successfully landed its x47B drone, an unmanned craft the size of a fighter jet, aboard an aircraft carrier for the first time July 10th, showcasing the US military's capability to have a computer program perform one of the most difficult tasks that a pilot is asked to do.

Video from the Navy Times: <http://www.navytimes.com/article/20130710/NEWS04/307100001/Navy-completes-1st-unmanned-carrier-landing>

Here is another new face of war:

[http://breakingdefense.com/2013/11/raytheon-non-lethal-heat-beam-tackles-new-missions/?icid=maingrid7%7Chtmlws-sb-bb%7Cdl6%7Csec1\\_lnk2%26pLid%3D401531](http://breakingdefense.com/2013/11/raytheon-non-lethal-heat-beam-tackles-new-missions/?icid=maingrid7%7Chtmlws-sb-bb%7Cdl6%7Csec1_lnk2%26pLid%3D401531)

And here is yet another new face of war: <http://news.yahoo.com/women-heading-navy-riverine-combat-jobs-081222609--politics.html>

And here is yet another new face of war:

<https://www.google.com/#q=military+developing+Iron+Man+battle+suit>

And yet another: <http://www.businessinsider.com/navys-most-advanced-carrier-launches-2013-11>

The most likely next US battlefield: a tough call. Iran? Russia? Domestic confrontation?

[http://www.huffingtonpost.com/2013/10/27/dick-cheney-iran\\_n\\_4167821.html](http://www.huffingtonpost.com/2013/10/27/dick-cheney-iran_n_4167821.html)

The USA has been, like Rome, a civilization which progresses through war. The US is, like Rome, collapsing courtesy of disastrous leadership. War got the US its turf, war has until recently kept the US safe and free (the oceans no longer provide protection and the concept of the US as an isolationist country is unthinkable in the 21<sup>st</sup> century) and manufacture of war materiel brings in big revenue.

Not all cultures are like this. But for the most part, all humans are. We are a vicious murderous lethal species. And we tend to eradicate the less-evolved among us.

When the US govt began studying UFOs seriously in the 1950s the concept and the caveat they came up with was this: Any time a lower culture comes into contact with a higher more advanced culture, the lower culture simply ceases to exist. This is why the US govt is so deathly silent about UFOs but chases them and reportedly shoots at them in order to bring samples down and back-engineer the technology. This is what happened to the American Indians: who first got horses from the Spanish explorers but then had to confront go west young man and were essentially eradicated from what would become the 'American' culture. This is what's happening in Africa now: Africa's native populations south of the sahara are

essentially being disenfranchised and eradicated. In another fifty years the population of sub-saharan Africa will mostly be Chinese and to a lesser extent from the USA.

And this is why US gun stores are so busy and why the market for AK 47s is worldwide. USA's gun injury stats indicate that you are safer serving as a soldier in Iraq or in Afghanistan than you are living as a townie civilian in Washington DC Chicago Los Angeles New York New Orleans Detroit and a host of other US cities.

Homo sapiens got where it is by evolving into the most murderous of the competing hominids of which only we, the most murderous of the murderous, survived to rule. War- and love of war- has been genetically programmed into humans over hundreds of thousands of generations.

War also takes a fierce toll and not just for the dead but also for the living and the survivors. Returning US soldiers are for the most part not honored for their efforts but face indifference and no jobs. Post-traumatic stress disorder, (PTSD) unknown half a century ago, was a new malady during the USA/Viet Nam war and before that, in WWI, was only called "shell shock" and before that, in the USA's Civil War, was called "cowardice." Suicide rates among US soldiers both on duty and after mustering out are among the highest in the world. A prominent British psychiatrist looked at how a decade of war and occupations following 9/11 and the US invasion of Iraq and multi-national forces stationed in several countries has affected the mental health of troops from both sides of the Atlantic. PTSD and suicide rates differ dramatically among US and British troops. One conclusion: tour-of-duty lengths for Americans must be made shorter, with more R&R time and more homeland support.

War is far more than "[diplomacy by other means](#)" ... War is THE most formidable social & economic engineering tool on earth. It also has been one of the world's great economic growth engines.

The prospects for war during the rest of the TwentyTeens decade and the TwentyTwenties: Population + Scarce Resources and Commodities= War. The Pentagon predicts that by 2020 "[warfare will define human life](#)" as global population explodes 50% in coming years to reach 10 billion in 2050. Powerful commercial, political and ideological forces drive globalization. Emerging nations compete for scarce resources. The Pentagon says: "This is the mother of all national security issues." What will ensue: War. Over water, over food, over natural resources like gold and copper, and over arable farmland.

Plus likely: wars between the world's major religions and their turfs. Wars of competing cultures. Islam has come of age once more in the 21<sup>st</sup> century and is on the march for influence power and territory just as it was centuries ago when the Moors ruled Spain. The West must either acquiesce to this aggression or turn and fight. This will involve Iran it will involve Pakistan & Afghanistan and also domestic Islamic religious leaders and tyrants in France England USA etc and it is turning Turkey, as a neutral powerhouse regional economy, from something much like Switzerland but with far more resources wealth than Switzerland into one more Islamic state in the Transnational Islamic Superstate.

