

**Jake Bernstein**

[www.jakebernstein.com](http://www.jakebernstein.com)

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**Global Financial Recovery Portfolio:  
Phase III**

**Strategies for Profits and Asset Protection  
As the Predicted Recovery Continues**

**SESSION 3**

**Updates...Perspectives...The Plans...Procedures**

**30 May 2012**

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What we know about the global  
financial **crisis** is that we don't  
know very much

Paul A. Samuelson

# Our goal is clarity but

- The waters of news and fundamentals are murky and getting more cloudy by the second
- Let's ONLY deal with what we KNOW
- Accept the fact that even what we DO KNOW is a venture into probability not certainty
- We take risk and manage the upside and the downside
- WHAT DO WE KNOW?

# Status Report

“Recovery” on course

Issues coming to a critical juncture

Interest Rates: bottoming - generational

Stocks: direction on course – consider the headwinds and remarkable performance

Recession or Inflation: the die is cast

COT: the outlook for commodity prices

Energies: which way and implications

Cycles: on course with 2013 looming as an ideal top

# Today

- Review and update
- Preparation
- Status report
- I see BIG TREND CHANGES coming SOON
- How soon? By September or late October
- Inflation – I am more certain than ever
- European union FATE
- Emerging currency star!

# What I've been saying: update

## **The Global Financial Recovery Forecasts and the Outcomes**

Over the last 2 years I gave the following forecasts  
in my monthly Global Financial Recovery Webinars...Here's what happened...

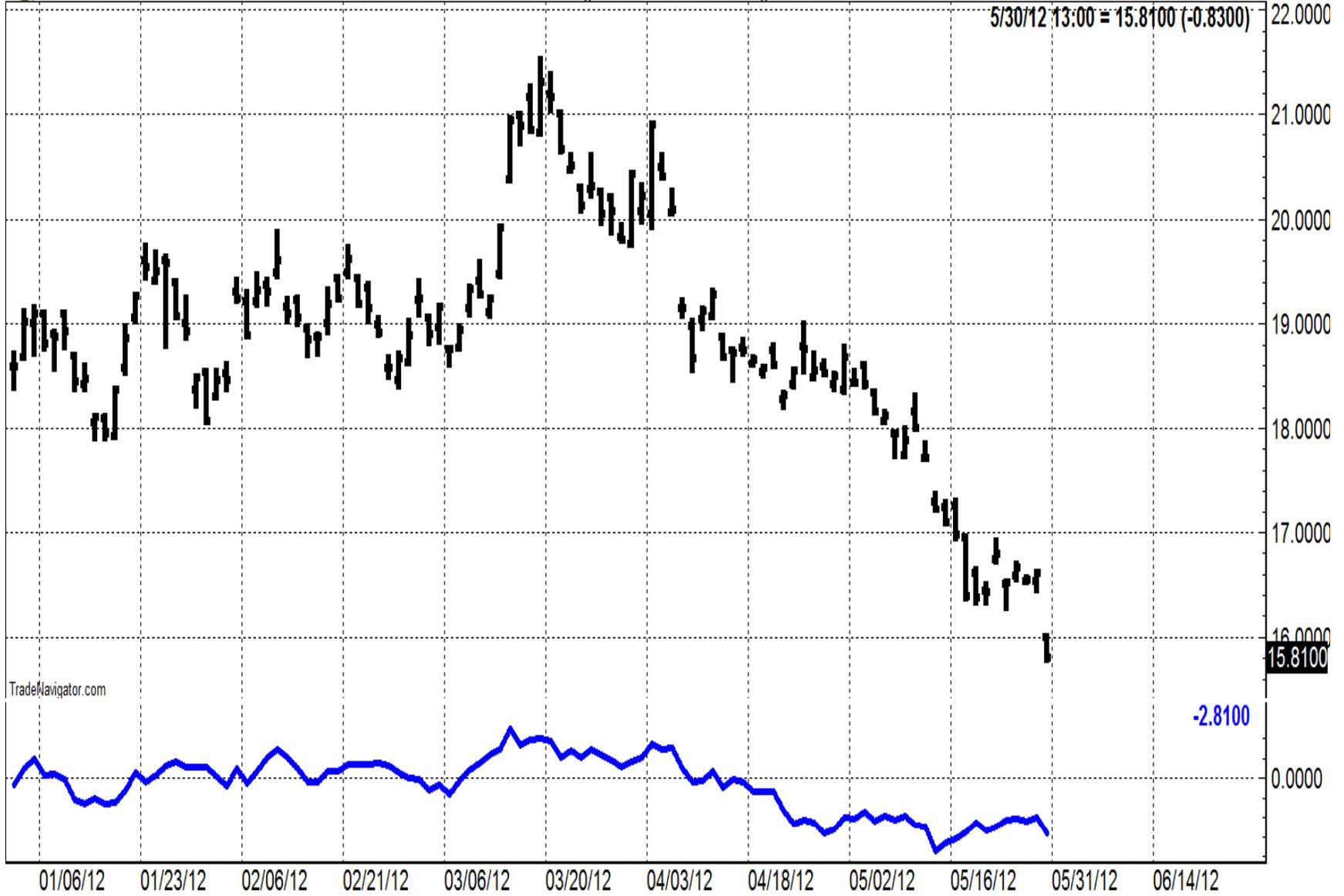
|   |                  |
|---|------------------|
| <b>Gold to continue long term rally</b>                   | <b>CORRECT</b>   |
| <b>Meat and livestock to rally</b>                        | <b>CORRECT</b>   |
| <b>Real Estate Investment Trusts: BUY THEM</b>            | <b>CORRECT</b>   |
| <b>Buy high dividend yield stocks</b>                     | <b>CORRECT</b>   |
| <b>Buy EIPaso, LNG and other nat gas stocks</b>           | <b>CORRECT</b>   |
| <b>Financial and economic recovery to continue</b>        | <b>CORRECT</b>   |
| <b>US Dollar to bottom</b>                                | <b>CORRECT</b>   |
| <b>BUY home builder and lumber stocks</b>                 | <b>CORRECT</b>   |
| <b>Grain prices to rally</b>                              | <b>CORRECT</b>   |
| <b>Stocks to rally</b>                                    | <b>CORRECT</b>   |
| <b>Natural gas bottoming wait for trigger in futures</b>  | <b>CORRECT</b>   |
| <b>US Farmland to continue higher</b>                     | <b>CORRECT</b>   |
| <b>Market volatility to remain high</b>                   | <b>CORRECT</b>   |
| <b>Interest rates to bottom</b>                           | <b>PENDING</b>   |
| <b>Real Estate to bottom</b>                              | <b>BEGINNING</b> |
| <b>And many specific trading recommendations given...</b> |                  |

- Status of predicted recovery: on course
- The next crises: Europe, MidEast, Inflation
- Best strategies in stocks, futures and currencies
- Stock market outlook for balance of 2012
- Interest rate expectations and strategies: NOB
- Real estate and home builders: another chance
- Emerging and developing trend changes
- FOCUS on intermediate and long term
- Energies and geopolitics in your investments
- The NEXT BIG SECTOR MOVES



### TBT: ProShares UltraShort 20+ Year (Daily bars)

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5/30/12 13:00 = 15.8100 (-0.8300)

TradeNavigator.com

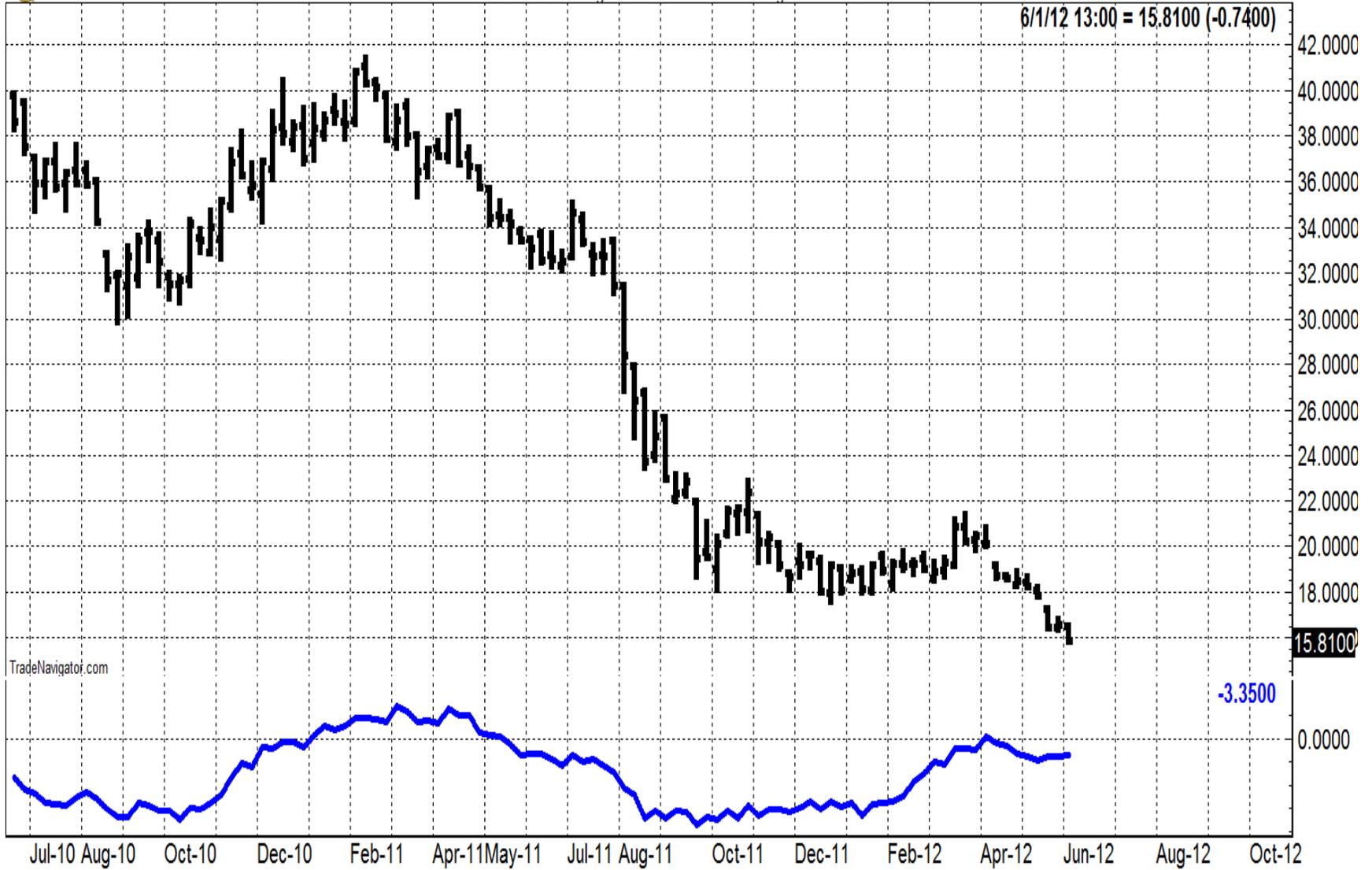
-2.8100

16.0000  
15.8100



### TBT: ProShares UltraShort 20+ Year (Weekly bars)

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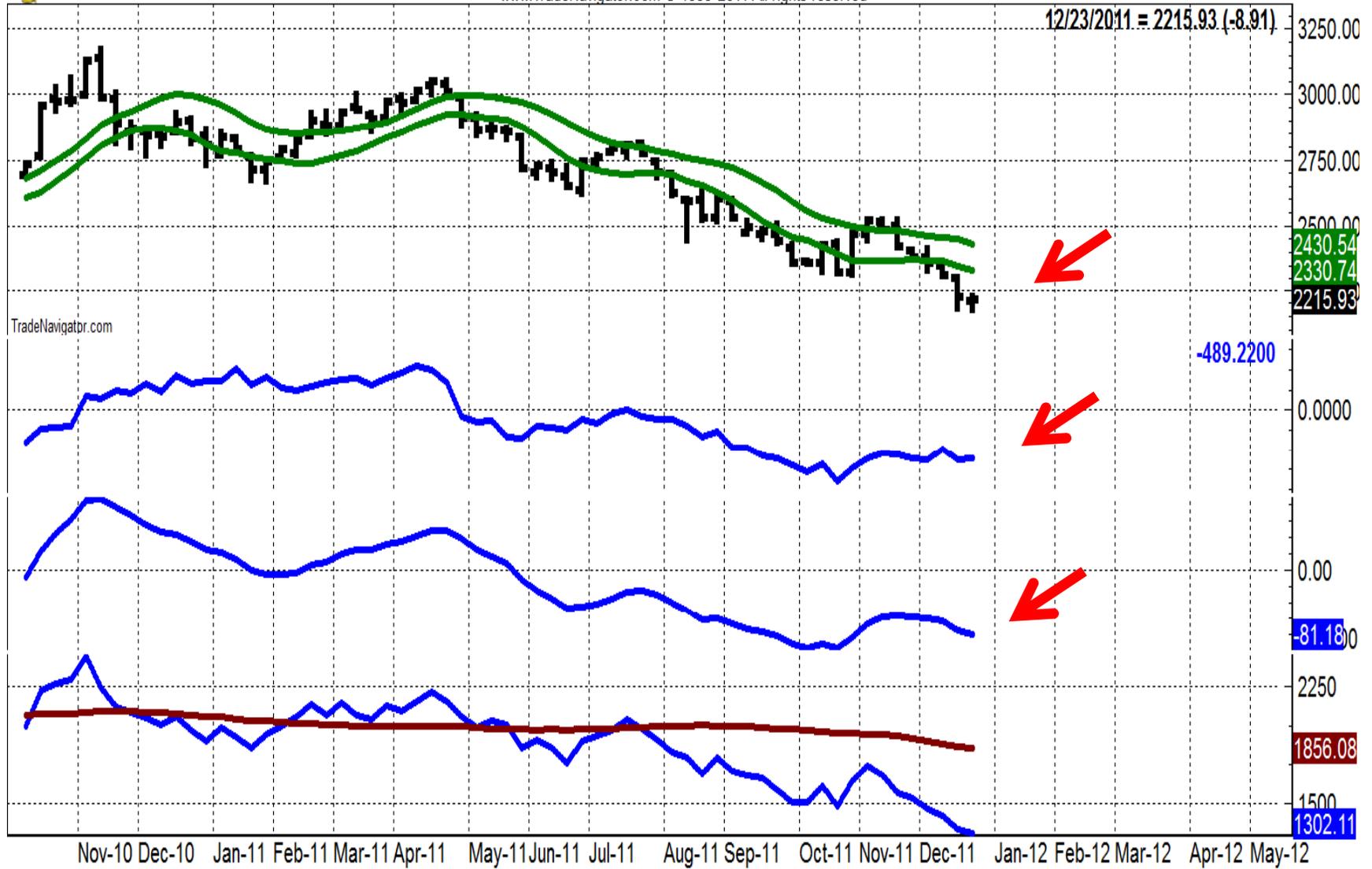


# Watch Shanghai – low developing 12/23/2011



\$SSE: Shanghai Composit Index (Weekly bars)

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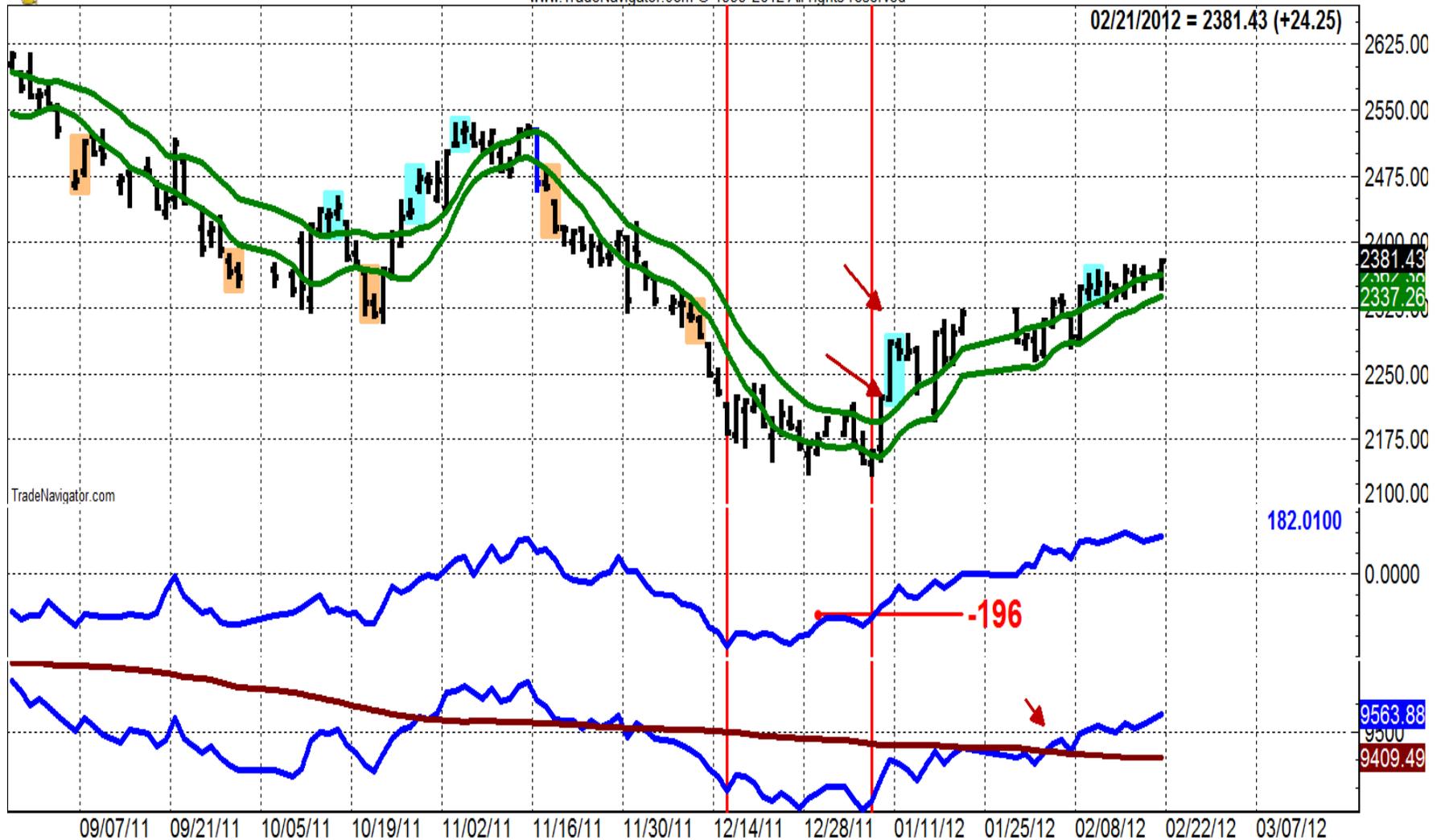


# What happened daily?



\$SSE: Shanghai Composite Index (Daily bars)

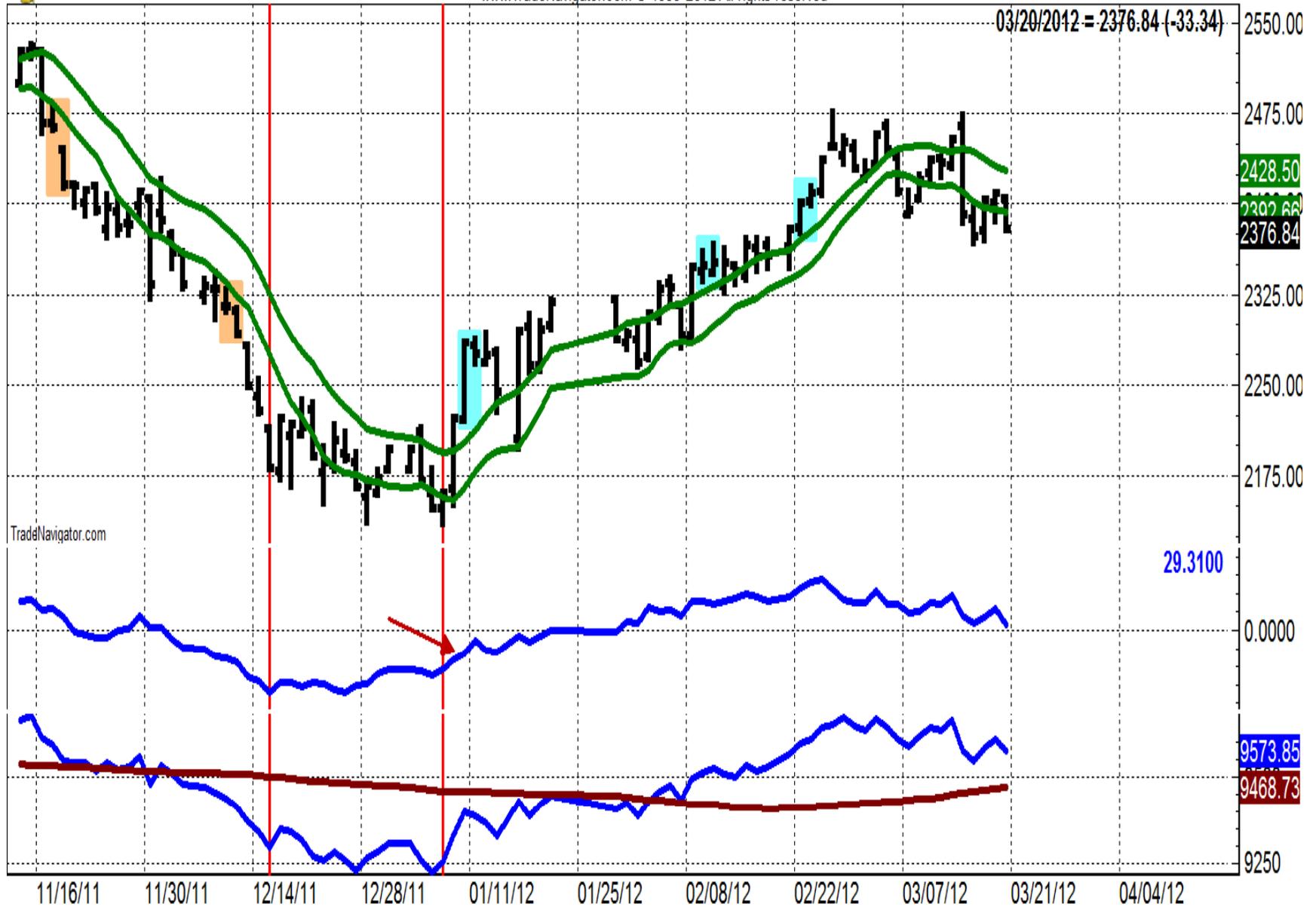
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# \$SSE: Shanghai Composite Index (Daily bars)

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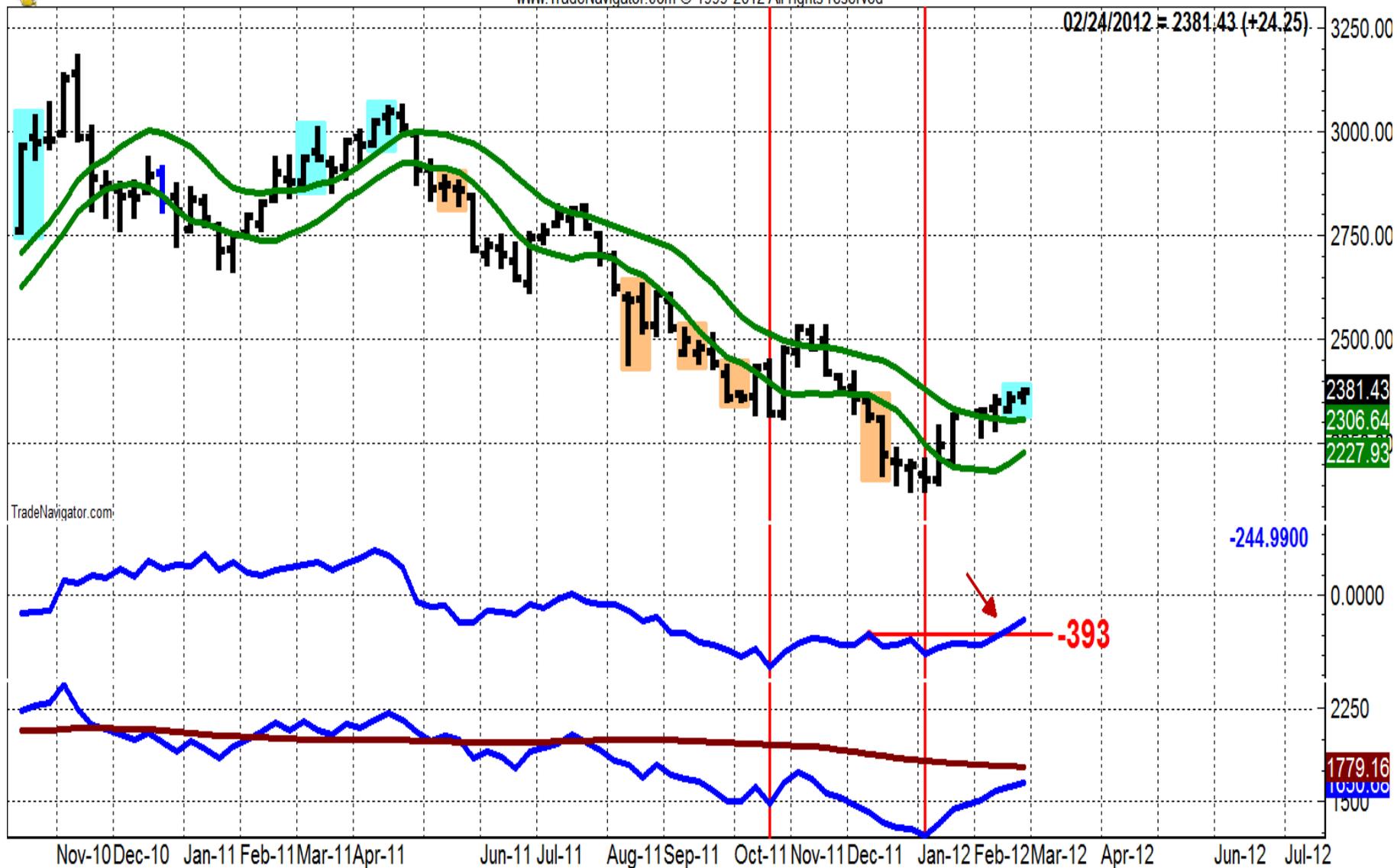


# Weekly \$SSE

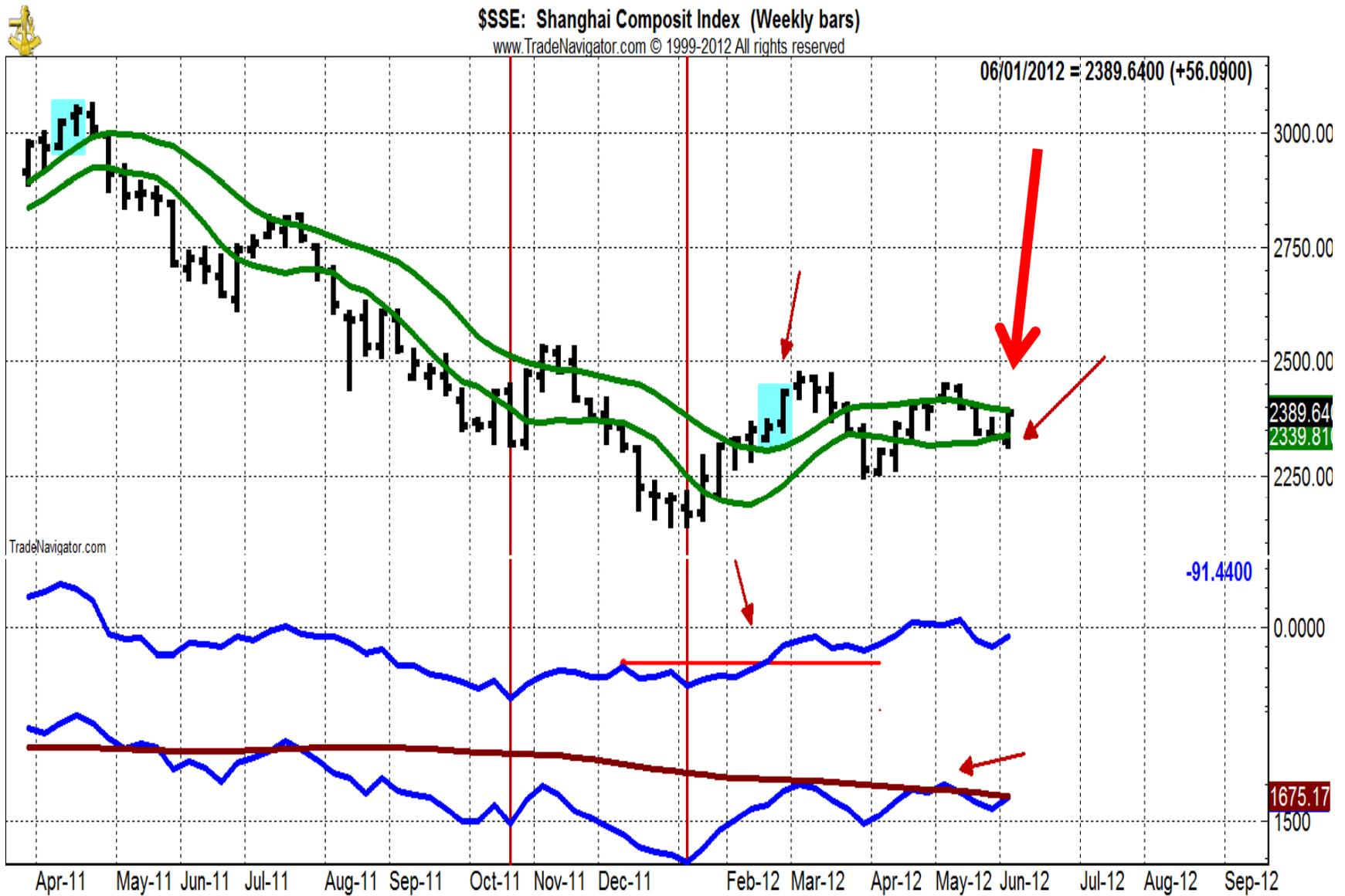


\$SSE: Shanghai Composite Index (Weekly bars)

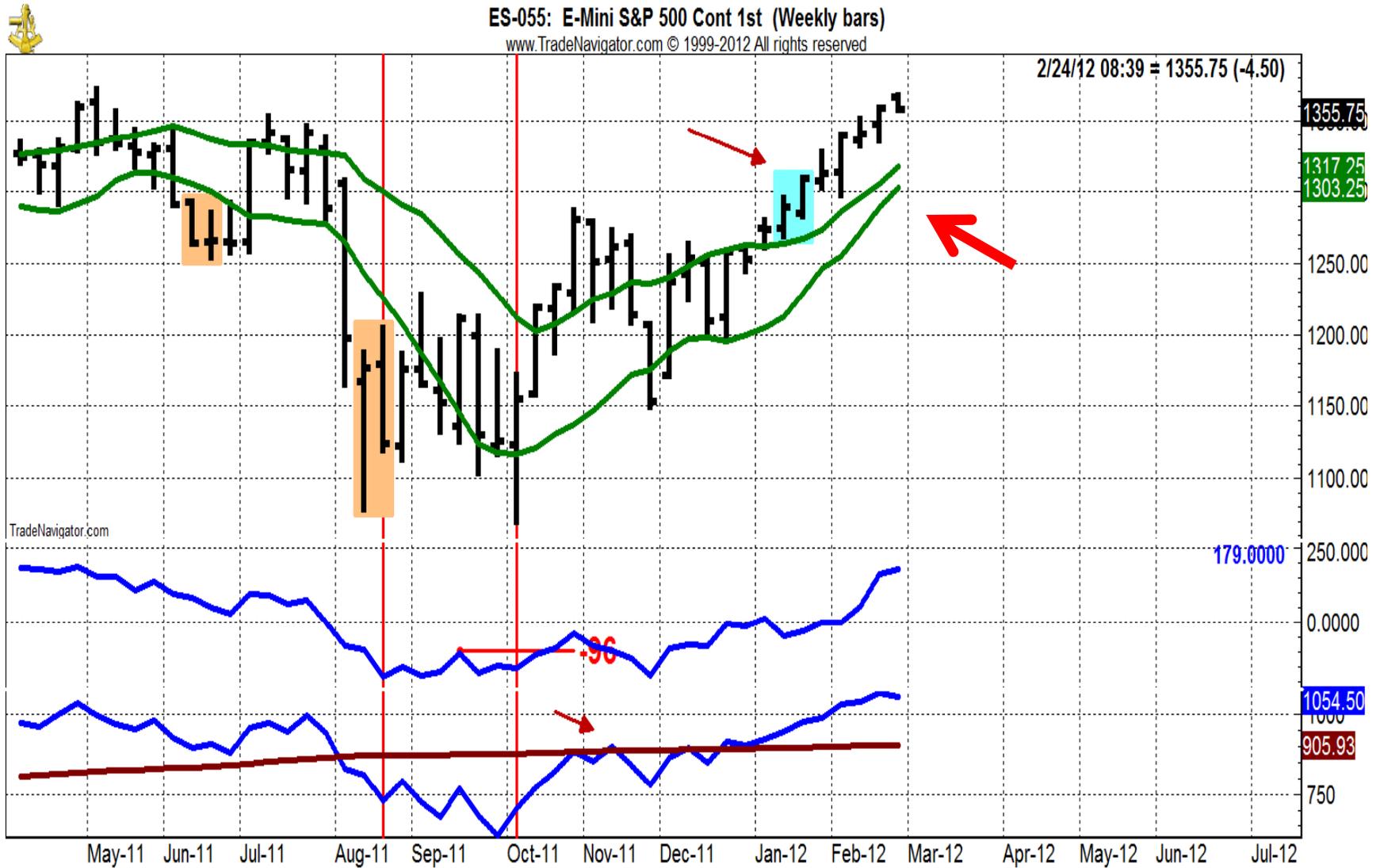
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# Where we are now weekly



# US stocks intermediate term trend up 2/24

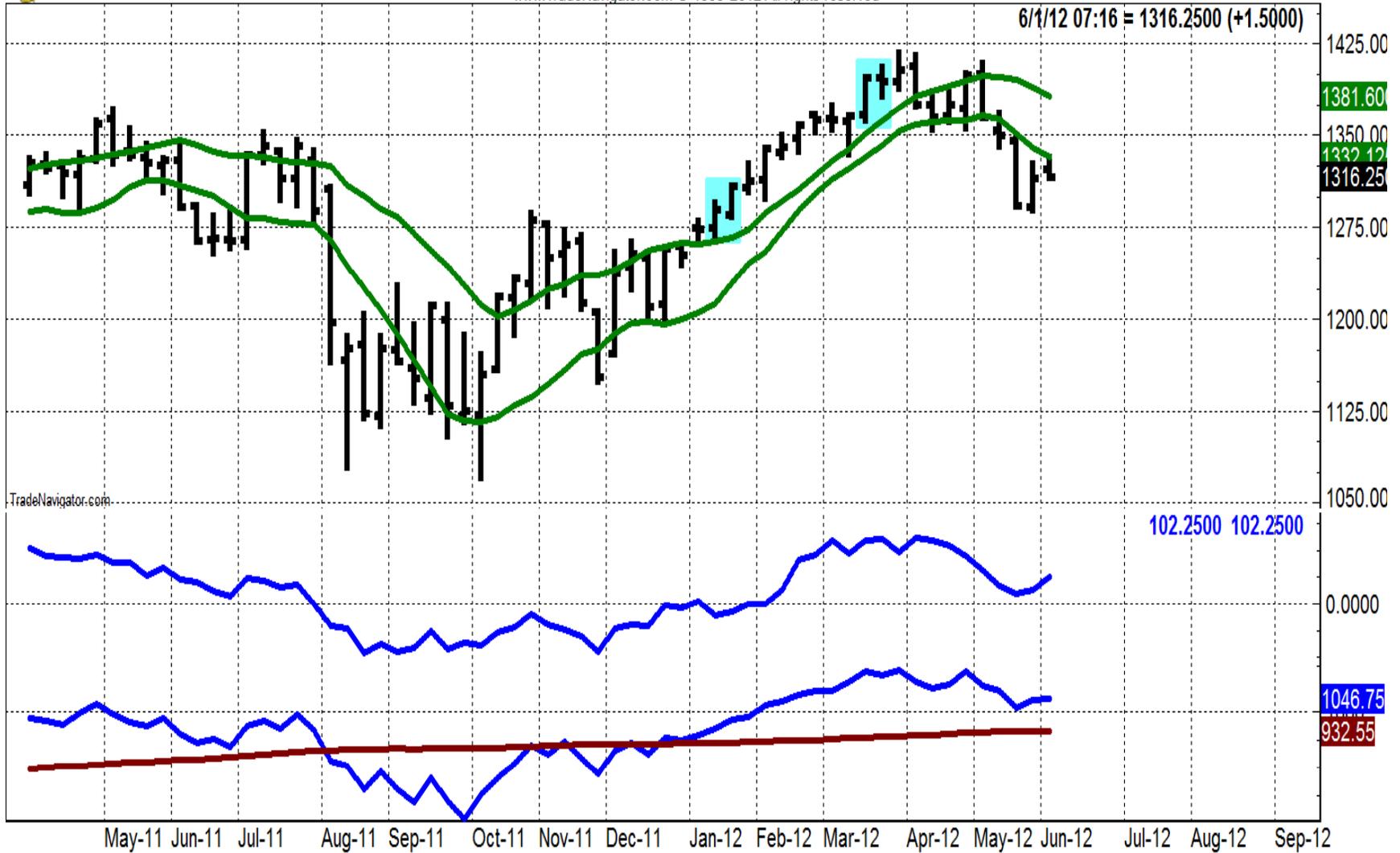


# Where we are now

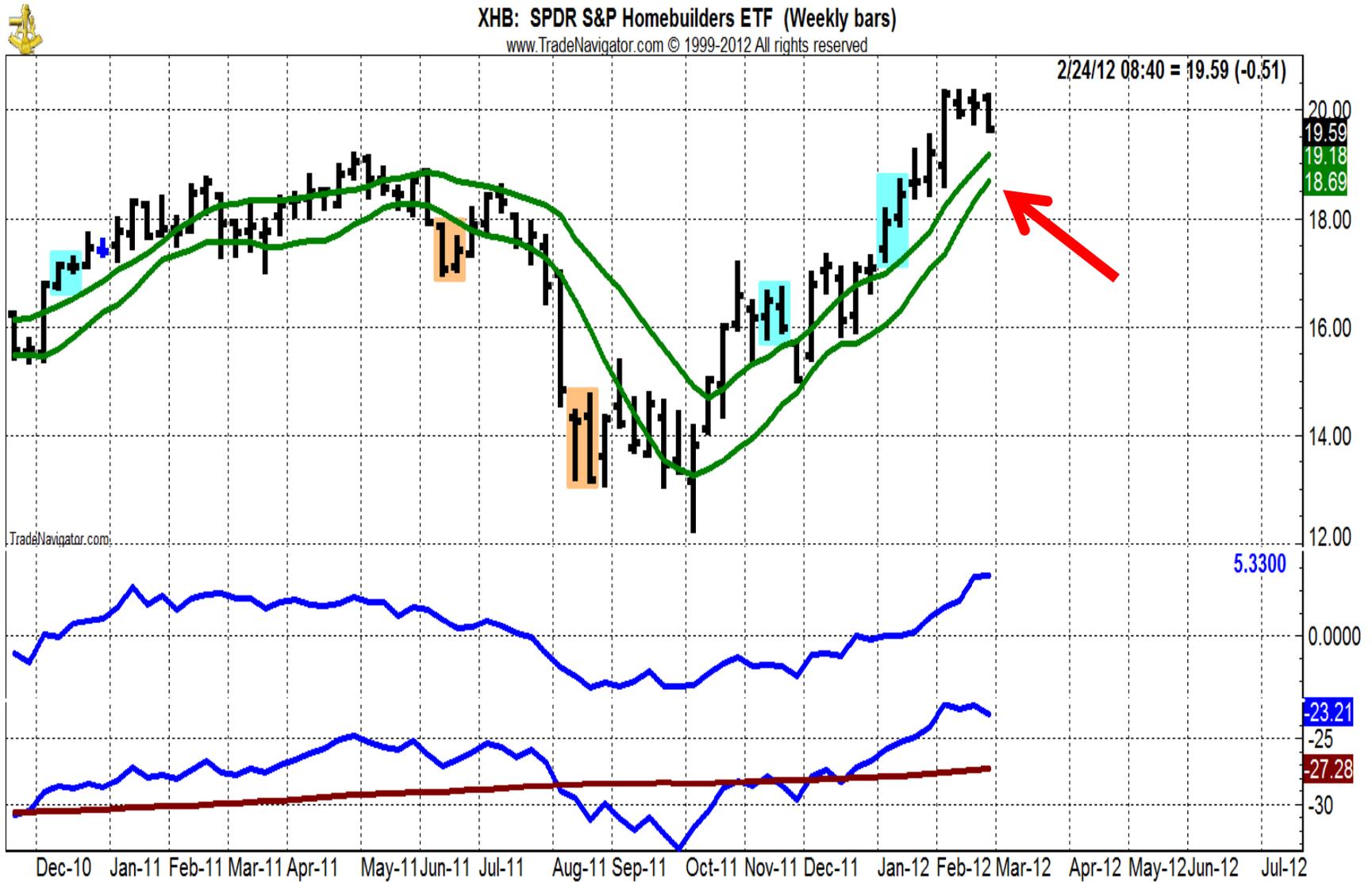


ES-055: E-Mini S&P 500 Cont 1st (Weekly bars)

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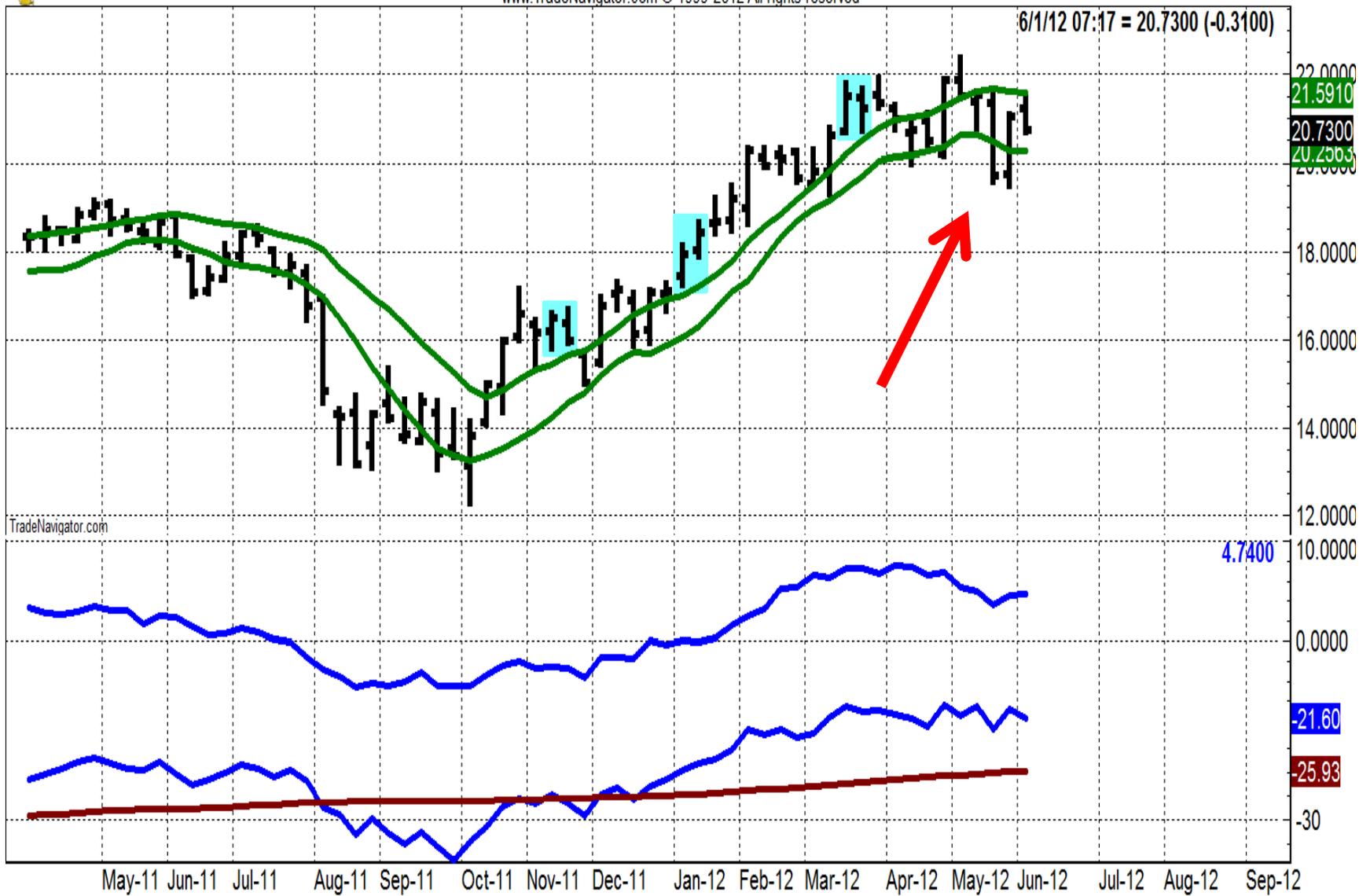
# XHB signals and intermediate trend 2/24





### XHB: SPDR S&P Homebuilders ETF (Weekly bars)

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# Gold Stocks Now!



GDXJ: Market Vectors Junior Gold Min (Weekly bars)

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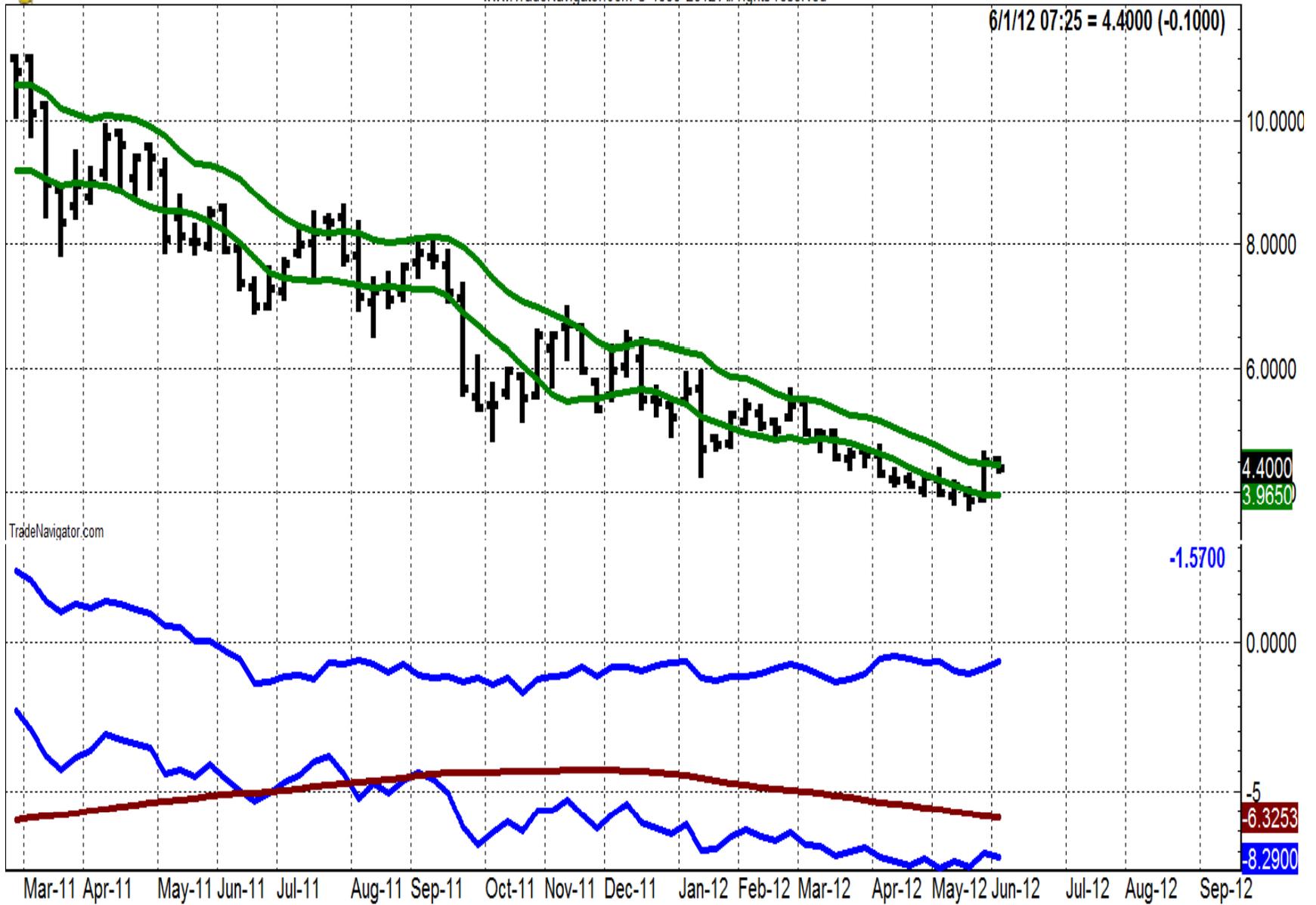




# HL: Hecla Mining Company (Weekly bars)

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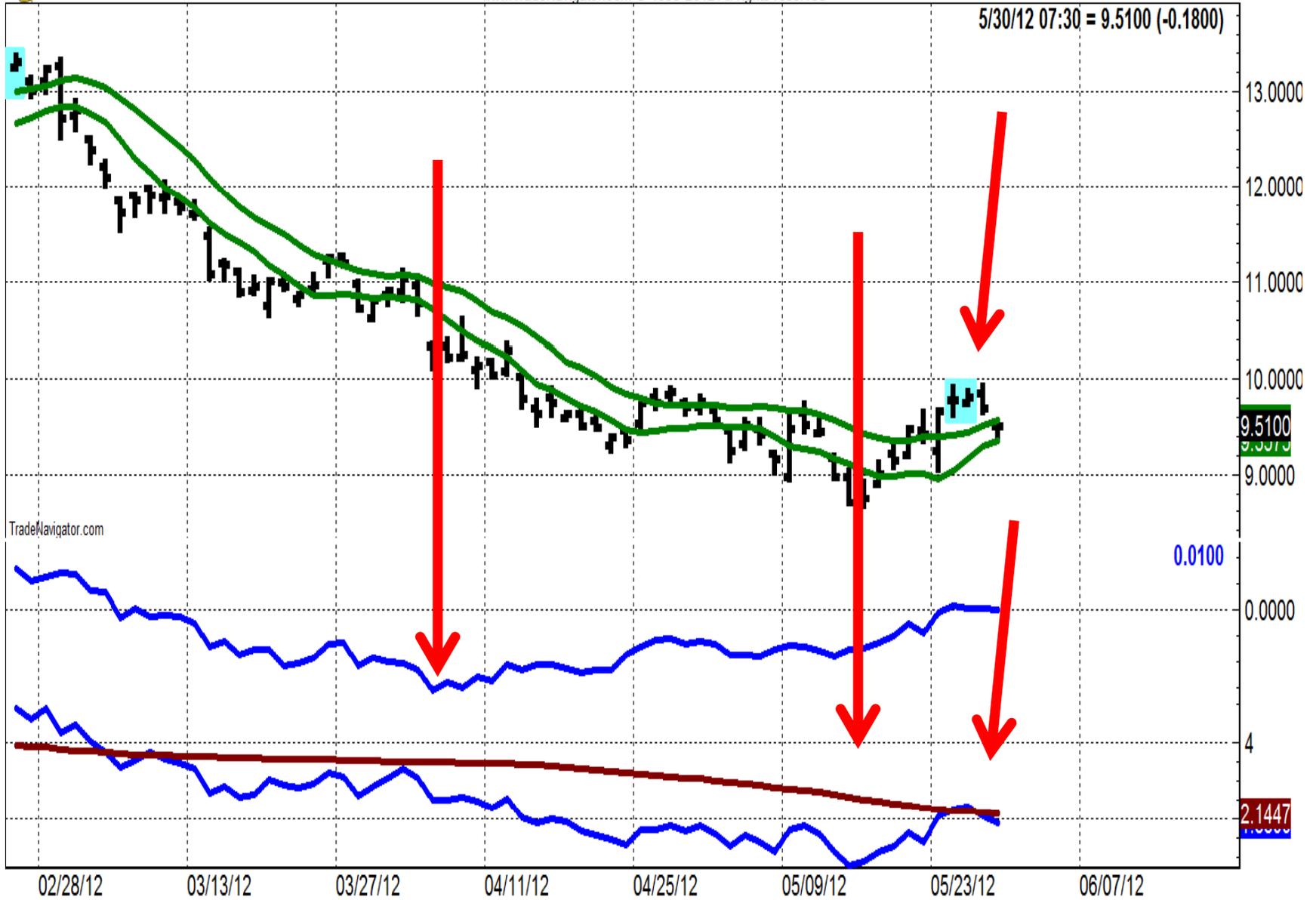
6/1/12 07:25 = 4.4000 (-0.1000)