A useful-overview War Stocks link: <http://www.defenseindustrydaily.com/>

# THE USA'S BEST 21<sup>st</sup> CENTURY WAR STOCKS

-3M (USA:MMM) in a surprise development 3M maker of Scotch Tape™ and other mundane products but one of the USA's primary hard science and technology companies, [purchased Ceradyne and became one of the primary producers of body armor](#).

-General Dynamics (USA: GD) defense products conglom: combat vehicles including the Stryker MGS, weapons systems, munitions, shipbuilding, aerospace, low debt, superbly managed, PE 11, EPS 6.17. Owns Applied Signal. It is no accident that SYFY Channel's Eureka featured "Global Dynamics" as the TV show's company

-Raytheon (USA:RTN) world's foremost weapons specialist. Maker of missiles and leader in 21<sup>st</sup> century laser weaponry, plus mercenary warfare and security engineering services. Owns the legendary R&D/ tech co BBN technologies. Founded in postwar 1948 US by a group of MIT professors. Continuingly strong missile sales. Raytheon's electric cannon can knock drone aircraft out of the skies, deliver destruction 200 miles away at mach 5 speed.

-Lockheed Martin (USA: 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. Maker of the F-117 currently the USA's most badass piloted airborne weapon. Likely manufacturer or partner in the F-35 Lightning II, the Joint Strike Fighter. The JSF is the world's costliest-ever weapons program and this plane will be THE basic global manned fighter aircraft for the next three-four decades if it is built at all. Developers of the Cormorant™ underwater-to-air attack/ recon vehicle

-Northrop Grumman (USA: NOC) builder of USA's nuclear submarines and aircraft carriers, maker of the Global Hawk™ and the X47™ Unmanned aerial weaponry & surveillance is may be the deciding factor in 21<sup>st</sup> century warfare and is the coming way that wars will be fought. 2013 will be the 24<sup>th</sup> year for the B2 Stealth Bomber, the fiercest and most deadly piece of manned war technology ever created by humans. The B2 is so advanced that the Pentagon will not even consider mothballing this aircraft until the year 2040, and probably not then. Northrop Grumman owns legendary USA co TRW. USA will use & and will buy more Global Hawks. Home turf of the latest iteration of the stealth bomber

-Boeing (USA: BA) military & commercial aircraft products & weapons systems. One of America's most illustrious innovative and sometimes politically-corrupt companies. Commercial & Aerospace is 73% of Boeing's business. Maker of the B-25 and the B-52, legendary American warcraft. Co-builder of F/A 22 Raptor. USAF has picked Boeing's KC-46A as its next-generation aerial refuel tanker. Boeing's 747-8 freighter is the co's biggest plane ever and the tie for 1st largest freighter, sharing the spotlight with the Airbus A380. But the 747-8 based engines are 30% quieter than the current Boeing air freighter. Air cargo is big business in the 21<sup>st</sup> century, with shipped global airfreight volume rising by more than 10% a year. Boeing's most recent major War Product is the GBU57- A/B Massive Ordnance Penetrator, a massive 30,000 lb bomb that will go through 200 ft of cement before exploding.

-United Technology ( USA: UTX) parent co of Pratt & Whitney, defense and tech engineering & weapons products conglom, includes the Sikorsky Black Hawk® helicopter, but also includes elevators & other common engineering products. Purchase of BF Goodrich tireco means UTX wants to become like Siemens rather than a total warstock/aerospace company

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

-L3 Communications Holdings (USA: LLL) defense technology systems. Tech-service provider conglom. L3 builds those controversial body-scanners that caused such an uproar when installed in commercial airports. L3 bought Global Crossing (GLBC) in one of the more interesting intelligence community plays we've seen in a long time

## **FIREARMS**

-Olin Corp (USA) (OLN) Winchester™ ammunition FWD P/E 11 Dividend Yield 3.3% Market Cap \$2bil Enterprise Value \$2.5bil

-Smith & Wesson (USA: SWHC) weapons Market Cap \$715 mil, FWD P/E 8 64.37mil shares outstanding

-Alliant Techsystems Inc (USA: ATK) ammunition P/E 8.39, EPS \$7.97 Market Cap \$2bil Enterprise Value \$3bil

-Ruger (Sturm, Ruger & co) (RGR) EPS \$3.60 weapons Market Cap \$936mil, P/E 13.5 QRG YOY 52% Debt: zero

## **WAR COMPANIES UNDER THE RADAR:**

-Huntington Ingalls Industries (USA: HII) builds and maintains the USA's nuclear powered and nuclear-armed submarines. As you would expect, there is not a great deal of Key Statistics data available on this co. Market Cap of \$1.65bil seems ridiculously low: a single new US nuclear sub might cost \$4bil to manufacture. Based in Newport News Virginia. Operates subsidiaries NNI NNN & NNE. We believe the shares are UNDERVALUED.