# HMY: Harmony Gold Mining Co. Ltd. (Daily bars)

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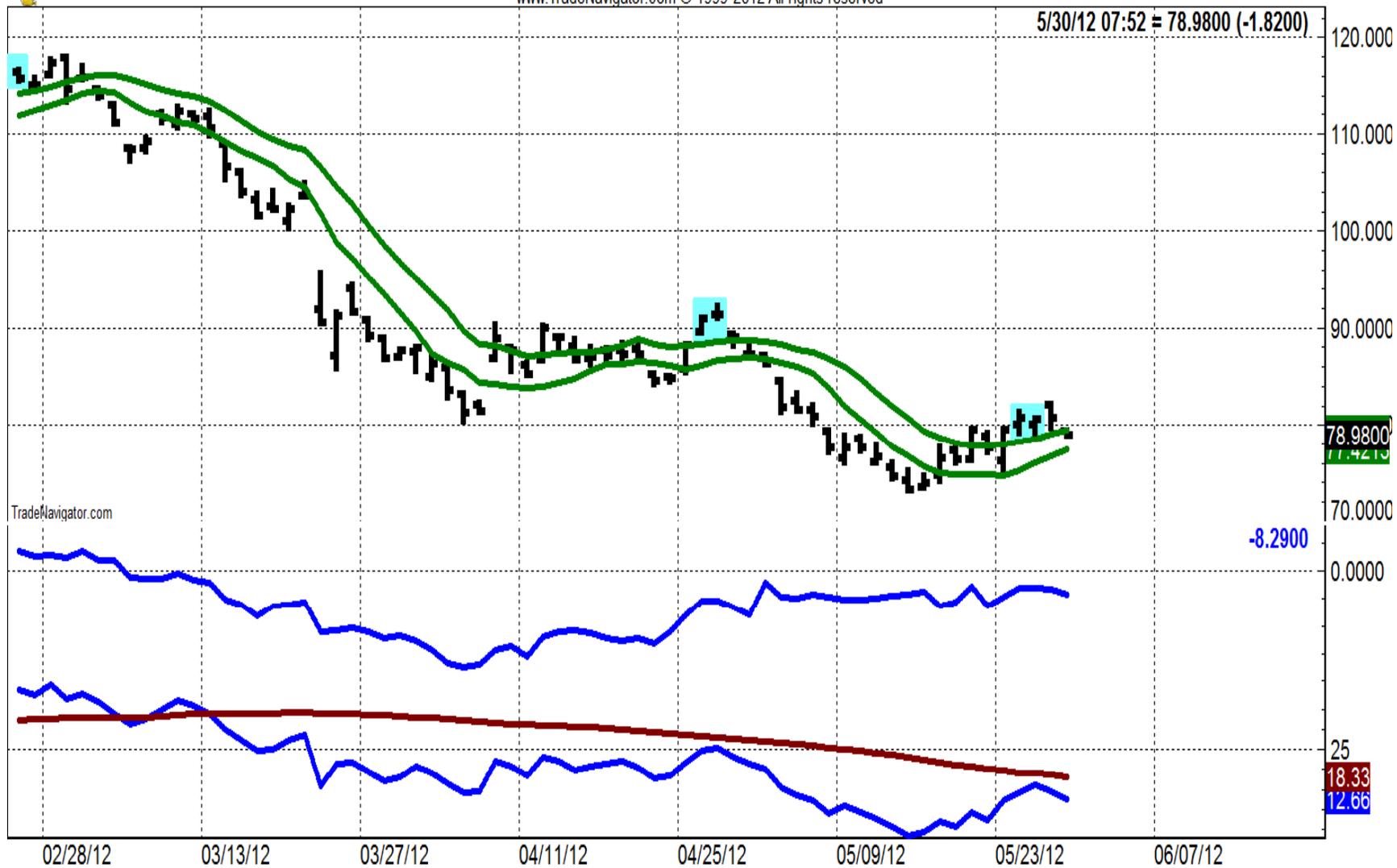


# GOLD



GOLD: Randgold Resources Limited (Daily bars)

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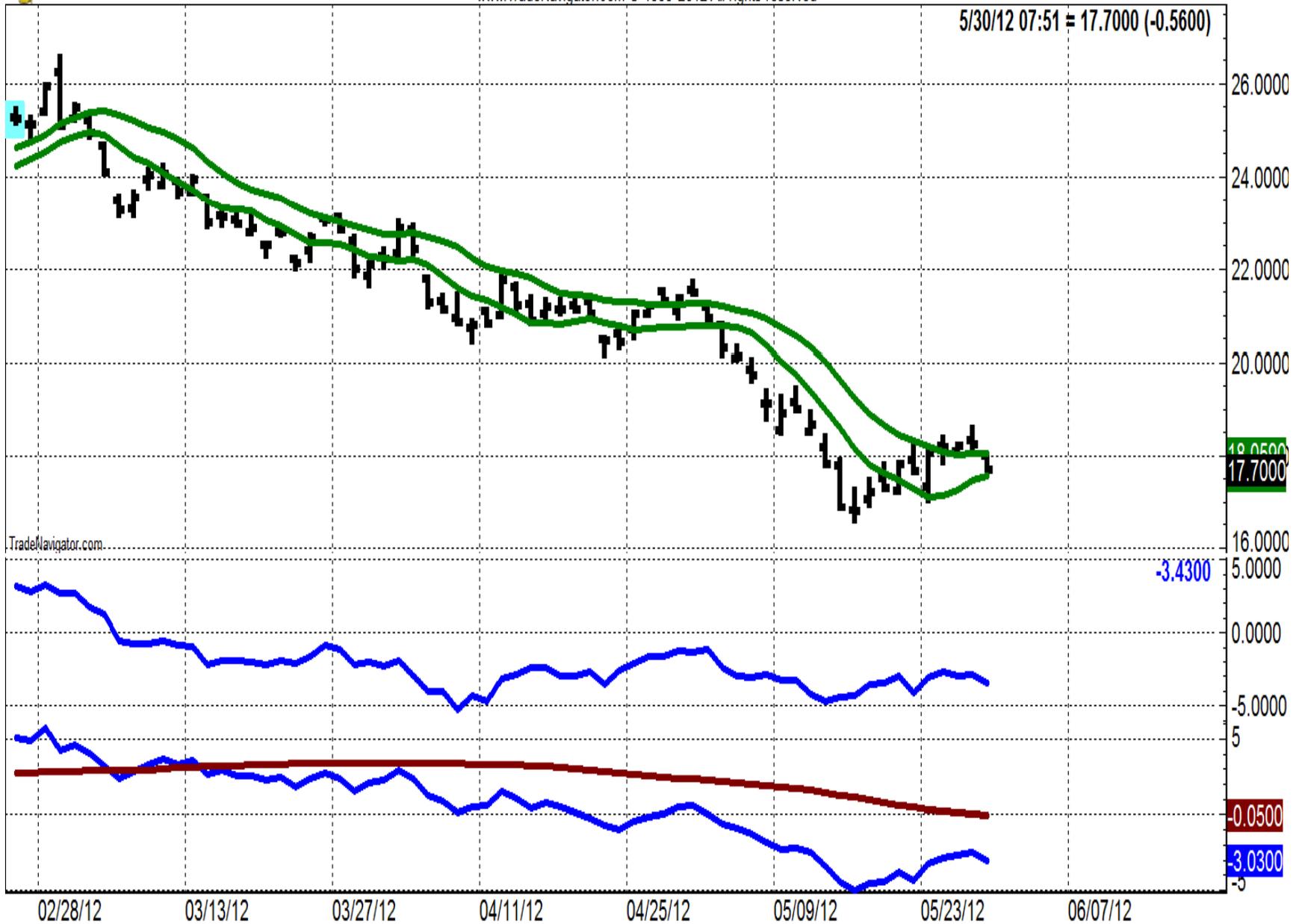




# SIL: Global X Silver Miners ETF (Daily bars)

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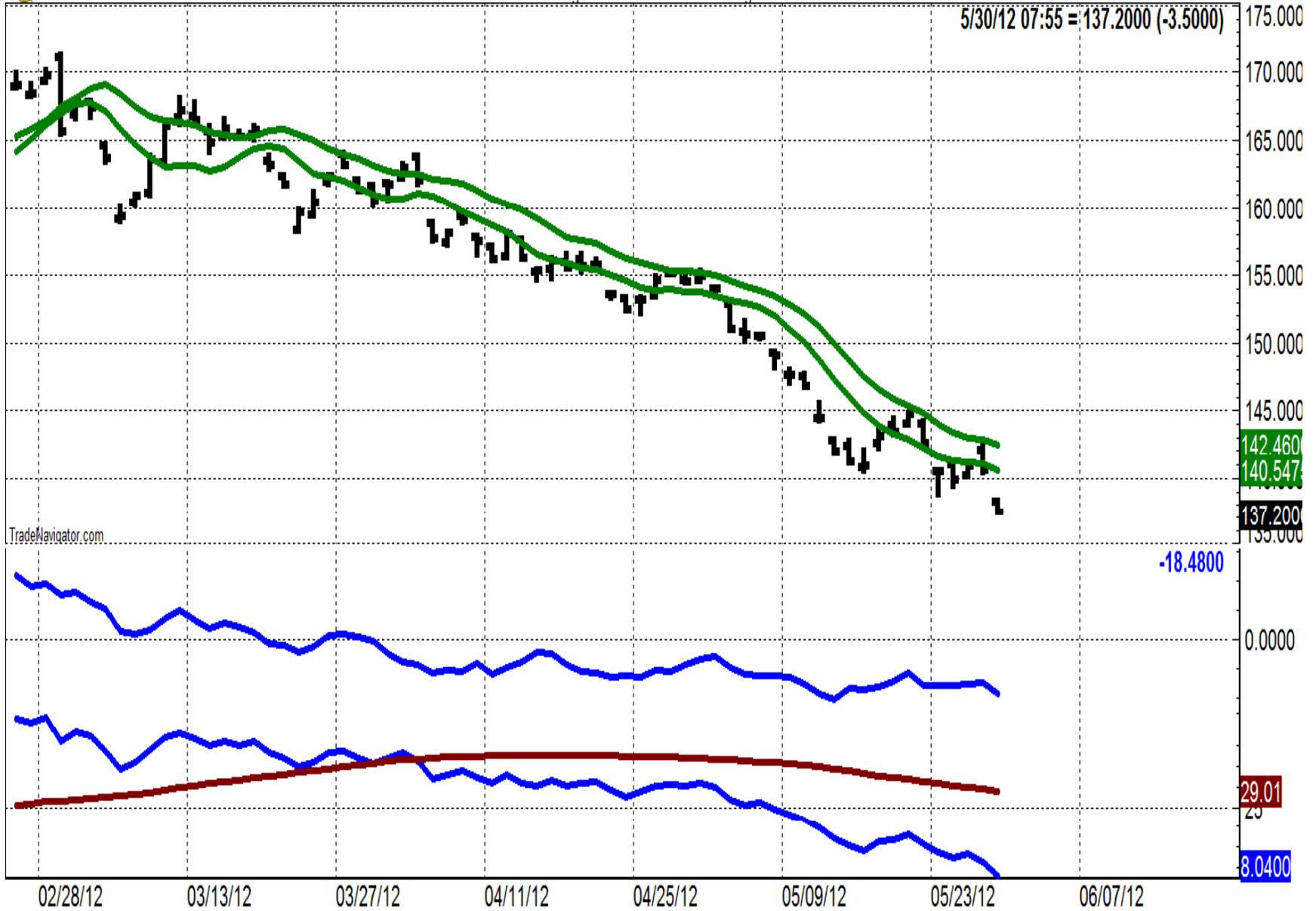
5/30/12 07:51 = 17.7000 (-0.5600)





# PPL: ETFS Physical Platinum Shares (Daily bars)

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## 2<sup>nd</sup> yr Decade Pattern January Effect: UPDATE

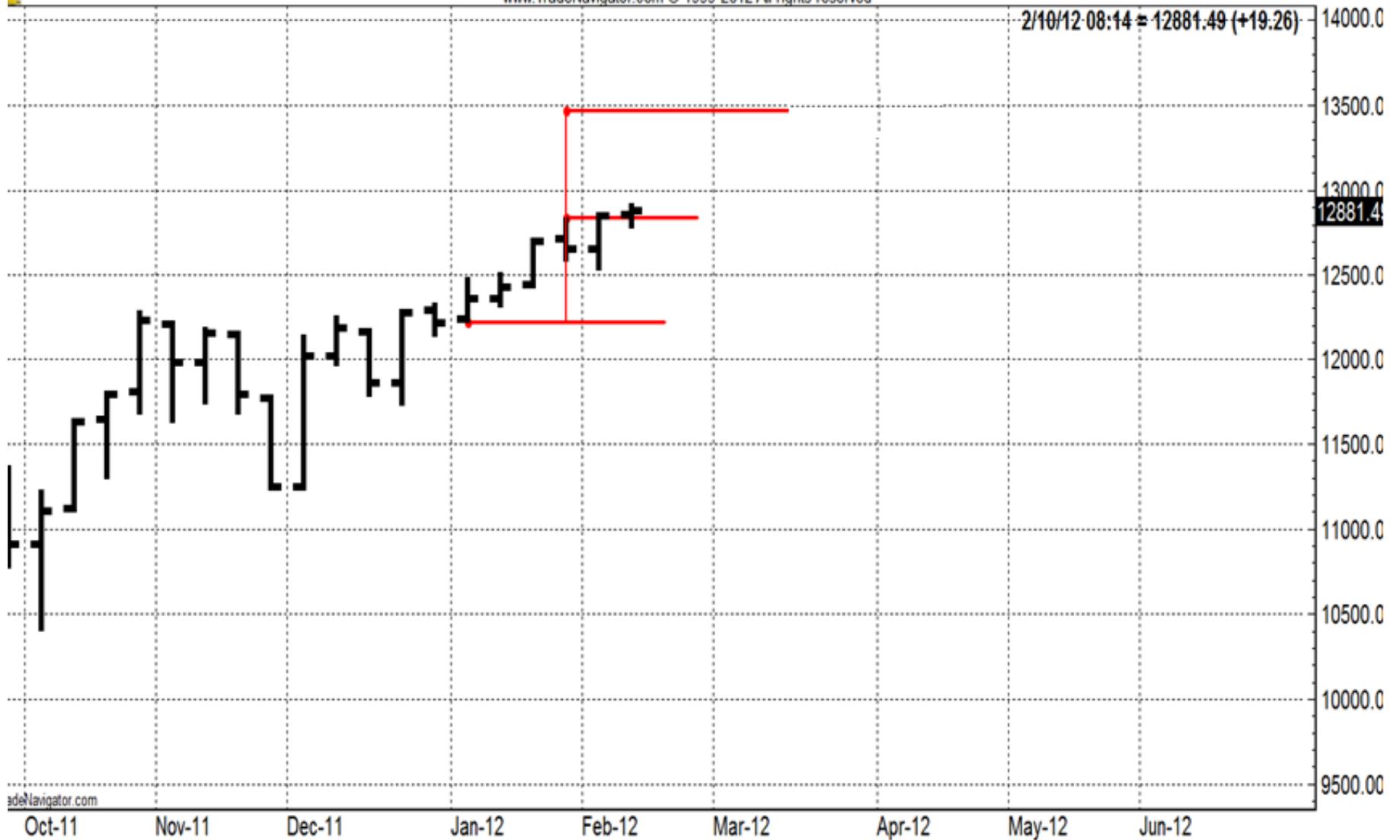
- Reviewing the pattern? Status / Targets
- Setup: Jan high / low
- Trigger: weekly close above / below
- Follow through: range of Jan
- History
- Limitations: specific to Dow Jones
- Benefits and use
- DIA, Dow Futures\*, IYJ, IYY
- CAN use ES and/or SPY

# 2/10 \$DJI



\$DJI: Dow Jones Industrial Index (Weekly bars)

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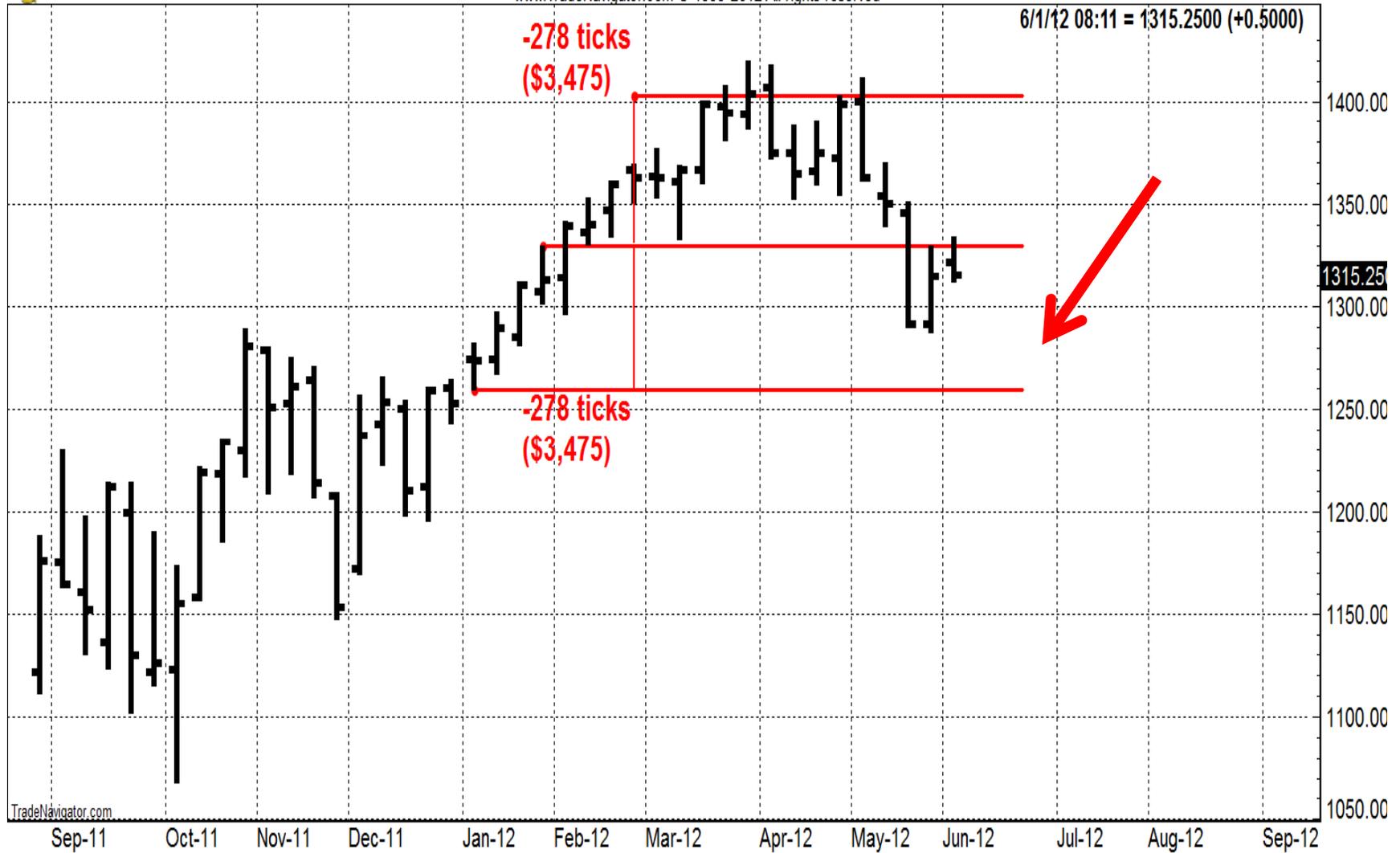


# \$DJI Now

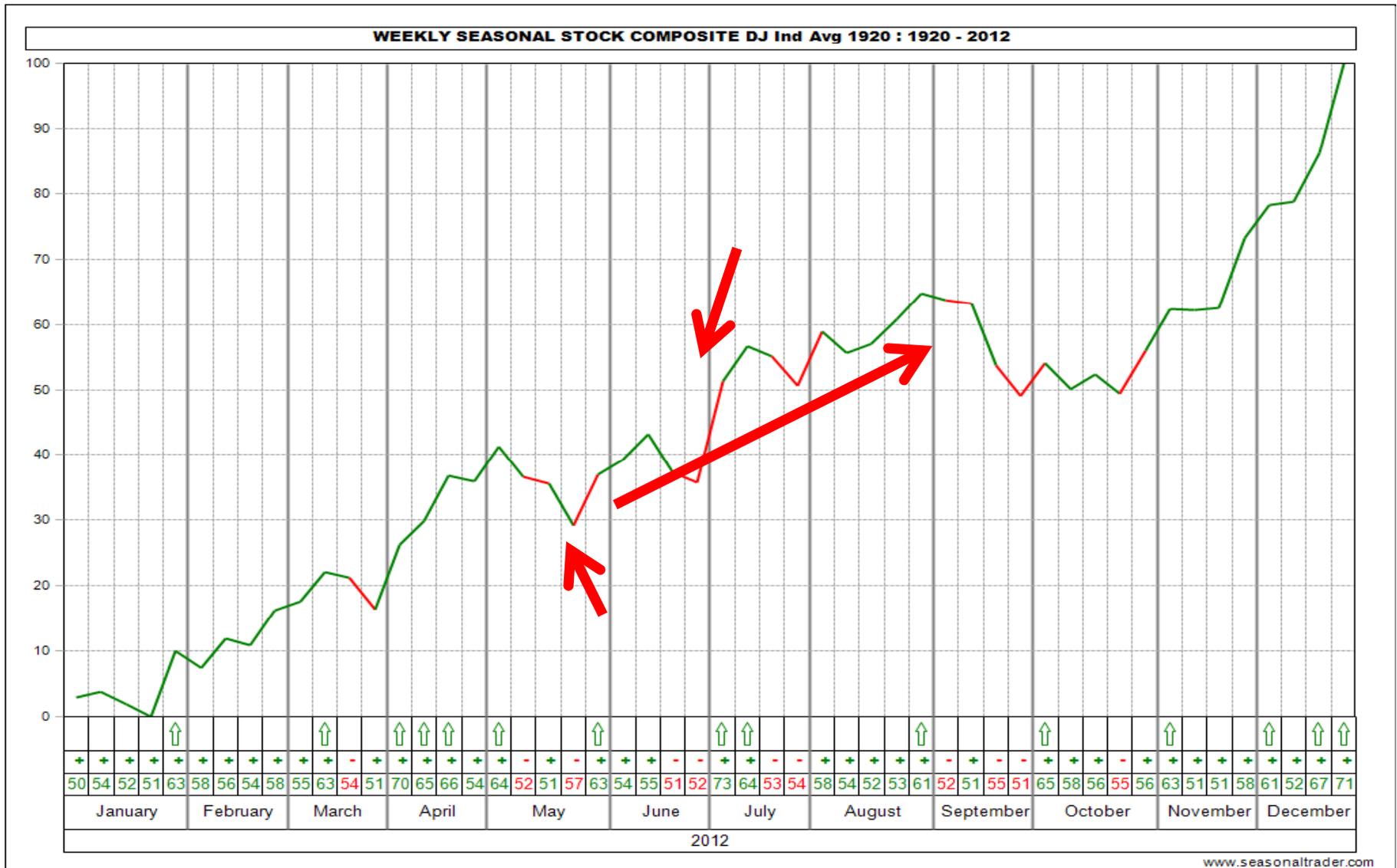


ES-055: E-Mini S&P 500 Cont 1st (Weekly bars)

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# What's ahead for stocks?



# Coming seasonal DJ trades

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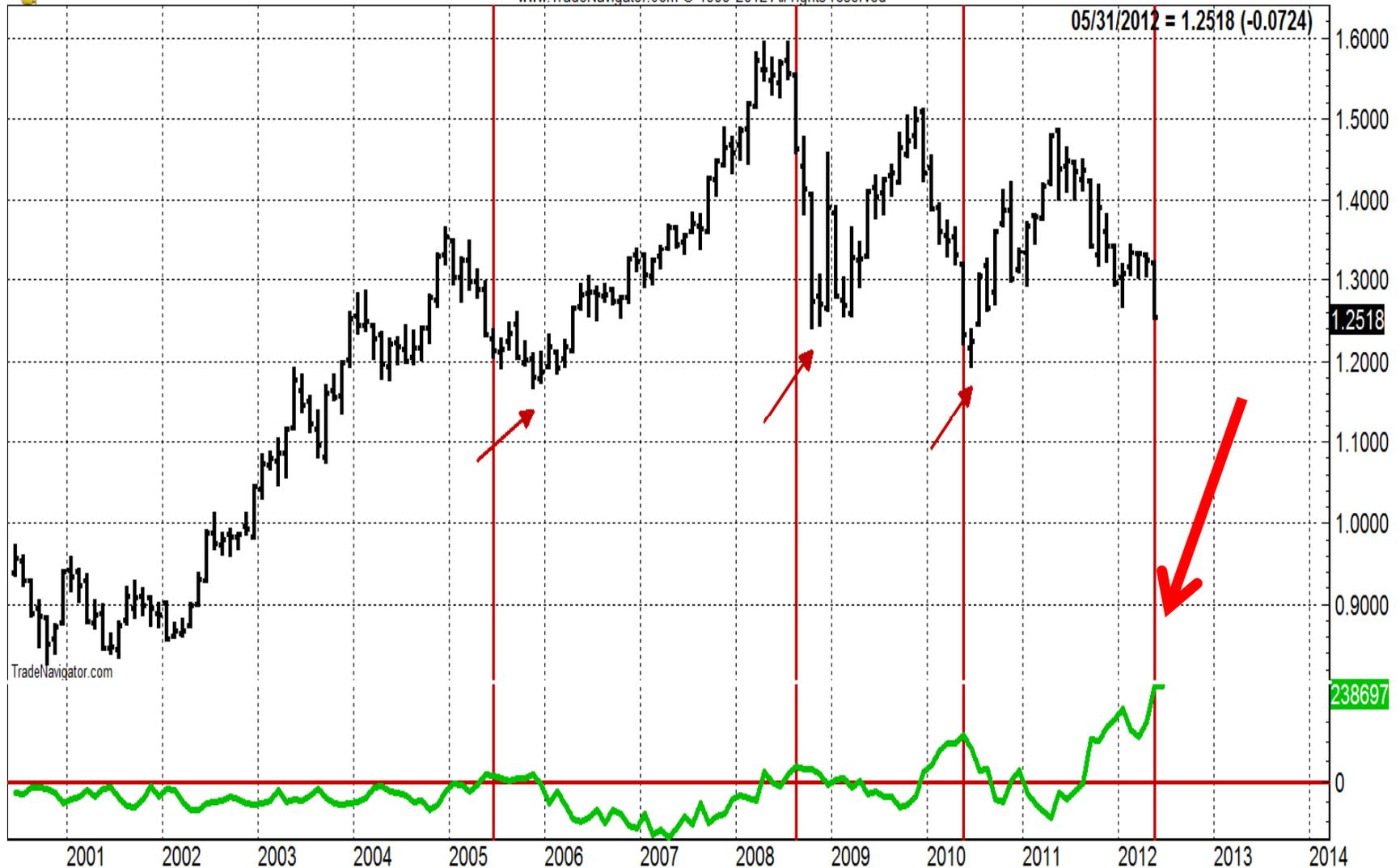
| Stock           | Sym    | L/S | Entry Date | Exit Date | Stop % | PL Ratio | % Wins | Avg Profit | Avg Loss | % Avg Profit | % Avg Loss | Max Wins | Max Up Swing | Max Loss |
|-----------------|--------|-----|------------|-----------|--------|----------|--------|------------|----------|--------------|------------|----------|--------------|----------|
| DJ Ind Avg      | \$DJI2 | L   | 6/27       | 7/15      | 6      | 2.1      | 75.9   | 66.65      | -99.42   | 2.79         | 3.03       | 13       | 1393.45      | 2        |
| DJ Ind Avg 1950 | \$DJIA | L   | 6/23       | 1/6       | 15     | 1.9      | 75.8   | 295.34     | -492.33  | 9.30         | 12.44      | 10       | 4094.80      | 2        |

# The COT in Euro FX



EU-055: Euro FX (Pit) Cont 1st (Monthly bars)

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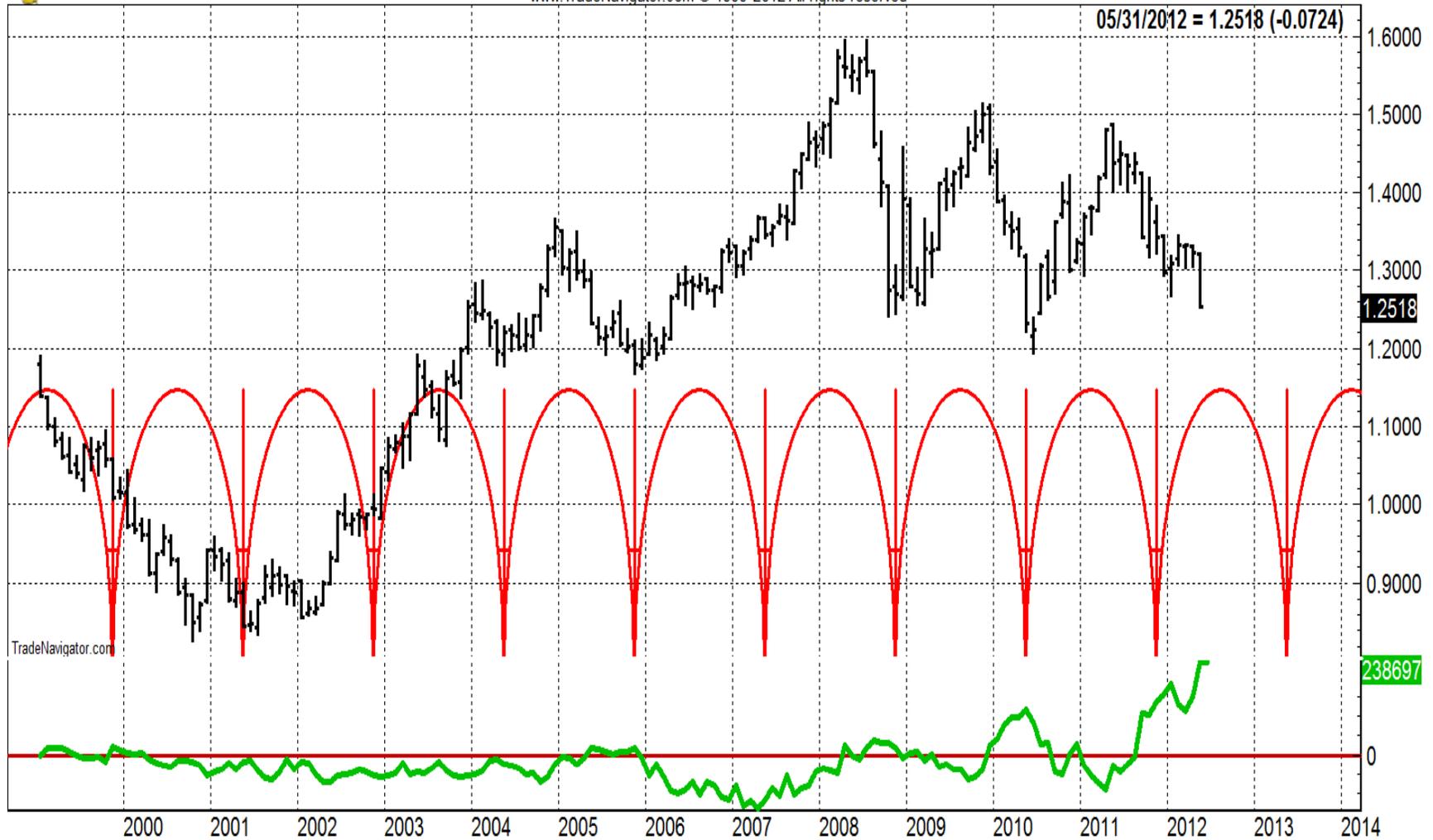


# COT + Cycle Euro FX



EU-055: Euro FX (Pit) Cont 1st (Monthly bars)

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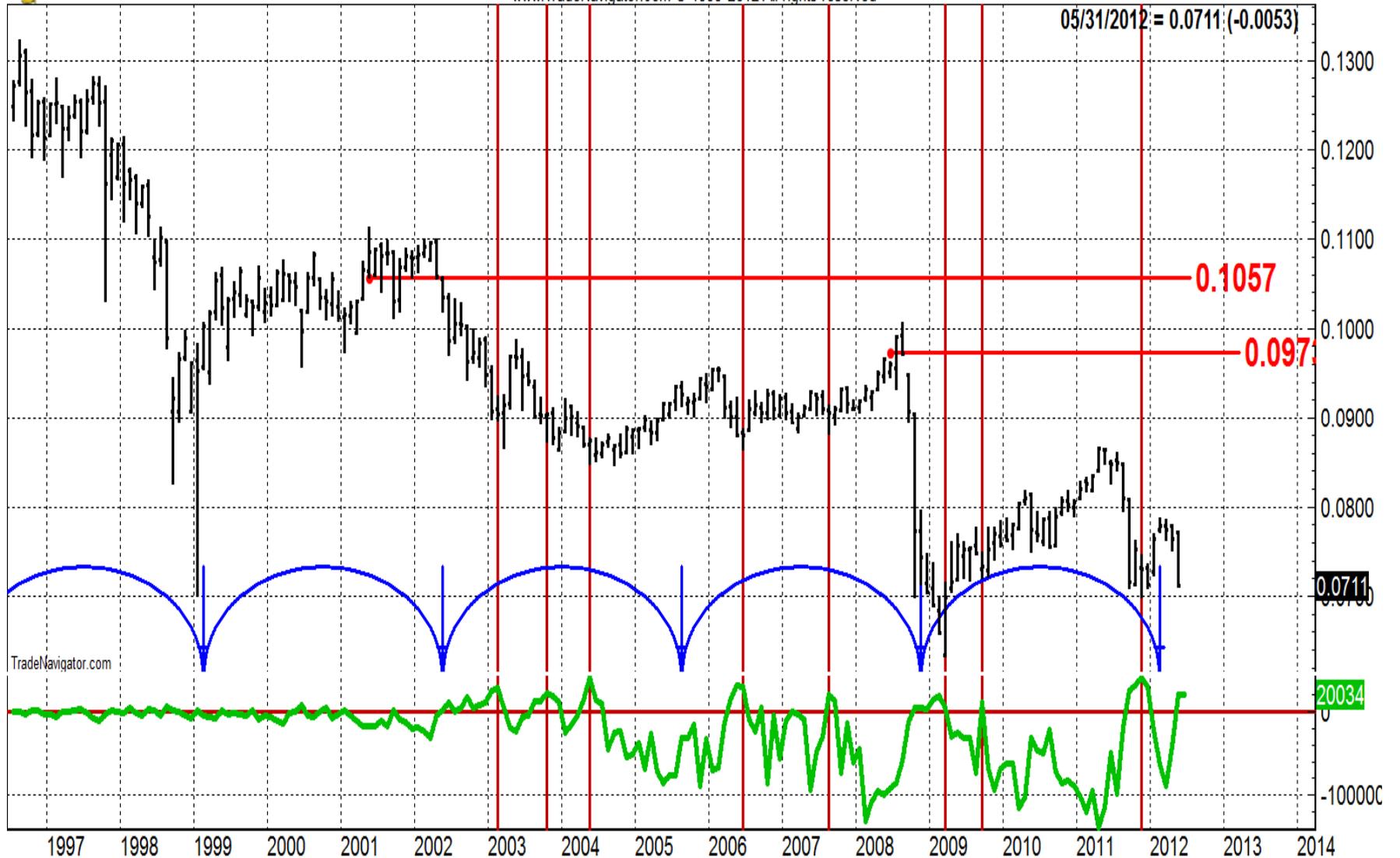


# Peso / US\$



MP-055: Mexican Peso (Pit) Cont 1st (Monthly bars)

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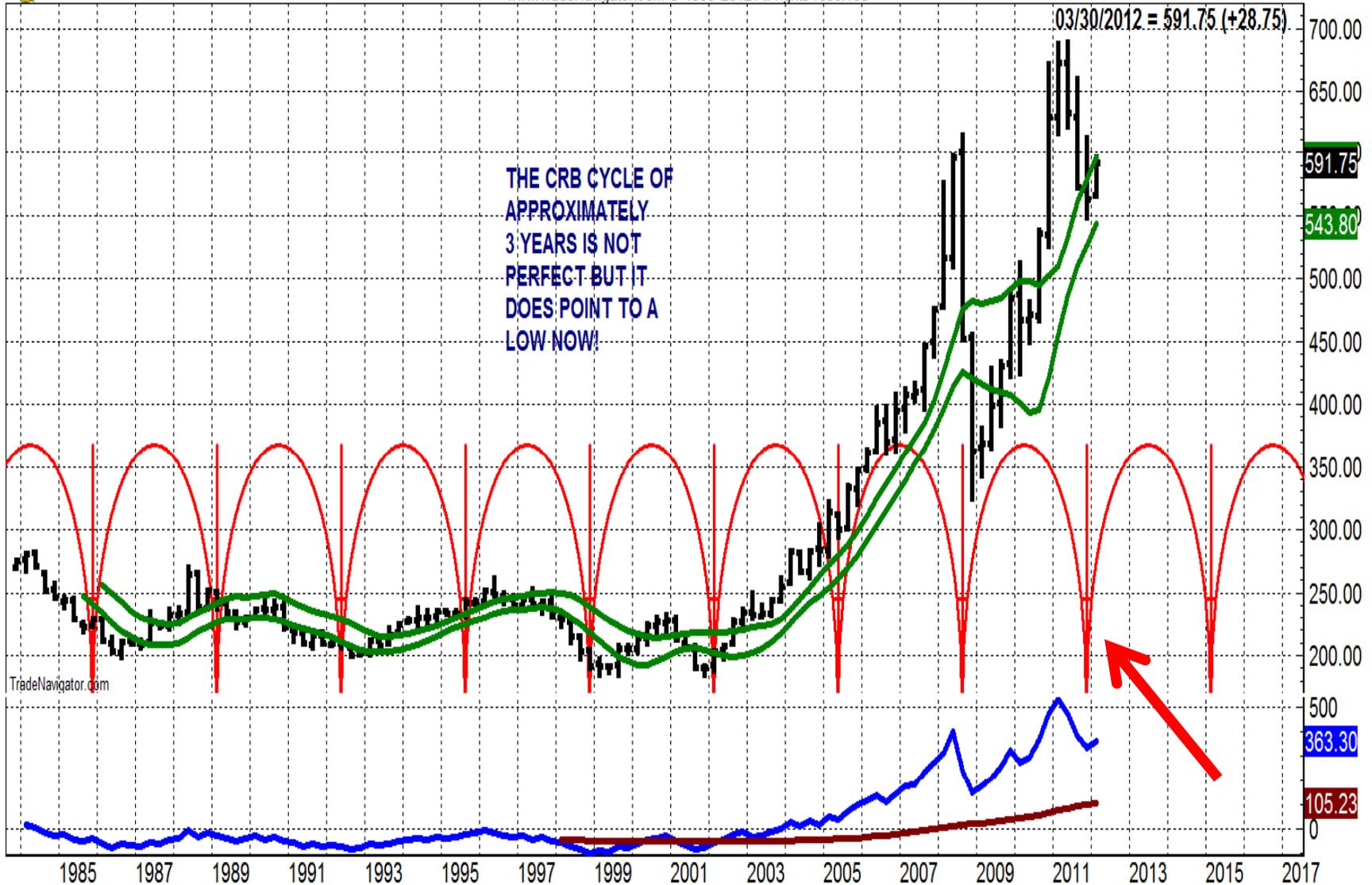
- Now let's look at commodity price trend status of cycles and timing for CRB

# Commodity trend forecast CRB



CR-099: Crb Index Cash (Quarterly bars)

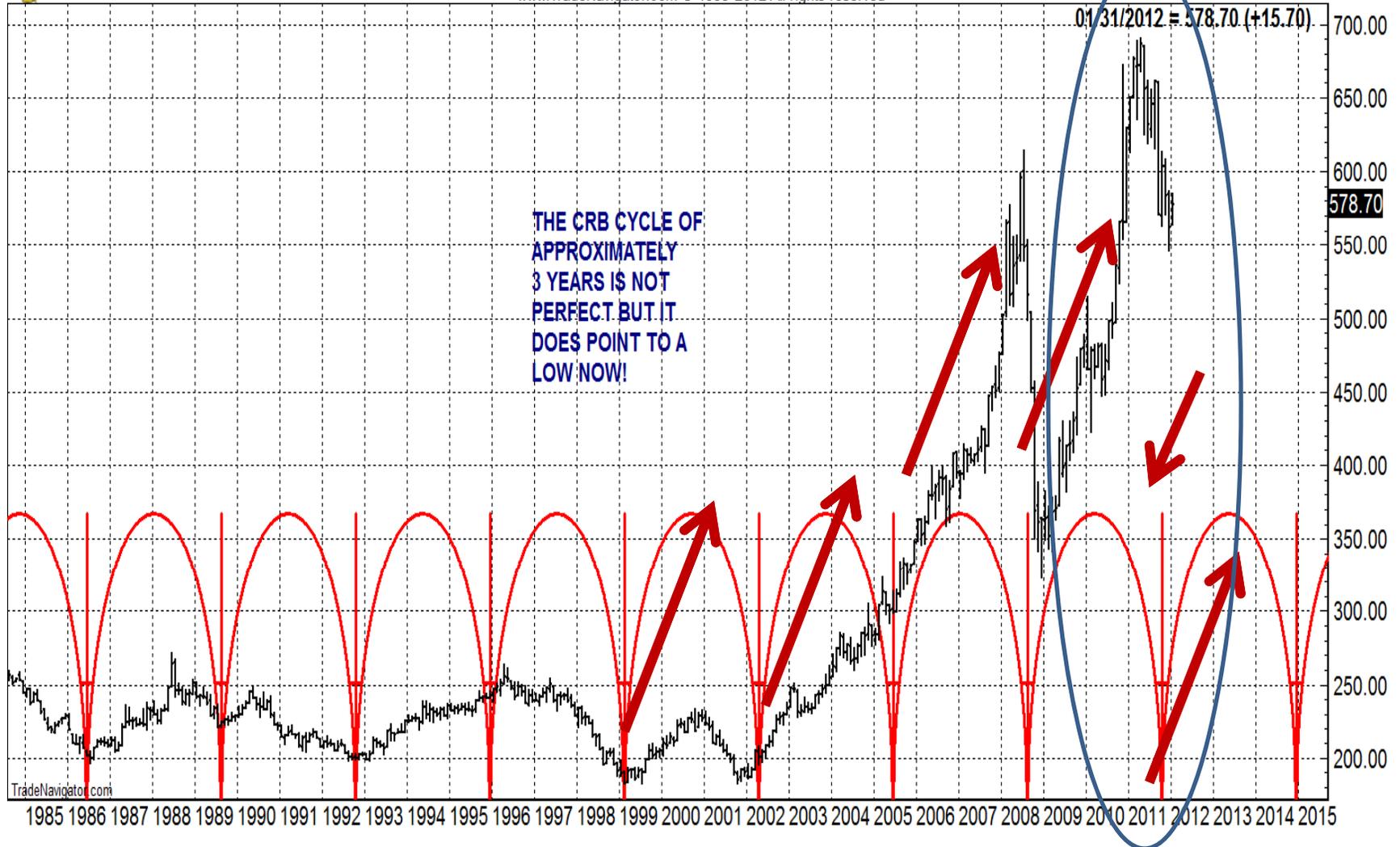
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# Where prices are going next



CR-099: Crb Index Cash (Monthly bars)  
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# CRB MD Daily



CR-099: Crb Index Cash (Daily bars)

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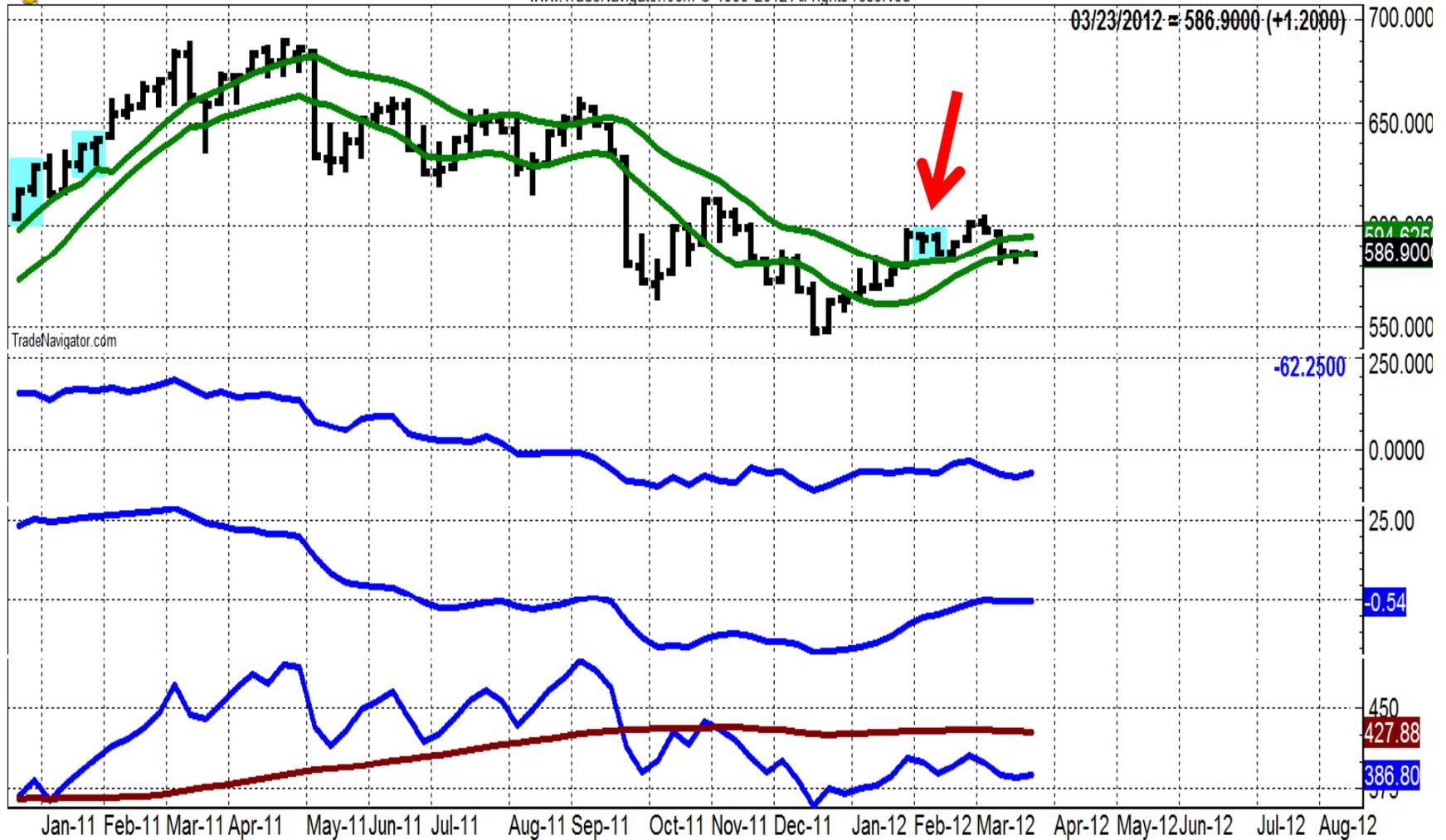


# CRB March 2012



CR-099: Crb Index Cash (Weekly bars)

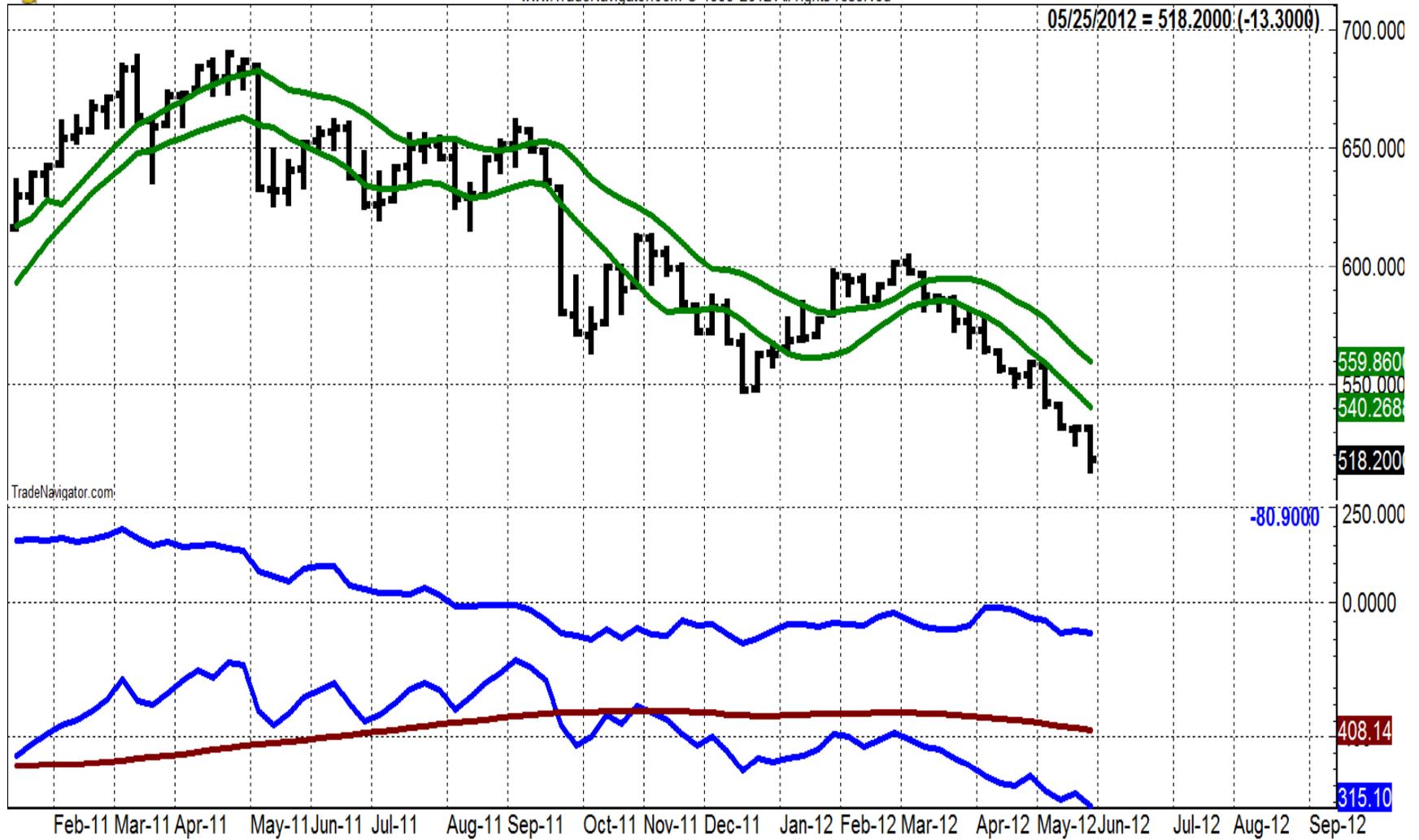
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# CRB Now



CR-099: Crb Index Cash (Weekly bars)  
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# Major issues Continue