-General Electric (USA: GE) possibly the most under the radar of all US defense companies. This engineering/manufacturing/energy conglom may be too large to manage. But... go to Google... type in GE A10 Thunderbolt

-NVidia (USA: NVDA) NVDA 3D chipsets enable live streaming video in stereoscopic 3D and have important defense applications. This obviously automatically places NVDA about where Qualcomm was (streaming mobile video technologies ten years ahead of anyone else) in 1997

-Rockwell Collins (USA:COL) aerospace & defense products conglom

-Honeywell (USA: HON) aerospace/defense products & systems, 1700 products, owns RMG Group, building new tech center in India. Sold its auto products unit (Fram, Prestone etc) to private equity, bought EMS Technologies a company that makes computers that can live through anything

-ITT Corp (USA: ITT) wide range of war support technologies, engineering, and machinery since 1920. Based in White Plains NY, 40,000 employees

-Iron Mountain (USA: IRM) information management and related services, North America, Europe, Latin America, and Asia Pacific. Data protection and recovery and information destruction services. Secure storage & retrieval for hardcopy/paper media, secure long-term archiving of electronic records. Data protection and recovery services, disaster preparedness systems, planning & support. Secure off-site vaulting of data backup media for data recovery from war cyberwar disaster human error, or virus. Online backup and recovery systems for computers & handhelds to remote servers; and technology escrow services to protect and manage source codes and other proprietary information.

-SAIC (USA:SAI) defense software & engineering for aviation & missile systems counter IED products etc

-Navistar (NAV) truck and busmaker Navistar also makes mine-resistant vehicles. 30% market share (PAC & DAI are competitors)

-Oshkosh Truck (USA:OSK) ambulances, trucks, bombsquad vehicles etc. Maker of the Oshkosh M-ATV MRAP war vehicle

-Spartan Motors (USA: SPAR) ambulances & military vehicles

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

-AeroVironment (USA: AVAV) 21<sup>st</sup> 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 also 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

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

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

-Esterline Technologies (USA: ESL) Bellevue Washington, engineered hardware products for aerospace & defense & also medical & commercial: displays GPS switches interface keyboards etc

- RTI International Metals (USA: RTI) milled titanium products for aerospace defense and industrial apps
- EnerSys (USA: ENS) on-site & on the go electric power systems for military and industrial
- KBR (USA: KBR) energy logistics for military and fed govt agencies, recent new Navy contract
- Cummins Engine (USA: CMI) provides vehicles & engines for the US military as well as for everyone else.
- Titan International ( USA: TWI) huge tires & wheels for agricultural, mining, & military vehicles. Company based in Jackson Tennessee
- iRobot (USA: IRBT) part of war's future is 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
- Taser (USA: TASR) the Taser is the first 21<sup>st</sup> century post-firearm handgun. Taser became a verb. Tasers are lethal. Though Tasers should be a military/ black agency weapon, but are a domestic law enforcement tool/ public safety tool/police state tool, and a black market fact of life. The Taser X12 looks like a 12 gauge riotgun pump shotgun, can fire four wireless electric-jolt cartridges consecutively to a distance of 100 feet
- Alliant Tech (USA: ATK) munitions warheads smartbullets and smartguns  
<http://www.youtube.com/watch?v=CDuuHLilCbQ>

## **HONORARY WAR STOCK COMPANIES (PRIVATELY-HELD)**

- Herstal Group (Belgium) owns Browning™ and Winchester™ firearms through subsidiary FN Herstal. Weapons used by the militaries of more than 100 countries
- General Atomics Aeronautical Systems (USA) maker of the Predator® and the Reaper® unmanned attack/recon aerial drone vehicles
- Military Police Systems Inc (USA)maker of the A-12 Atchisson Assault Shotgun, a 300-round-per minute weapon
- Tiger Industrials (USA) blast-proof buildings  
<http://www.brb.tigerindustrialrentals.com/COMPANY.html>
- Parsons (USA) US engineering company,\$ 2.7bil annual revenue, owns Sparta inc.  
<http://www.parsons.com/markets/Pages/sparta.aspx>

[Here's what Sparta does:](#)

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How we know what we know: [a link to the organizations we visit.](#)

## WHAT WE READ

### The business news from every continent

<http://www.onlinenewspapers.com> The single best guide to the world's online newspapers that are published online. ALL the world's newspapers that are online are linked here

[http://www.nla.gov.au/collect/os\\_news.html](http://www.nla.gov.au/collect/os_news.html)

<http://www.thesaudi.net/arab-world/media/index.htm>

<http://www.southamericadaily.com/>

<http://www.shanghaidaily.com/>

<http://www.euromonitor.com/>

<http://www.cnanalyst.com/>

<http://www.inspiremag.org/> This is Islam's digital Life Magazine

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