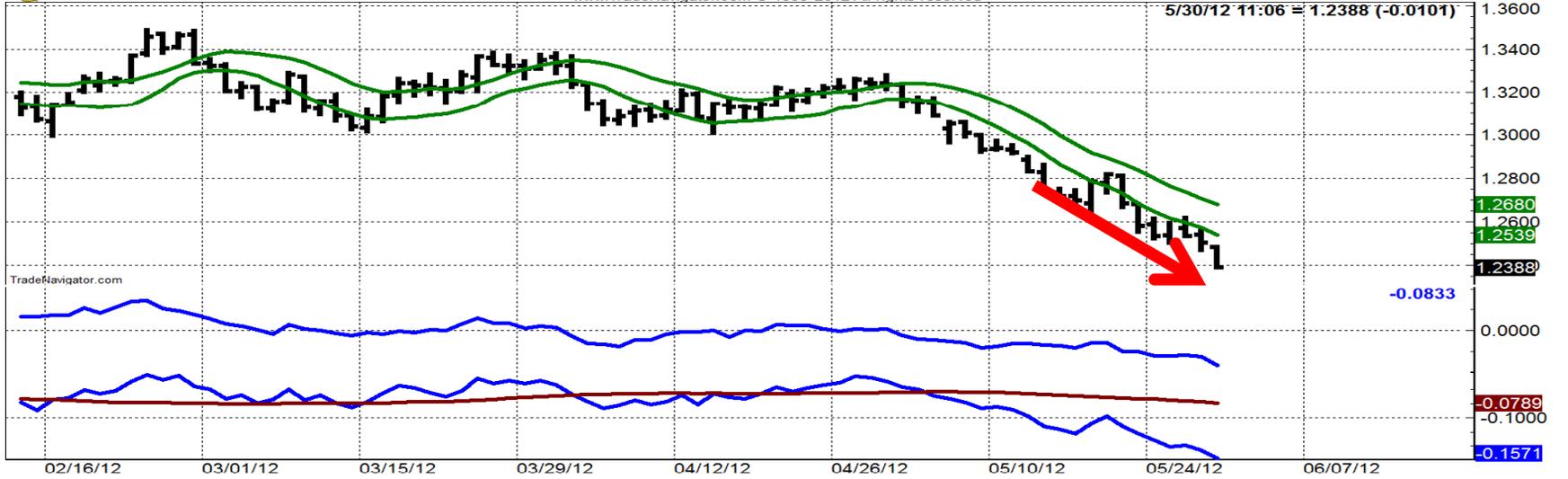
- Is the Euro “crisis” over or just abated? Spain and Portugal – Greek elections
- US stocks on course for bullish trend confirmed
- Improved housing starts as predicted – more coming – housing stocks soar as predicted
- Other signs of economic life: employment, uptick in building permits, decrease in foreclosures, pick in closings
- Natural gas: low is in
- GOLD DIVERGES from other markets (chart)
- Market sentiment overall negative: good!
- Forecasts and status



**GC2-201206: Gold Comex (Comb) Jun 2012 (Daily bars)**  
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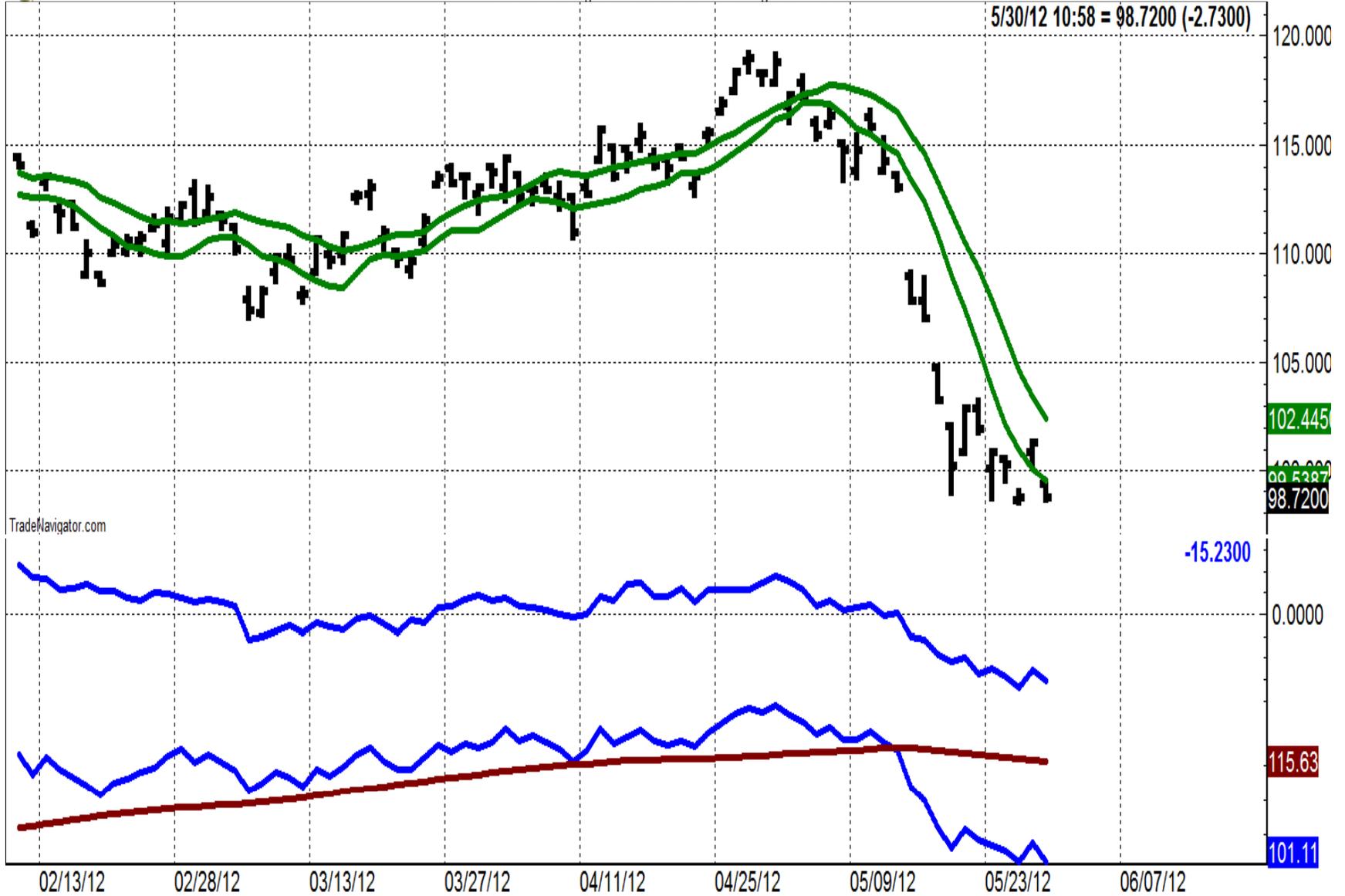
**G6E-201206: Euro FX (Elec) Jun 2012 (Daily bars)**  
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# WBK: Westpac Banking Corporation (Daily bars)

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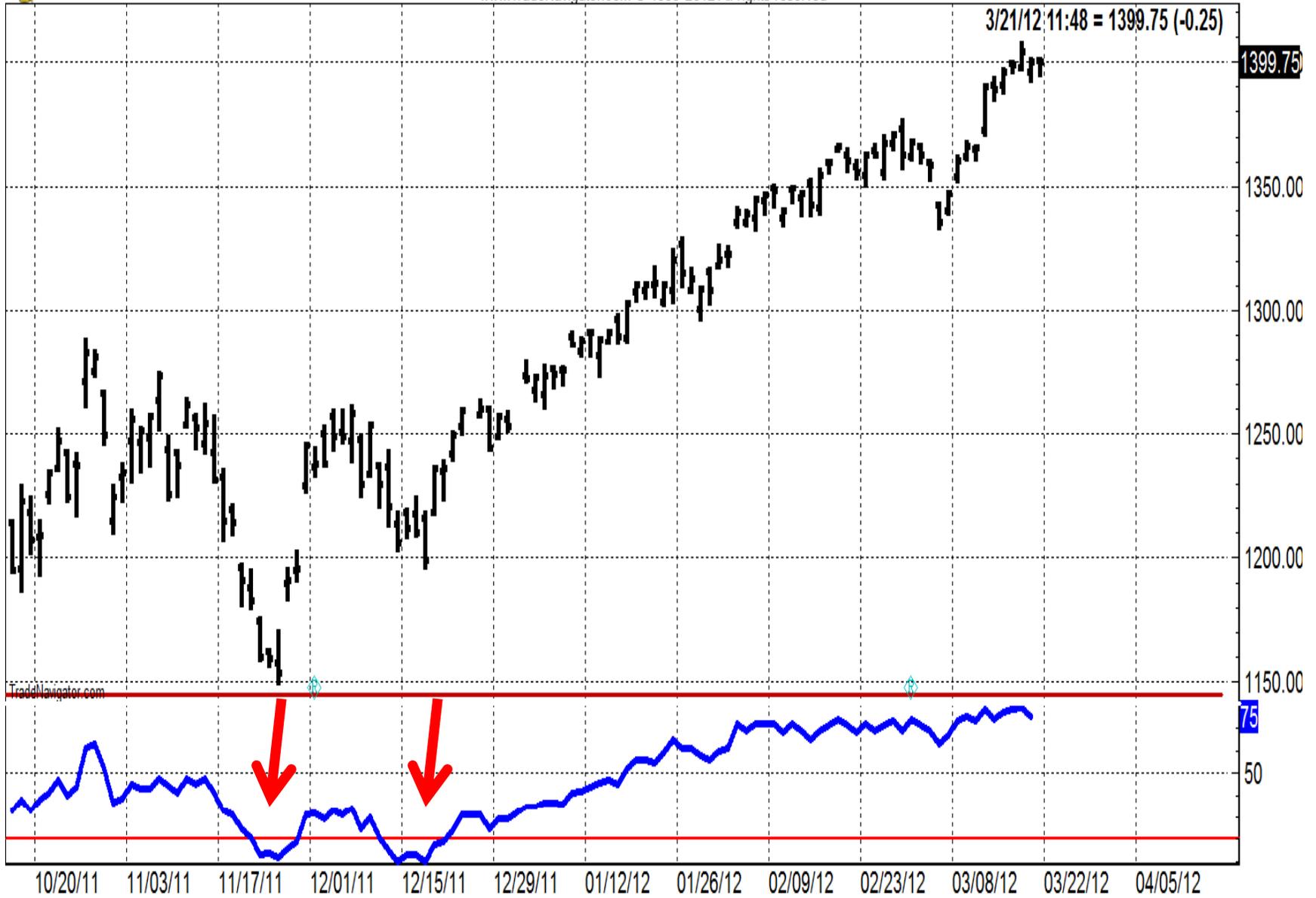
# Where we are now

- Confluence – many factors still coming together with many cycles bullish through 2013
- Timing - remains bullish in stocks seasonally through early May
- Sentiment very low again in stocks (chart)
- The developing MAJOR LOW in EuroFX (COT)
- Developing LOW in China stock index (shown earlier)
- Aussie real estate and bank WARNING (chart earlier)
- US real estate lows being confirmed
- US Interest rate status and forecast



# ES1-055: E-Mini S&P 500 (Day) Cont 1st (Daily bars)

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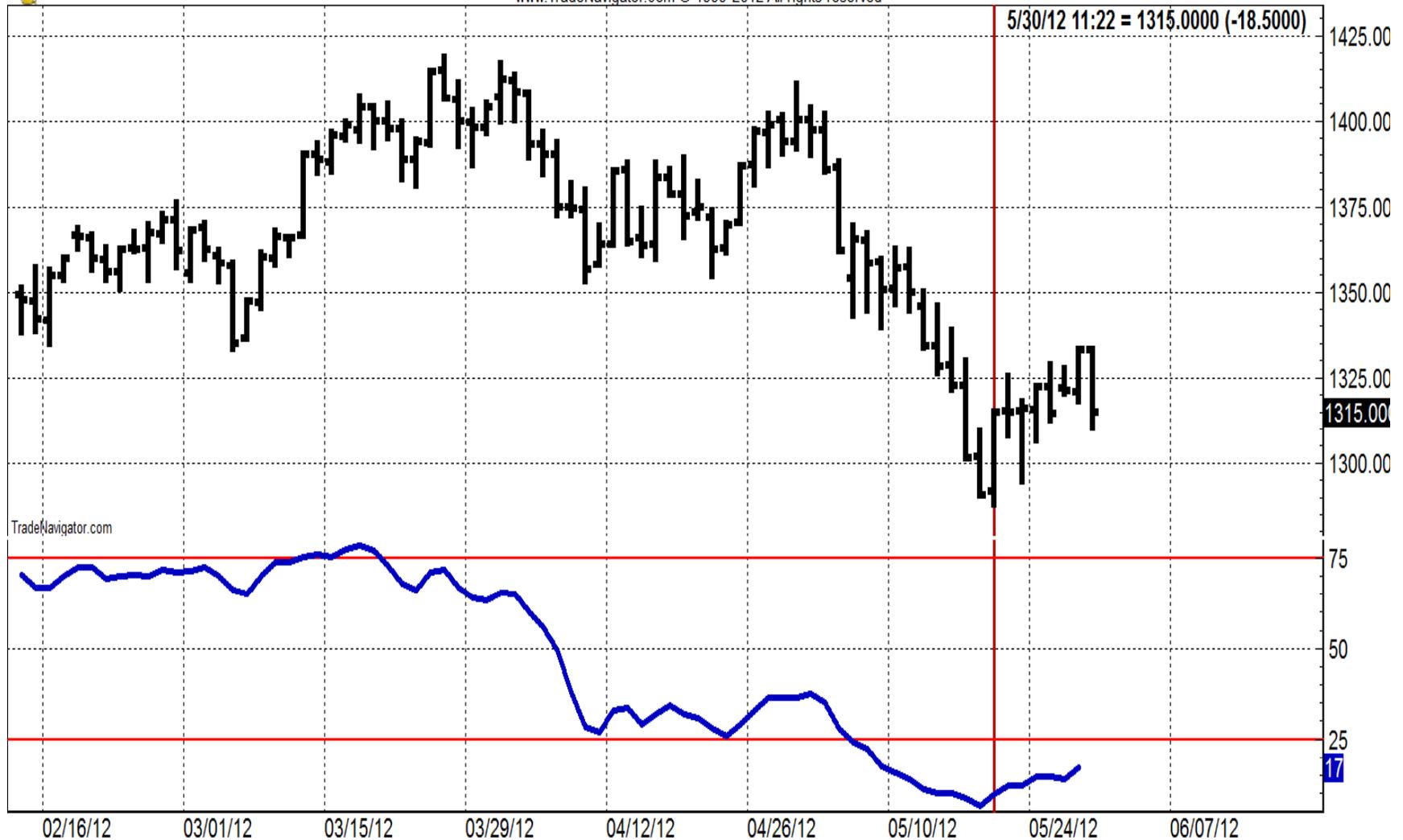


# S&P Sentiment now



ES-055: E-Mini S&P 500 Cont 1st (Daily bars)

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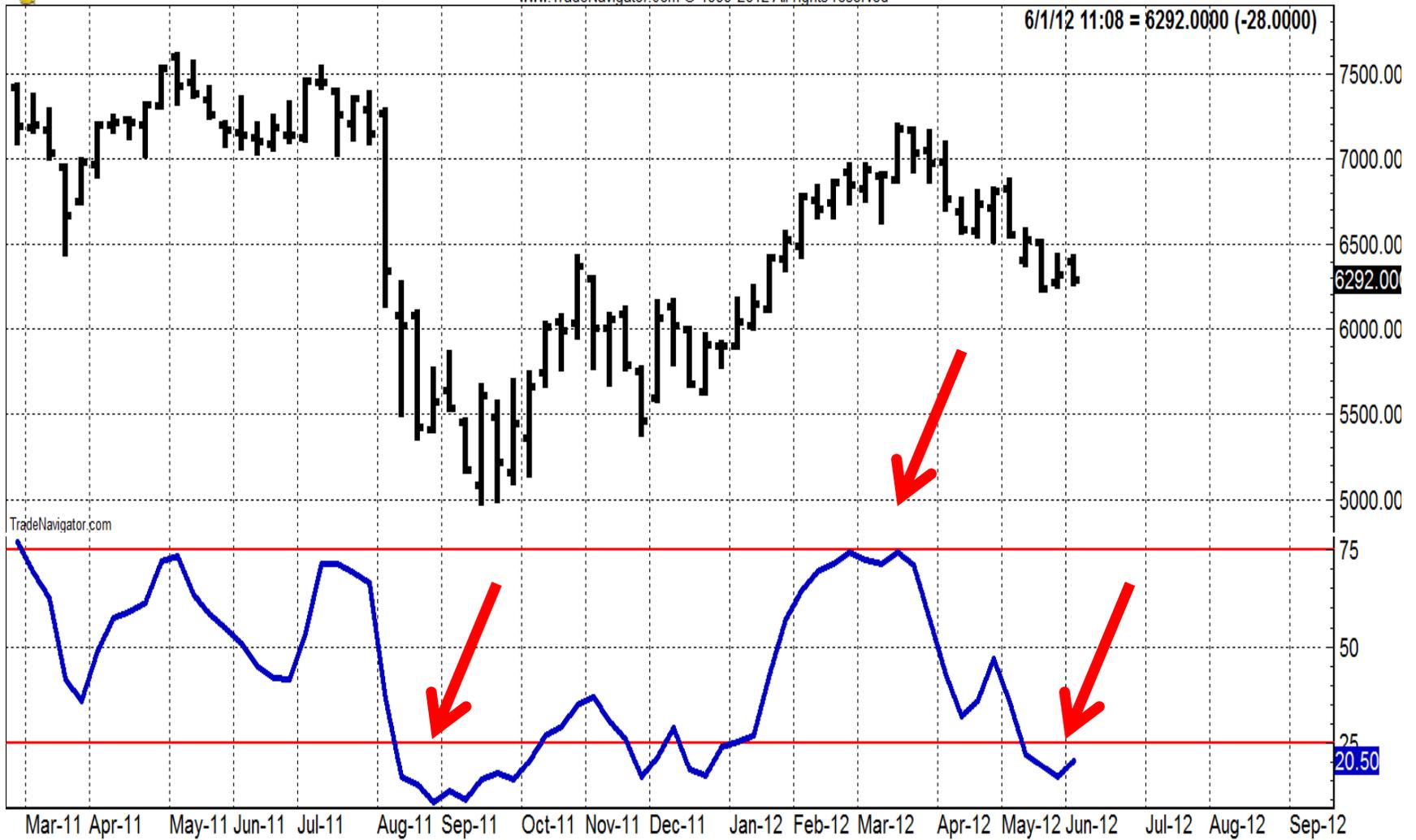


# DAX DSI Weekly



GX-055: DAX Index EUREX Cont 1st (Weekly bars)

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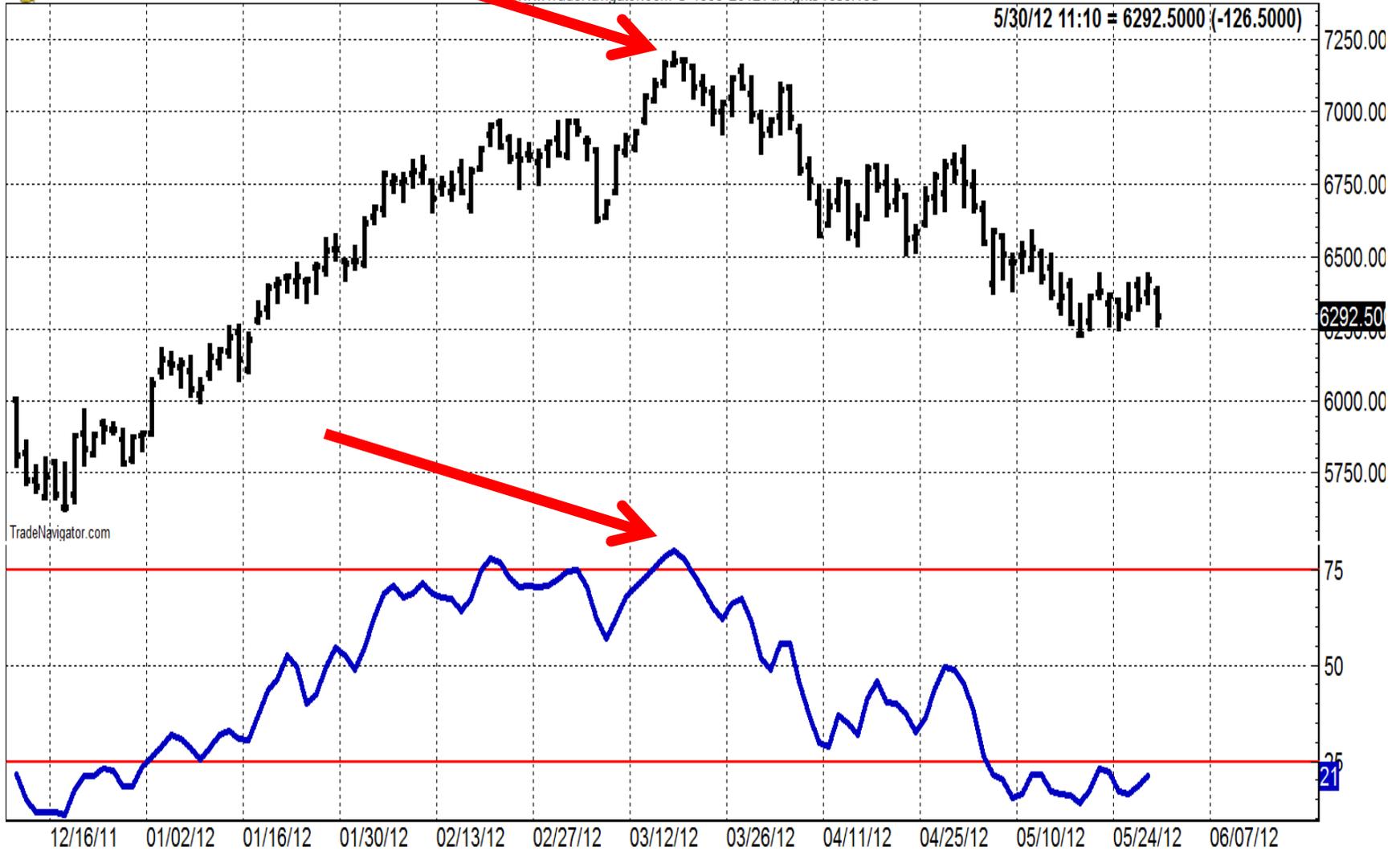


# DAX DSI Daily



GX-055: DAX Index EUREX Cont 1st (Daily bars)

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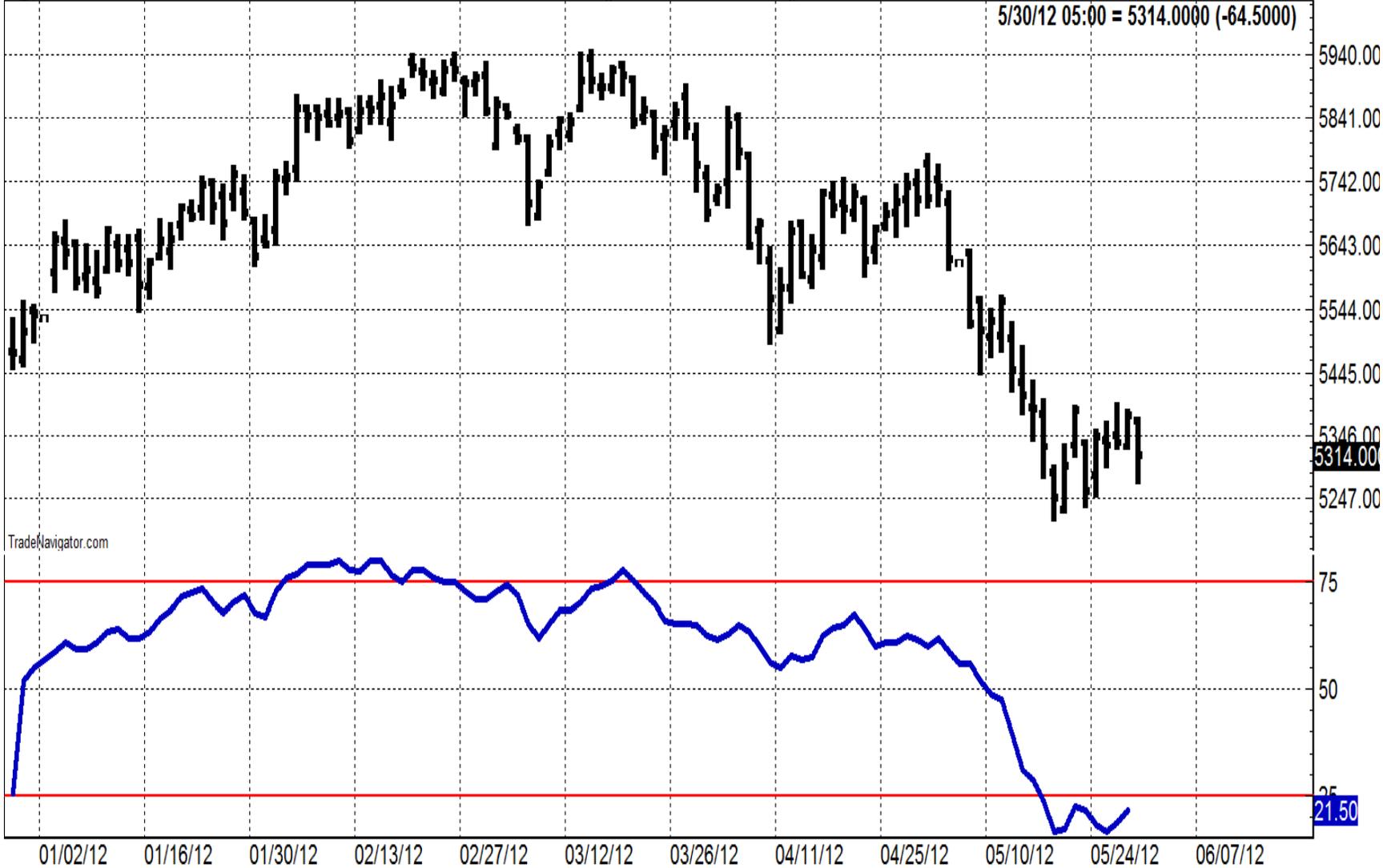


# DSI FTSE



ZX-055: FTSE-100 Index Cont 1st (Daily bars)

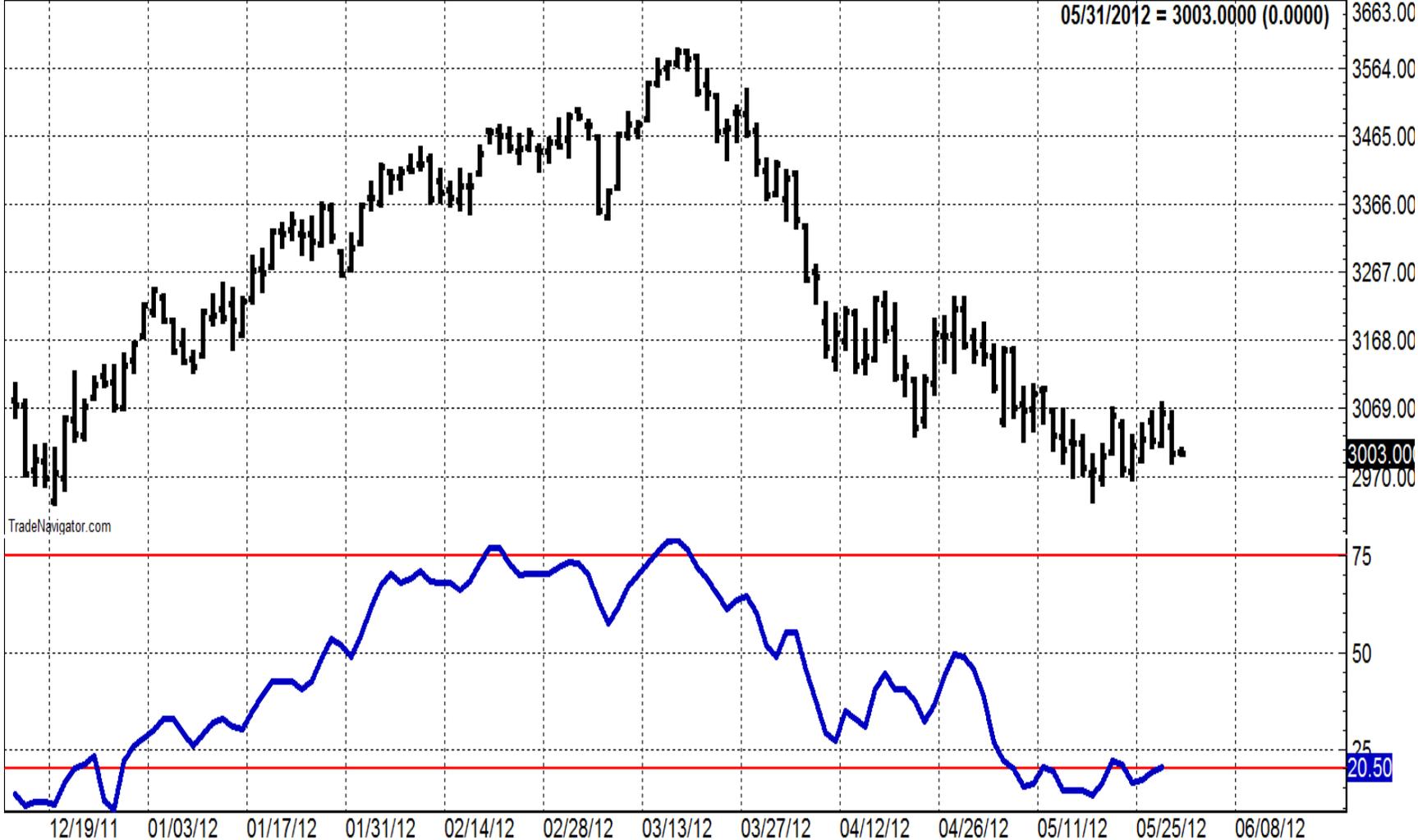
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# CAC40 DSI



FCE-055: CAC 40 Index Cont 1st (Daily bars)  
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# Conclusions

- Stocks US and Europe may be a few days from a significant low. They are set up for buy triggers
- % rates US and Europe DSI at extreme and set up for sells
- Gold has diverged from Euro
- Gold stocks setups and triggers
- COTs VERY bullish on Euro
- DSI Euro VERY LOW
- ALL against negative news backdrop

# A Few Cycles and COTS

- Cocoa
- Coffee
- Sugar
- Nat Gas
- Currencies
- Grains

# The Major Forces into 2012-13

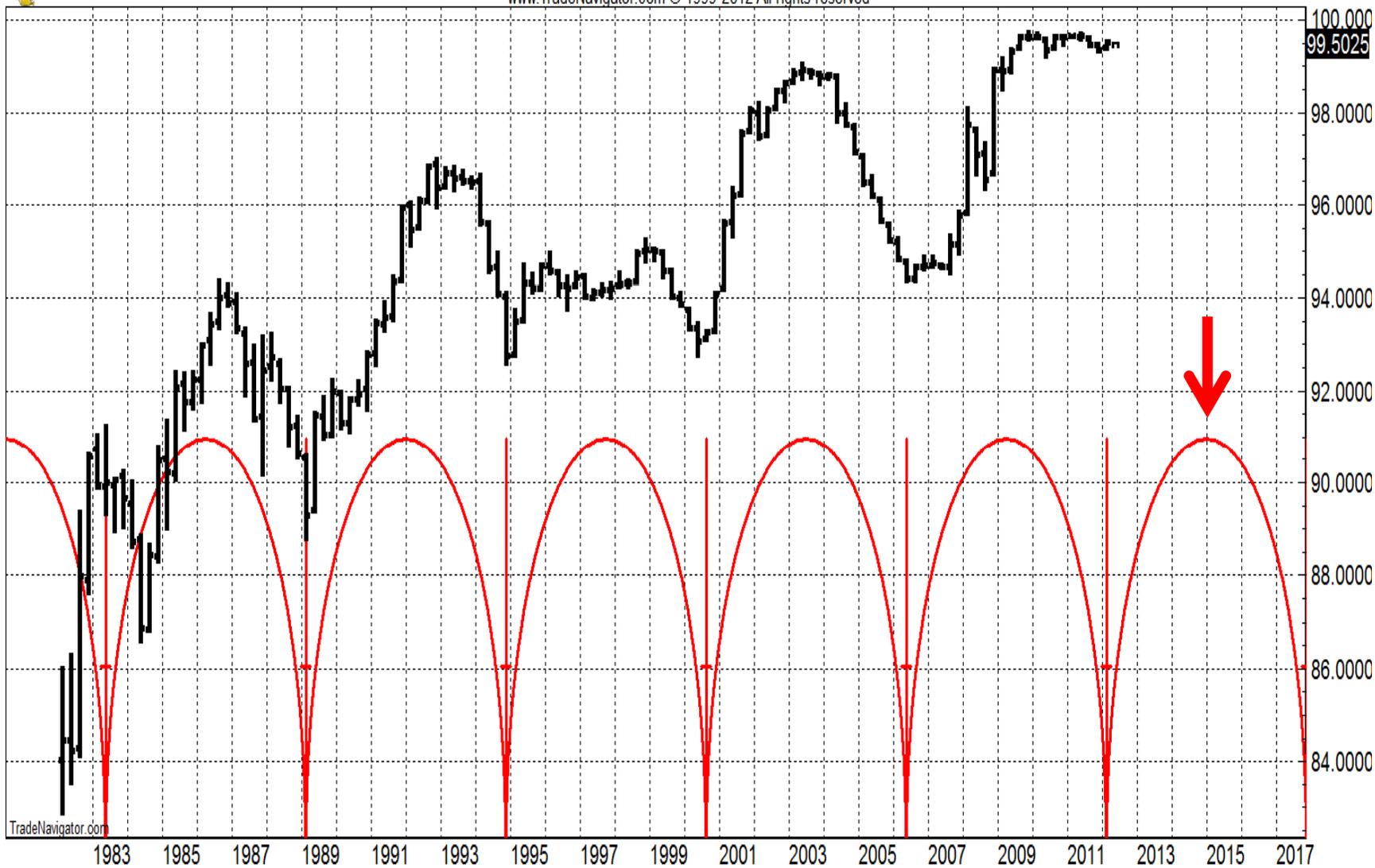
- Long term cycles and status
- Currency debasement – fiat money
- Currency relationships
- Interest rate cycles and relationships
- Timing triggers
- Geo-political instability as an exacerbating factor (Iran, Middle East)
- Intermediate term cycles
- COT status of Commercials – MAJOR factor
- Confluence: COT+CYCLES+FIAT MONEY

# Status ED

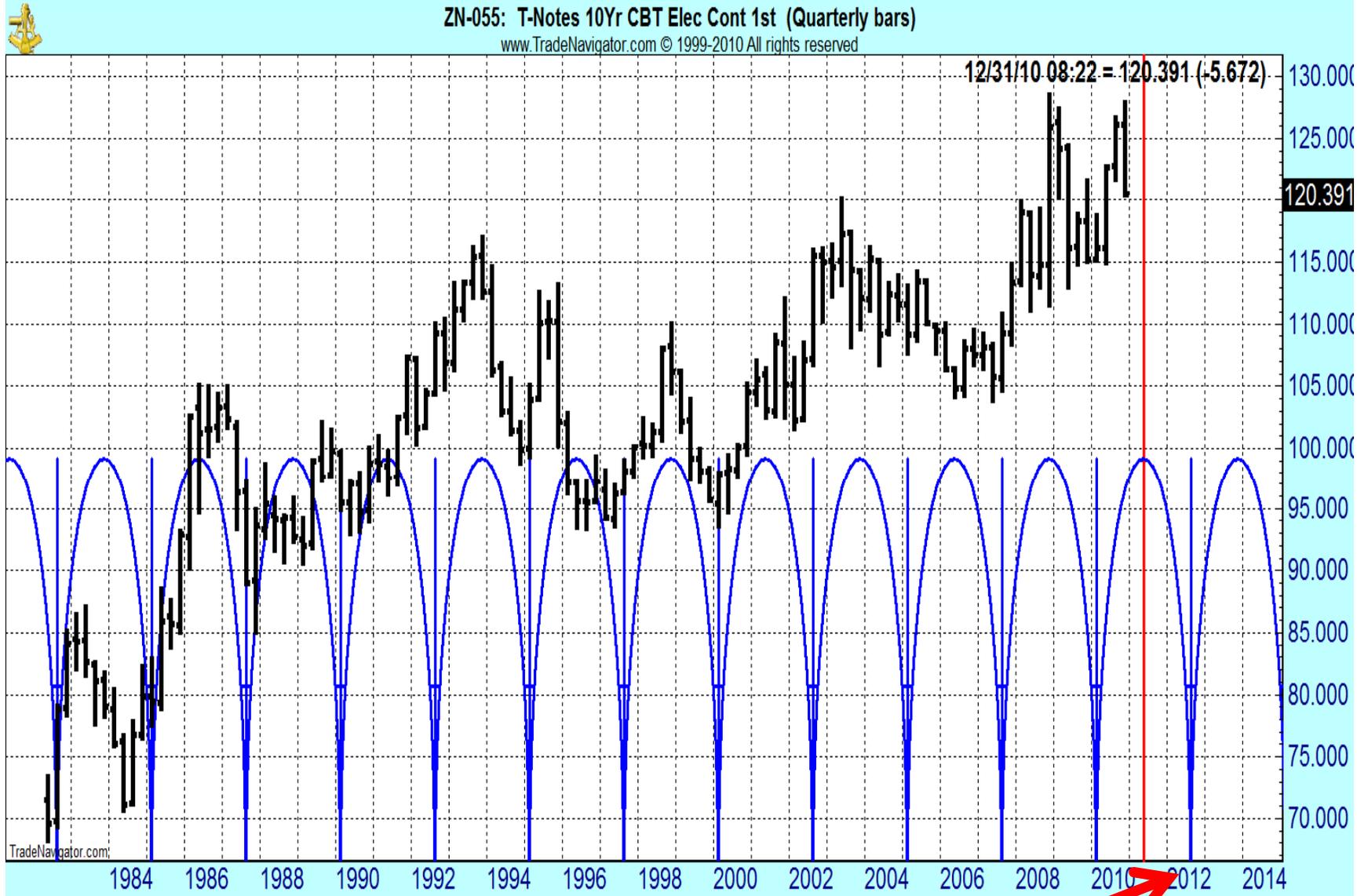


ED-055: Eurodollar CME (Pit) Cont 1st (Quarterly bars)

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# Approx 30 mo cycle Tnote futures: Dec 2010

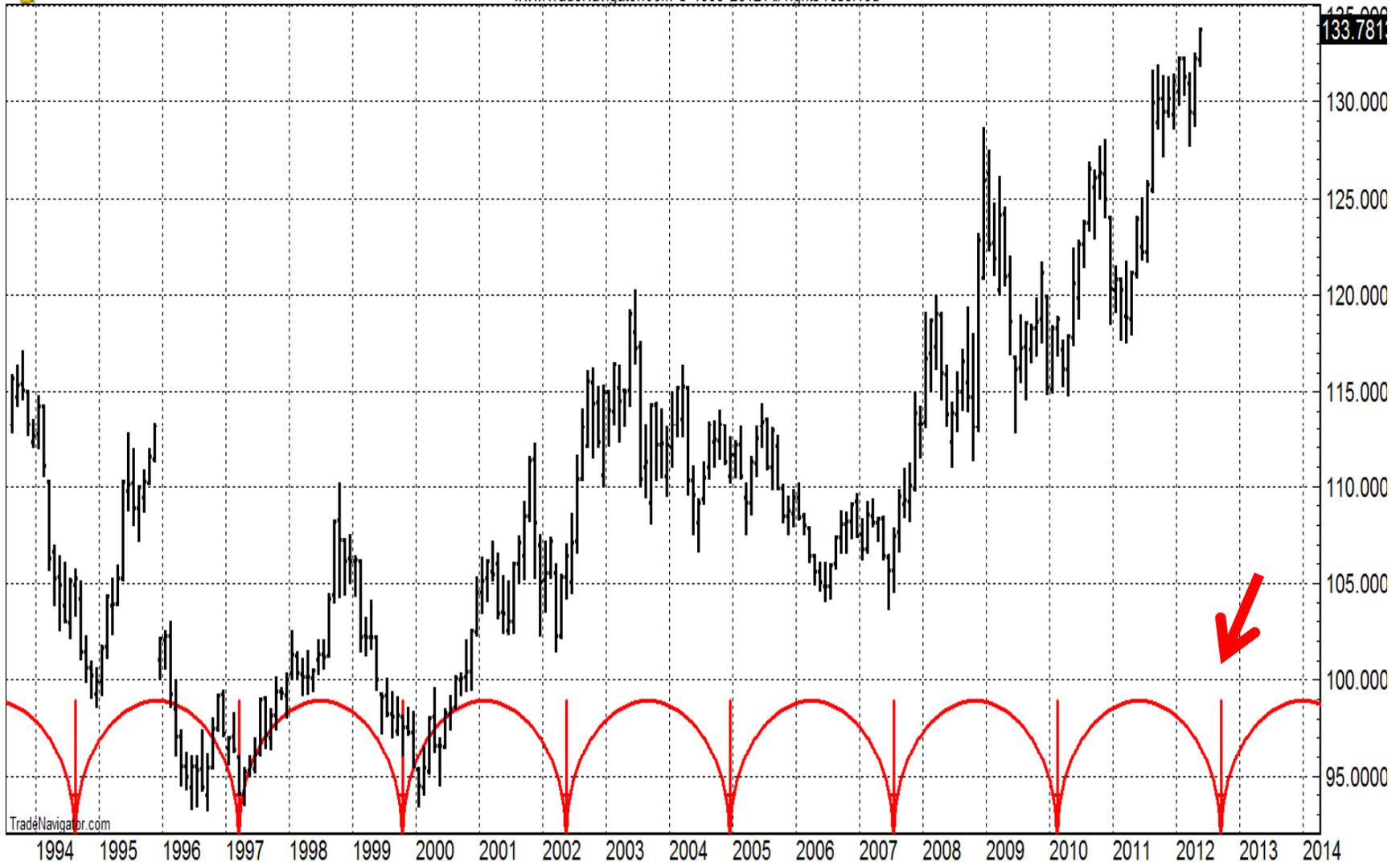


# Tnotes: cycles forecast



ZN-055: T-Notes 10Yr CBT Elec Cont 1st (Monthly bars)

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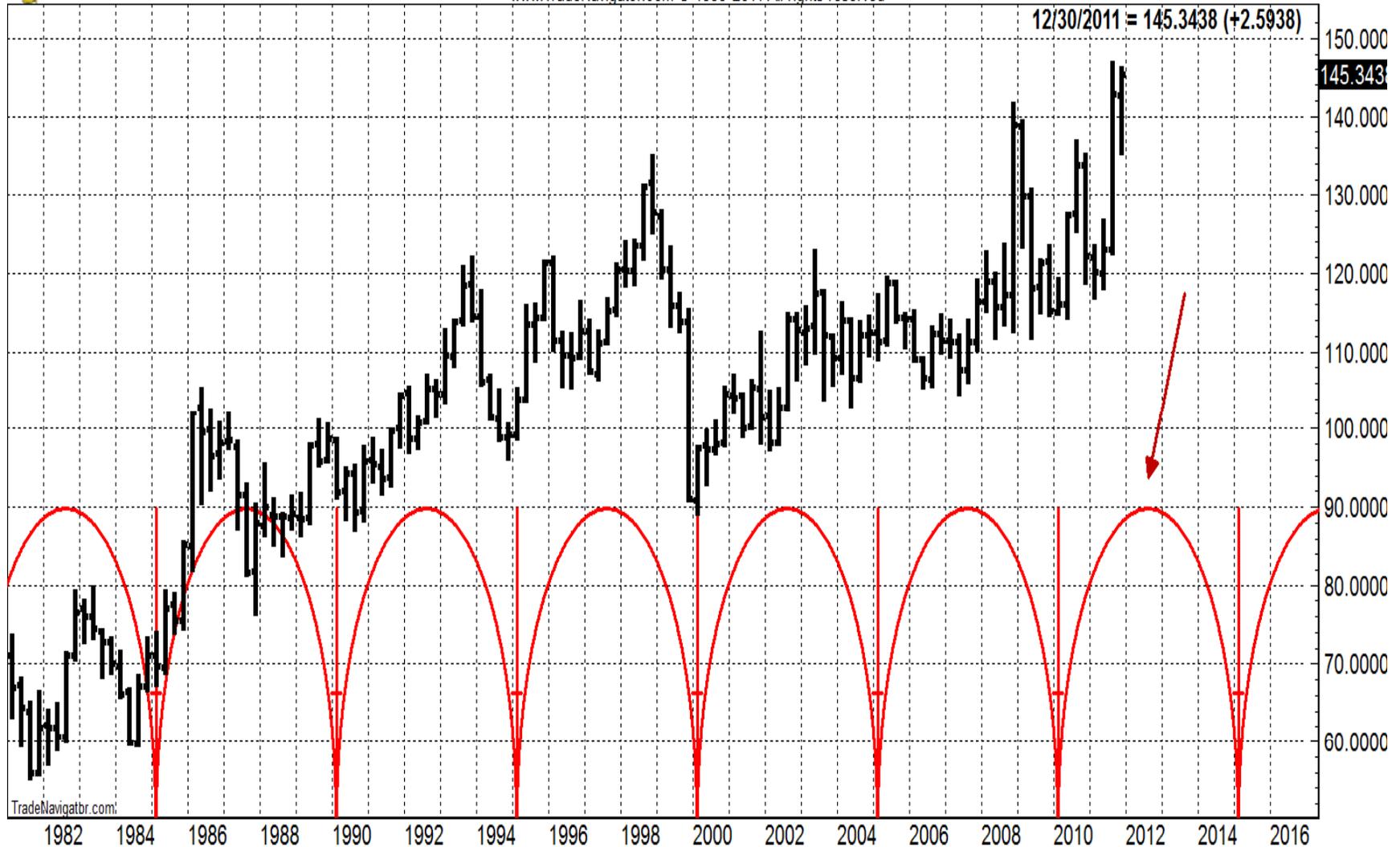


# Approx 4 yr cycle TBonds



ZB-055: T-Bonds 30Yr CBT Elec Cont 1st (Quarterly bars)

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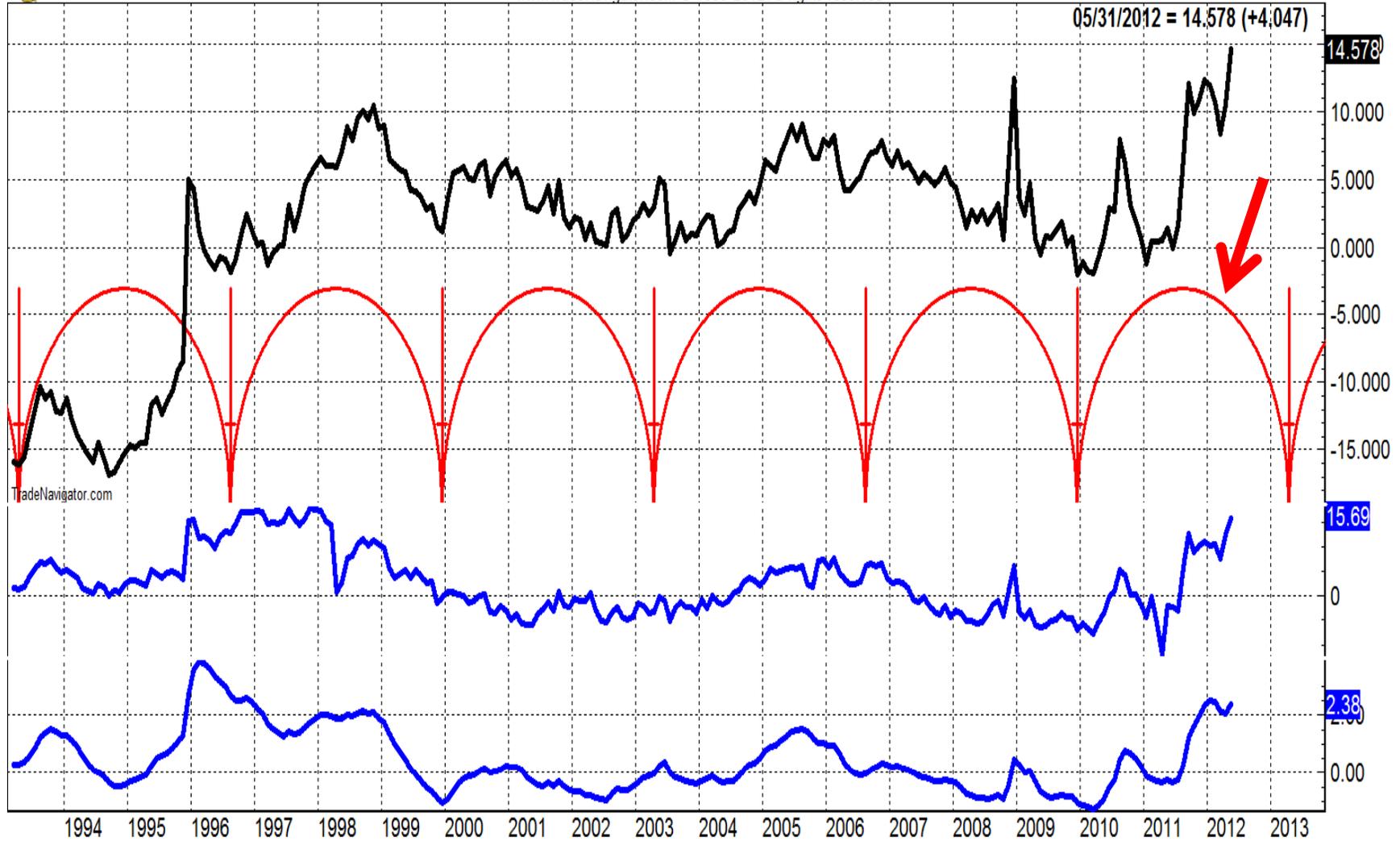


# ZB/ZN Long Term



ZB-067,ZN-067: 05/31/1982 - 05/31/2012 (Monthly bars)

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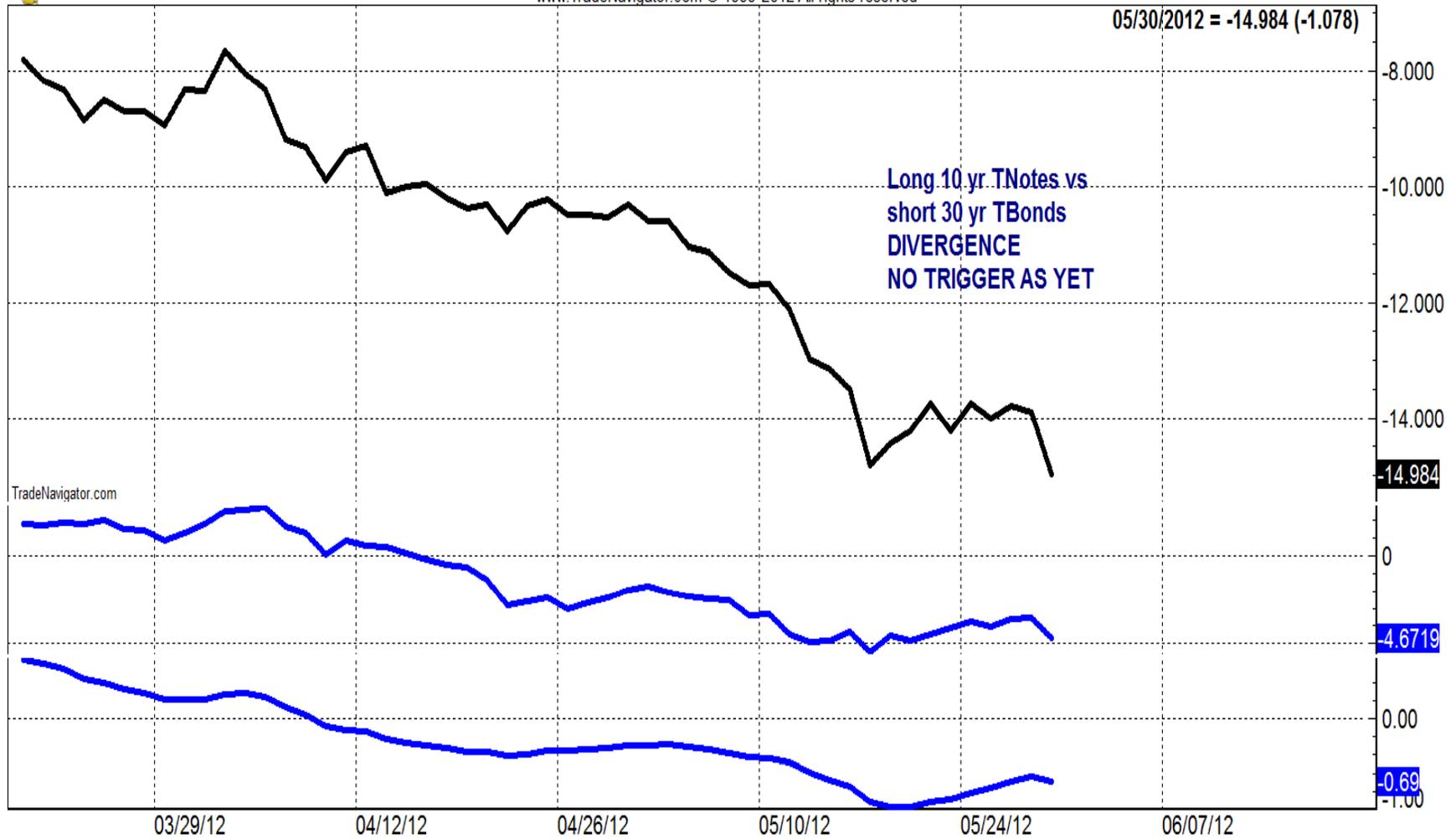


# ZB/ZN daily!



ZN-201206,ZB-201206: 12/27/2011 - 05/30/2012 (Daily bars)

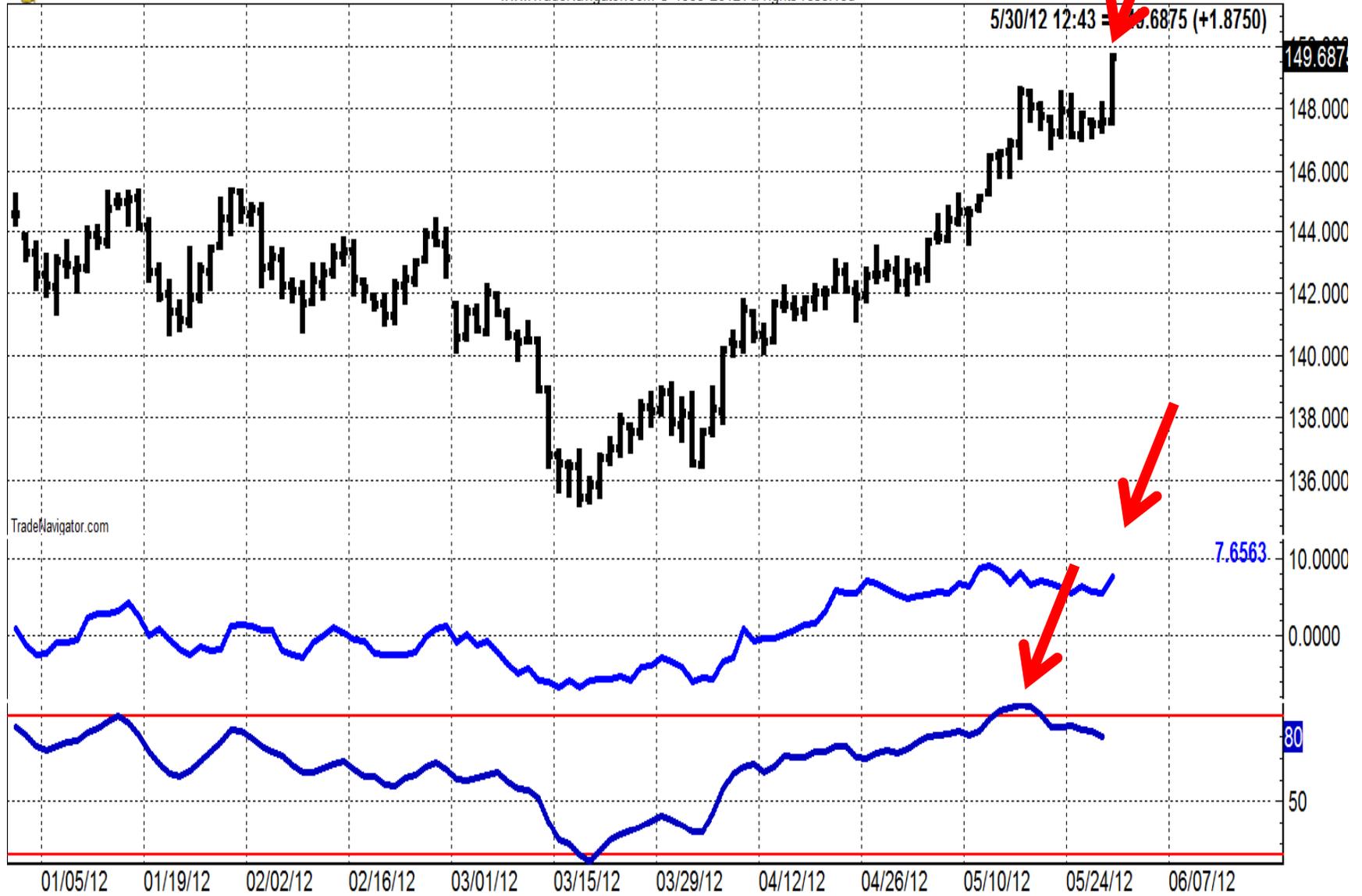
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### ZB-055: T-Bonds 30Yr CBT Elec Cont 1st (Daily bars)

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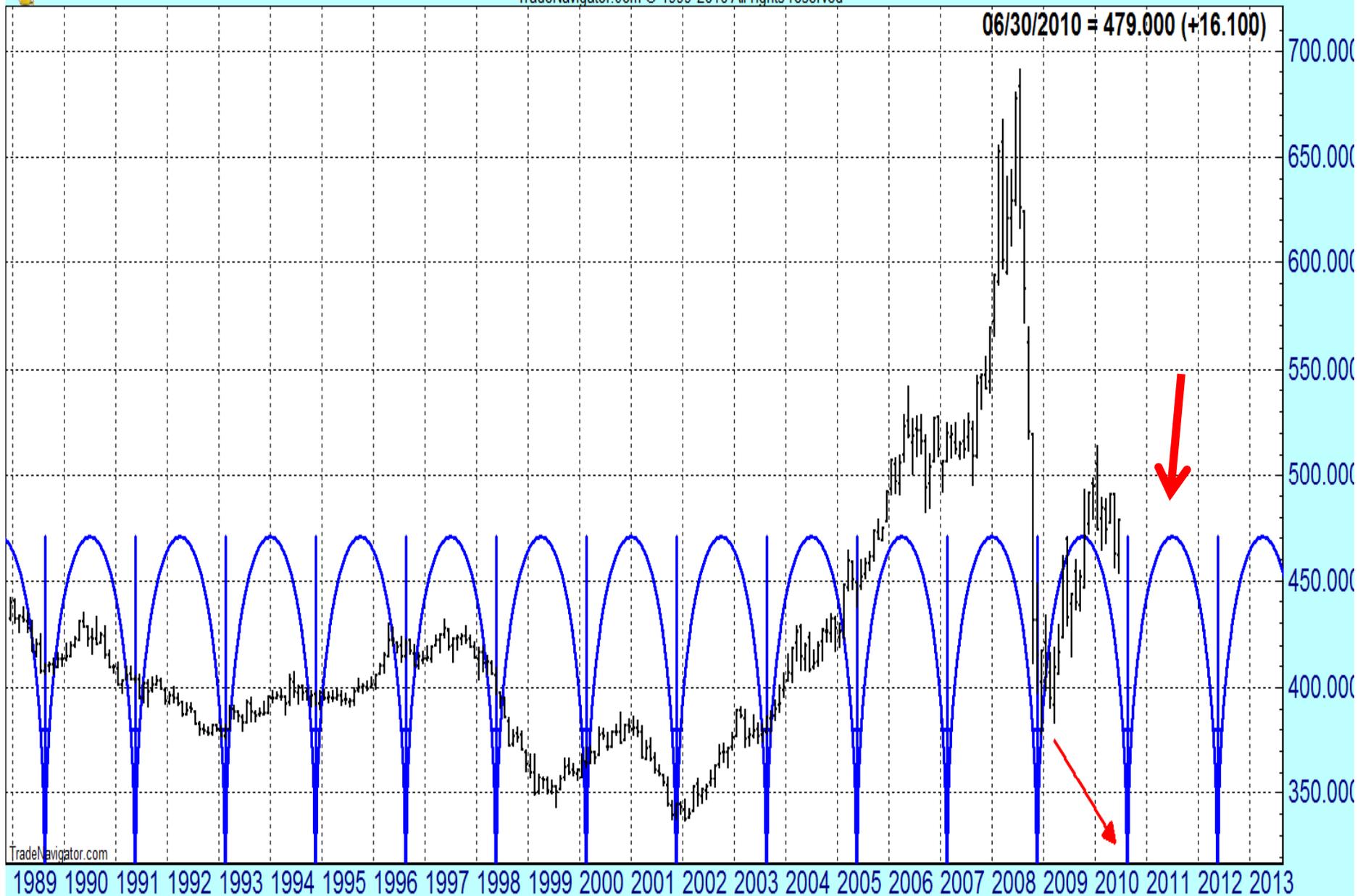
# What it means

- If long term rates rise relative to short term rates it will suggest an end of easy money
- Rising long term rates will boost borrowing which will signal inflation
- This may not happen until 2013 or late 2012 and will infect all markets
- Let's correlate this with CRB cycle status



### CR-067: Crb Index Cadj Liq (Monthly bars)

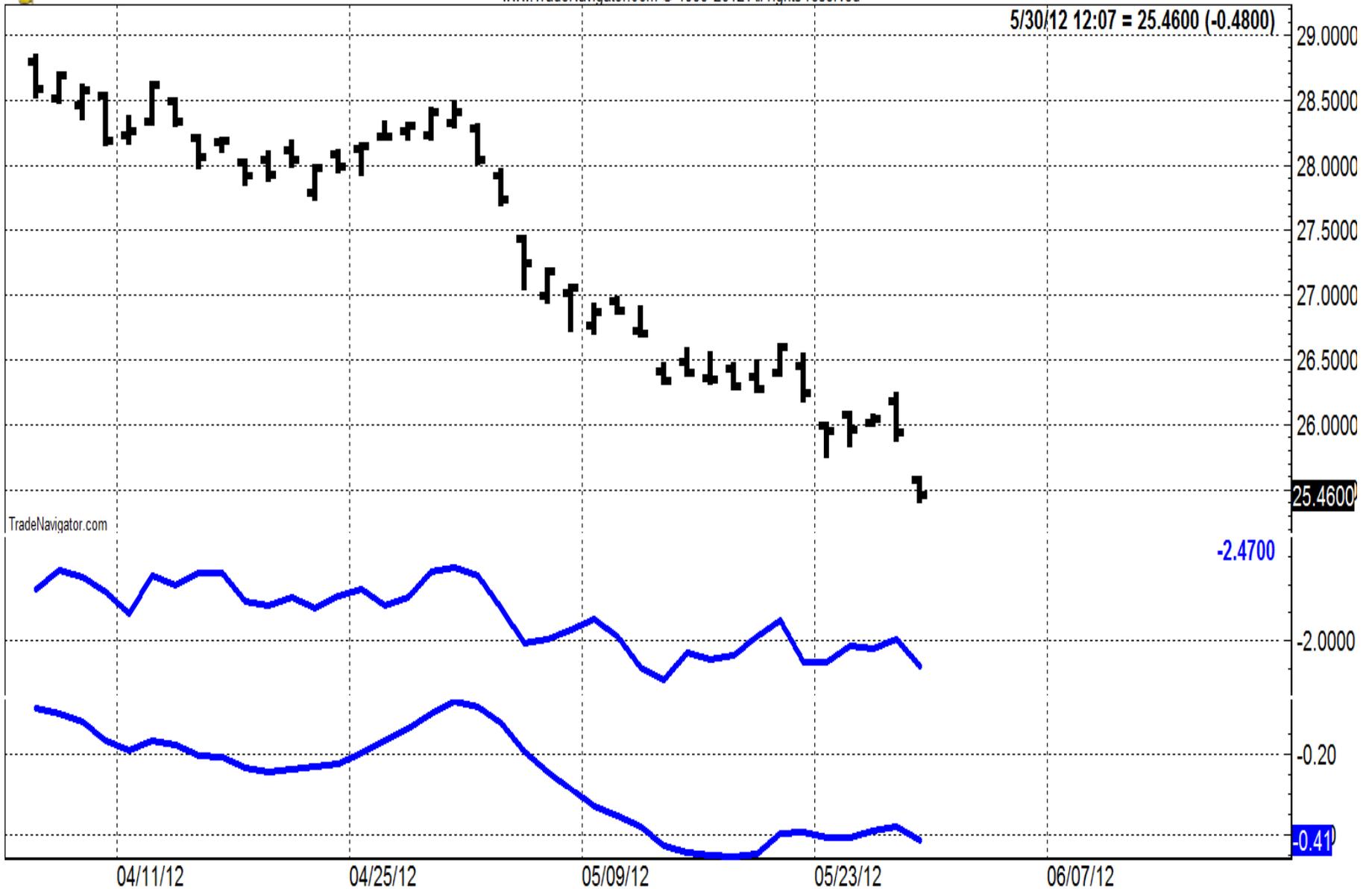
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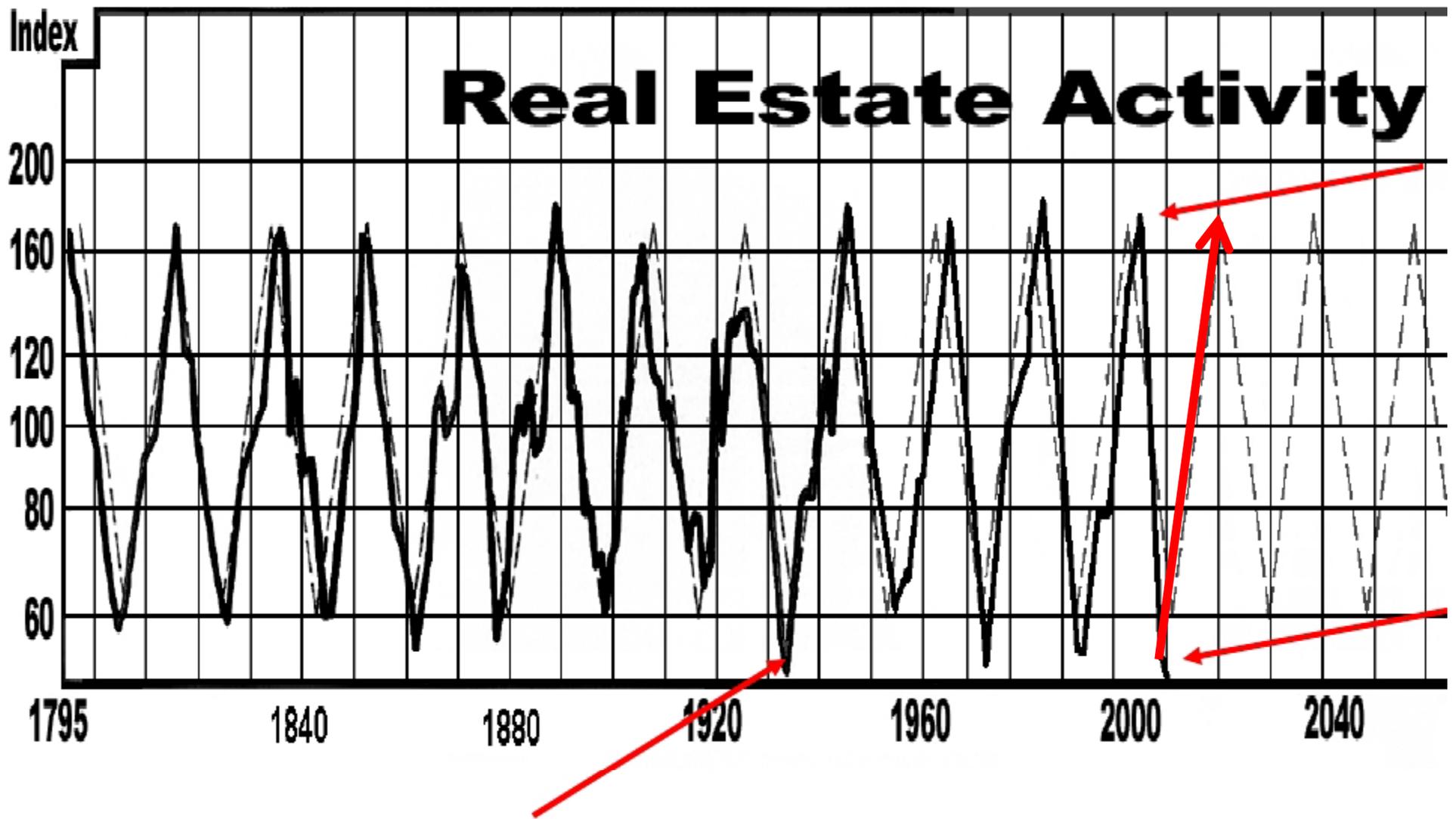


### DBC: PowerShares DB Commodity Index (Daily bars)

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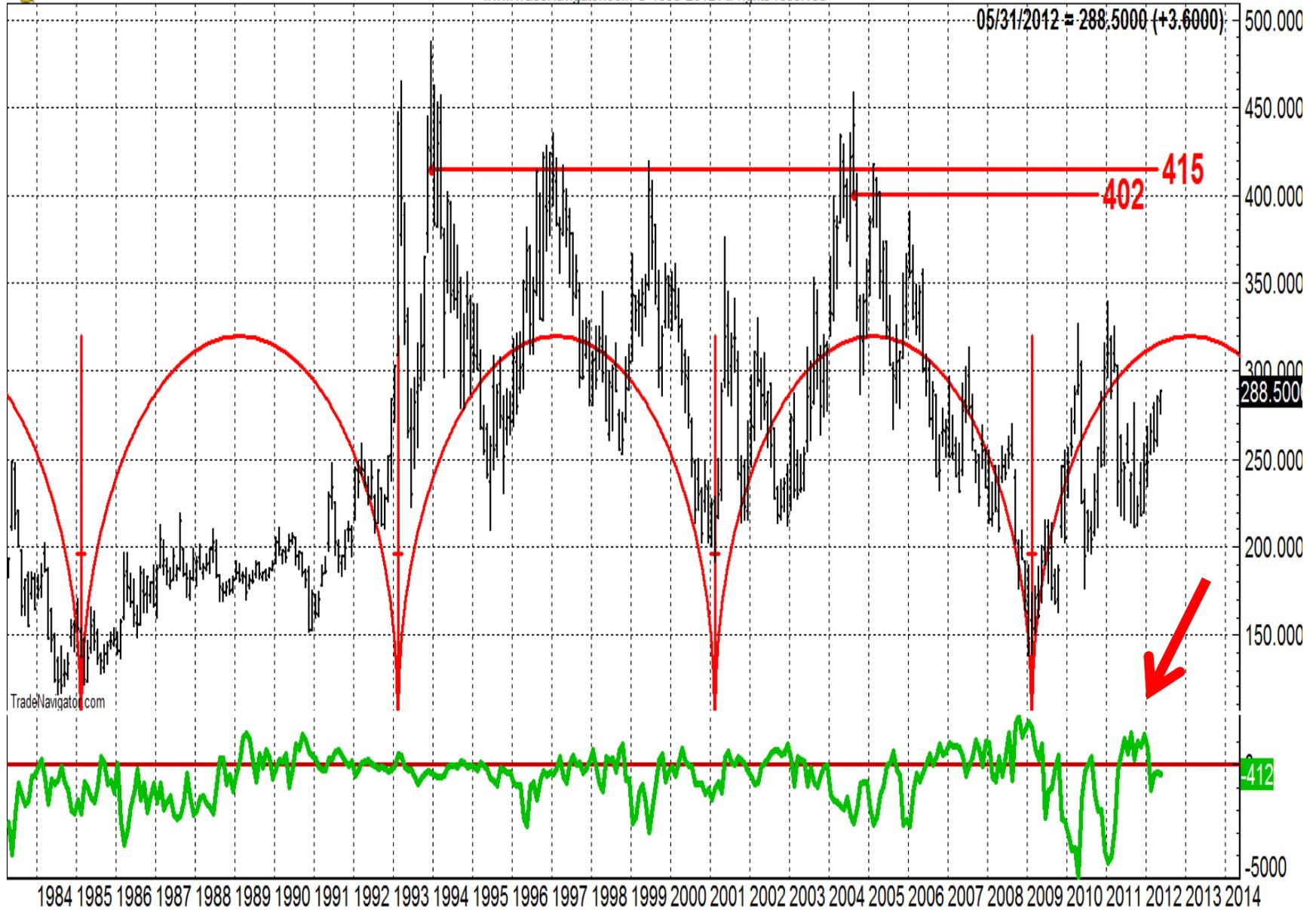
# The Real Estate Cycle USA 2010 low: Next top projection 2020





# LB-055: Lumber Cont 1st (Monthly bars)

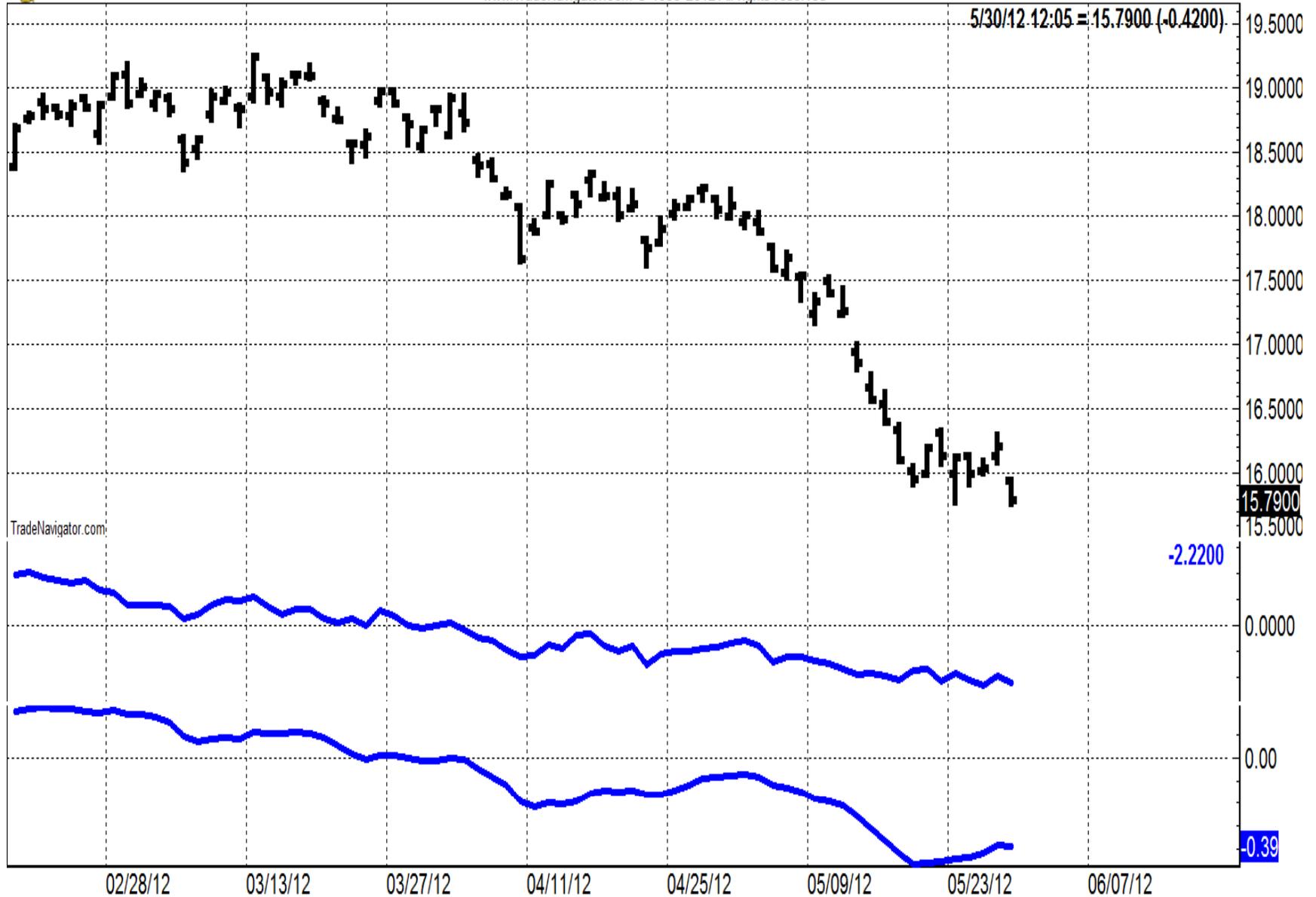
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### CUT: Guggenheim Timber ETF (Daily bars)

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# Homebuilders / Reits

Last long term recommendation was to buy  
RETIS and homebuilders

REITS surged

I recommended VNQ and JRS 3yrs ago

Homebuilders still prime to buy for long term

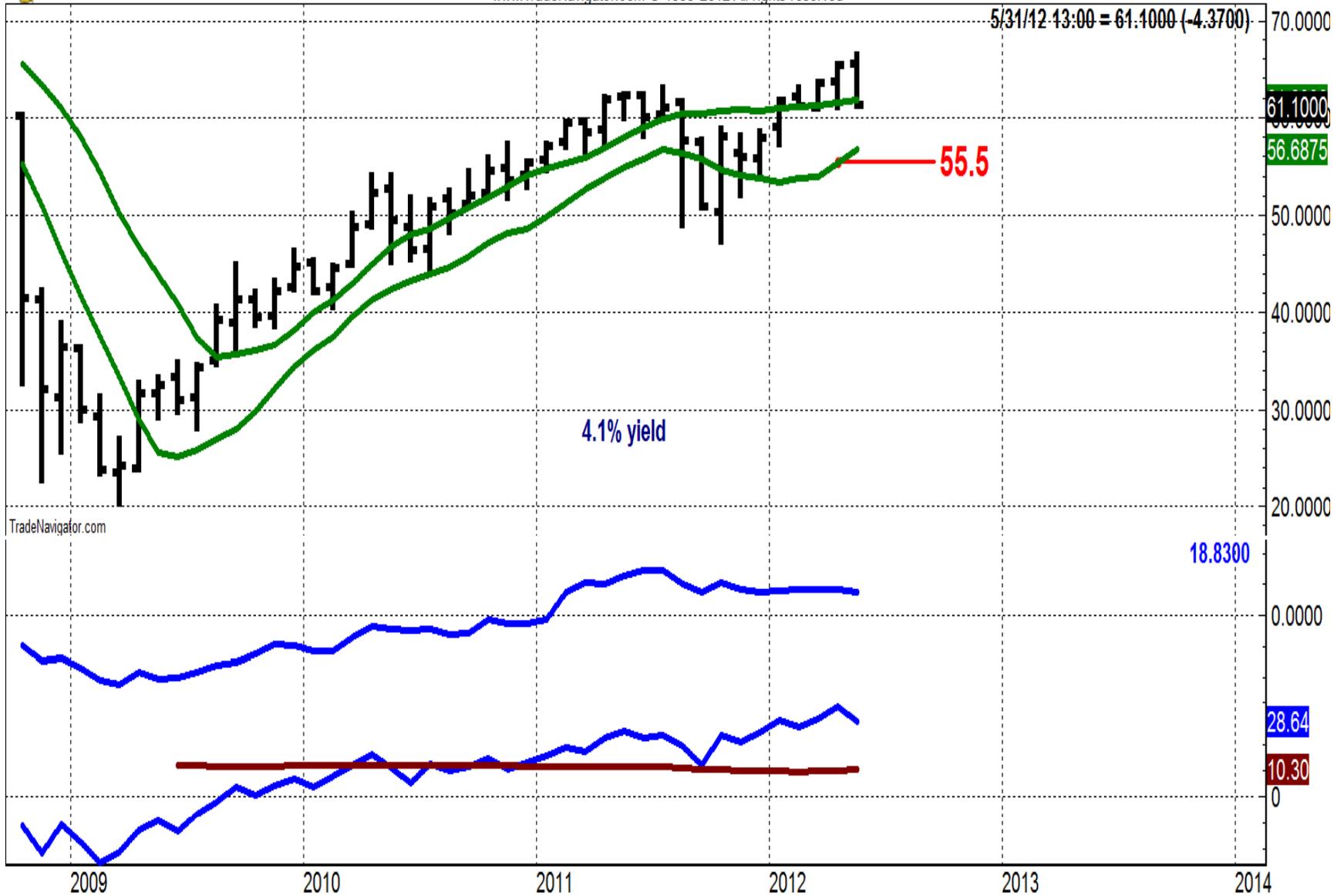
Consider health care REITS and commercial  
property reits

Examples follow

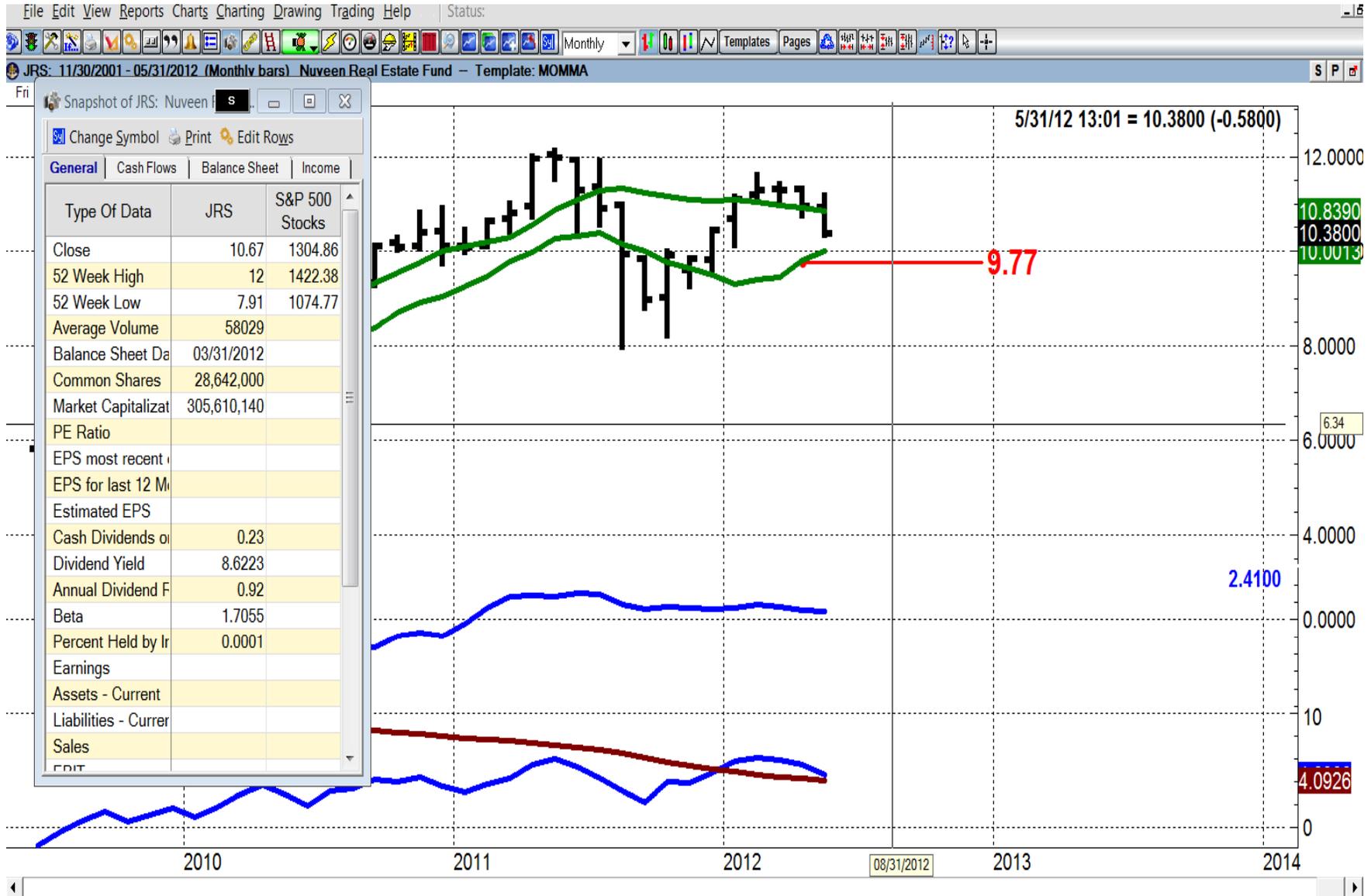


# VNQ: Vanguard REIT ETF (Monthly bars)

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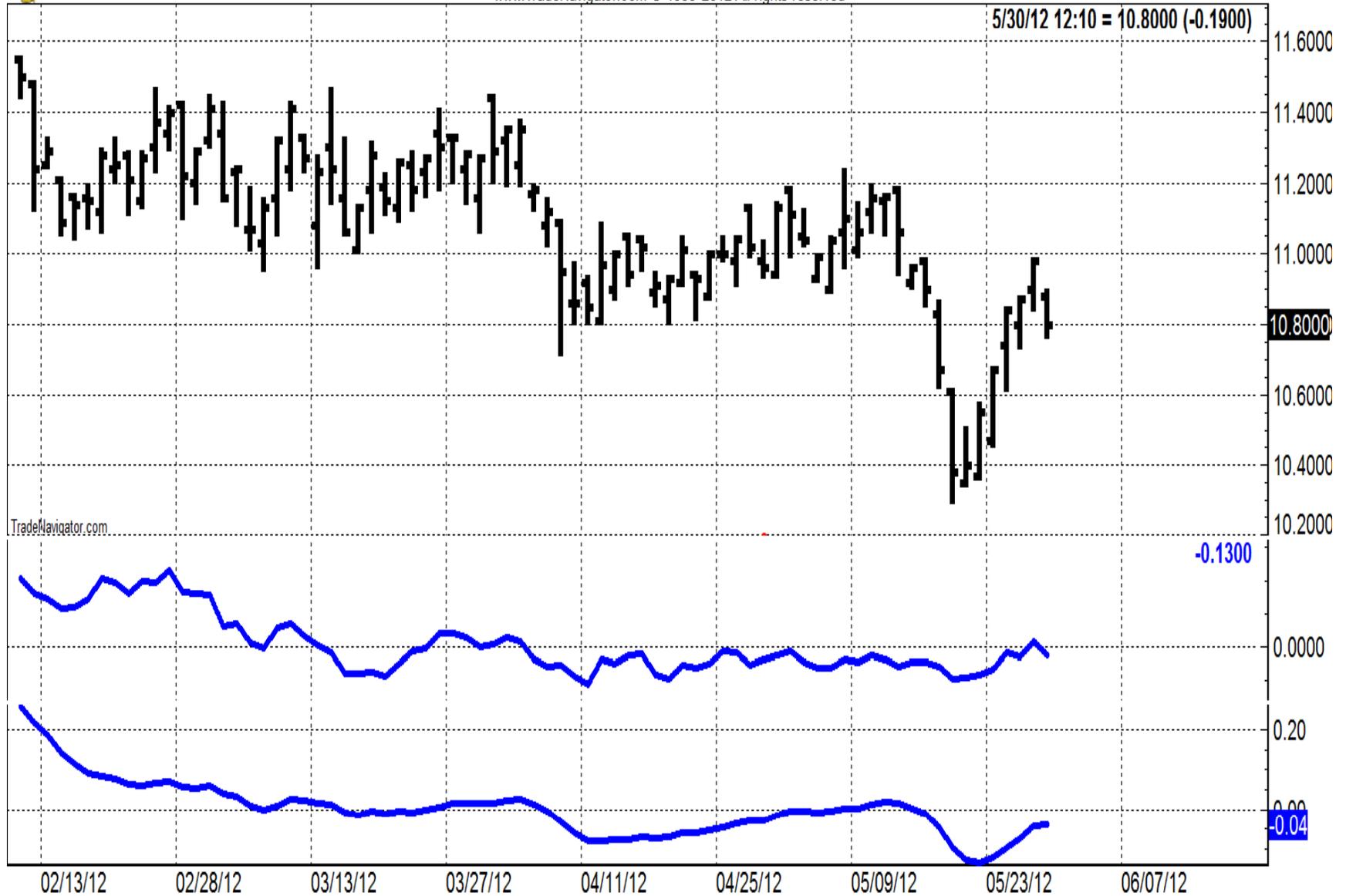
# JRS 8.6% yield





### JRS: Nuveen Real Estate Fund (Daily bars)

www.TradeNavigator.com © 1999-2012 All rights reserved



# COCOA

CC-055: Cocoa NYBT (Elec) Cont 1st (Monthly bars)

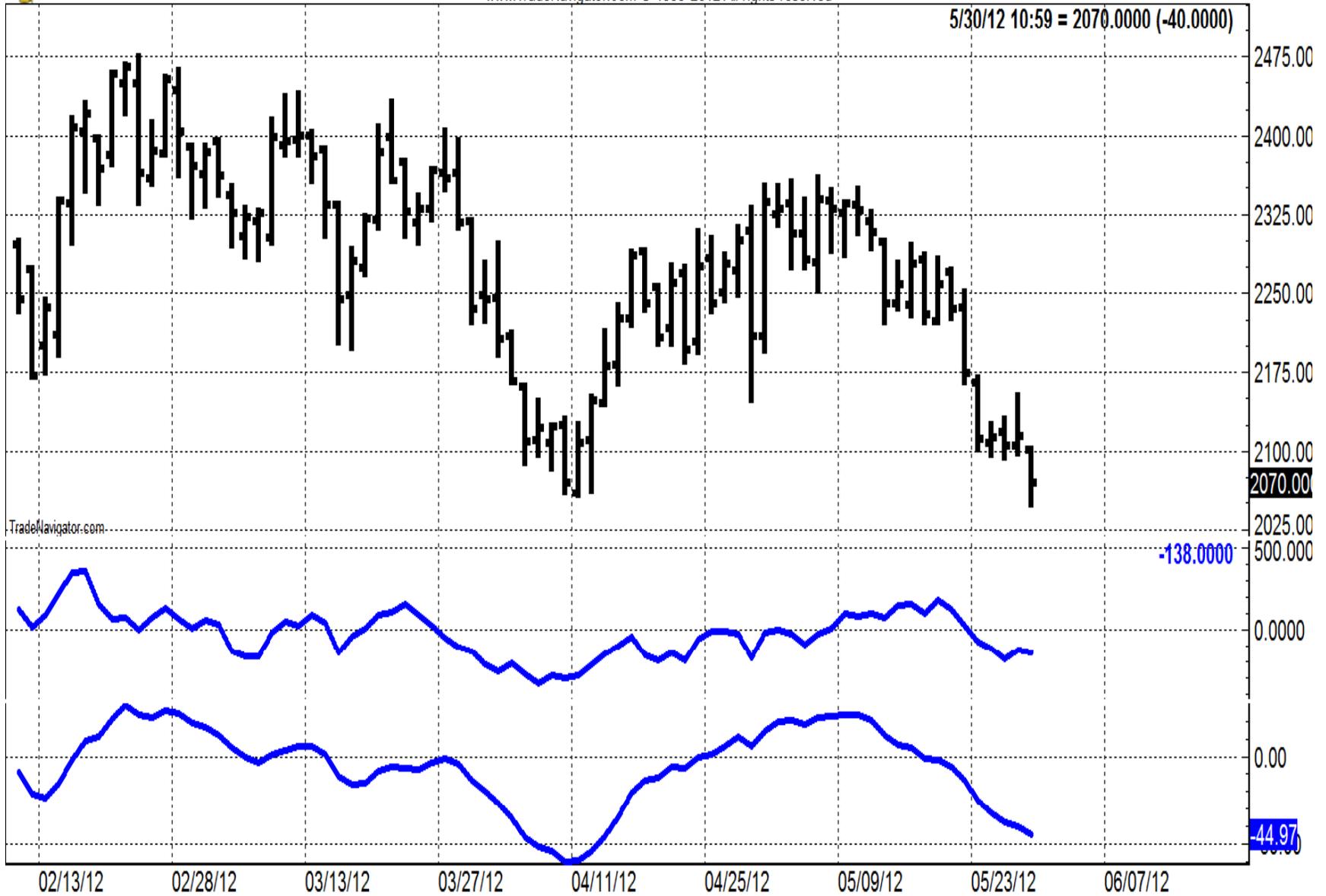
www.TradeNavigator.com © 1999-2012 All rights reserved





# CC2-201207: Cocoa NYBT (COMB) Jul 2012 (Daily bars)

www.TradeNavigator.com © 1999-2012 All rights reserved

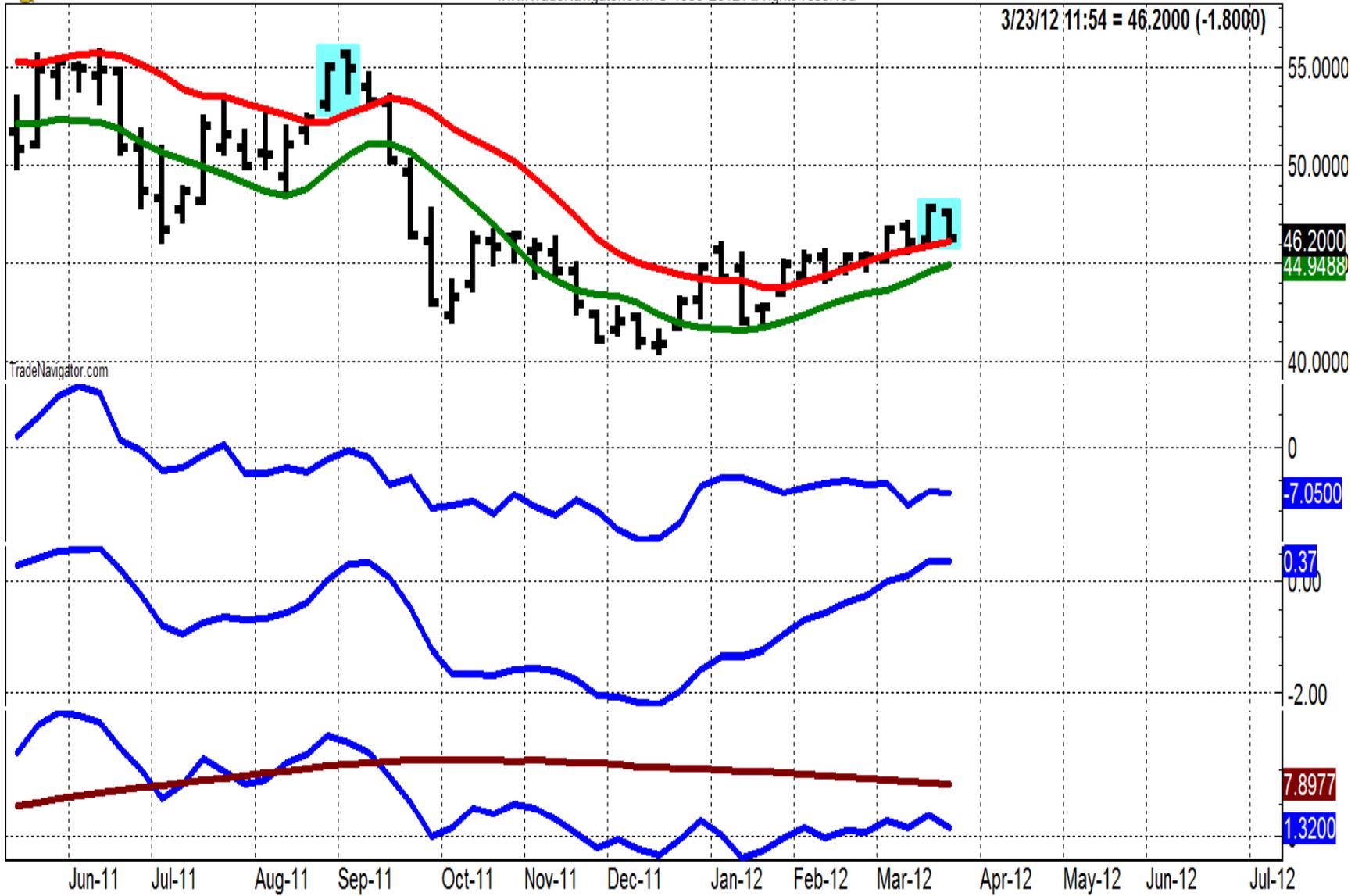




### JJG: iPath Dow Jones - UBS Grains T (Weekly bars)

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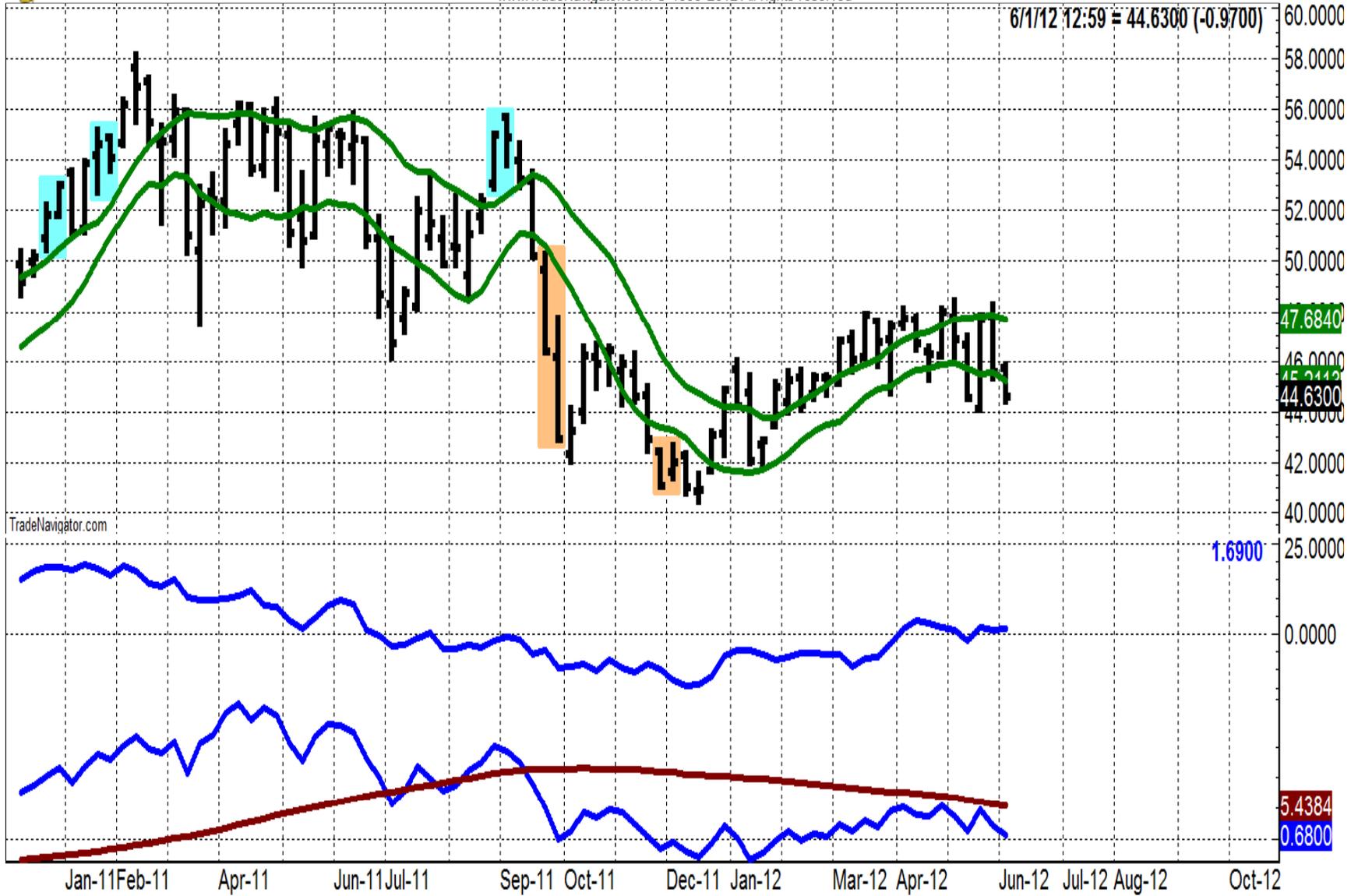
3/23/12 11:54 = 46.2000 (-1.8000)





# JJG: iPath Dow Jones - UBS Grains T (Weekly bars)

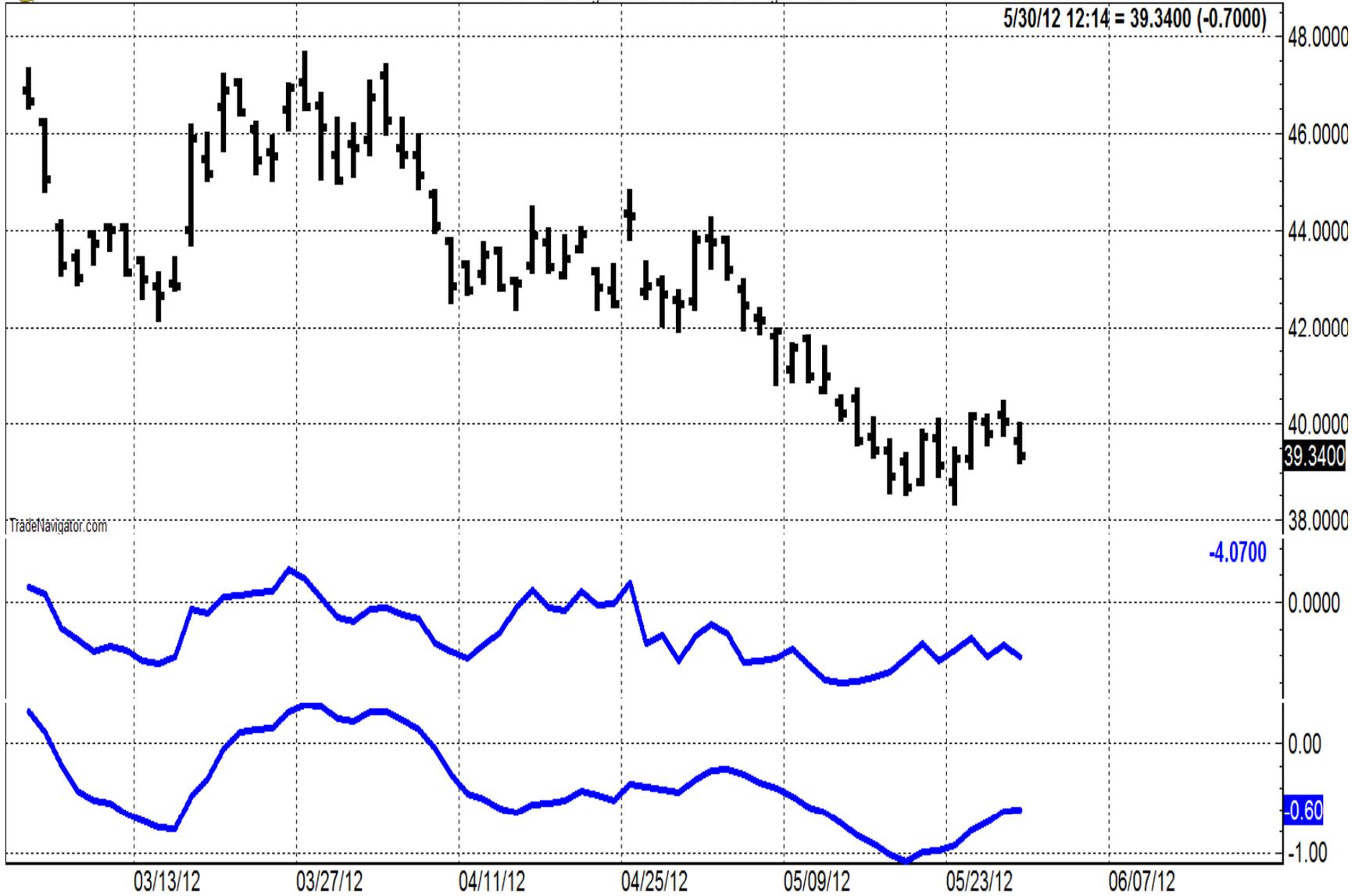
www.TradeNavigator.com © 1999-2012 All rights reserved





# POT: Potash Corporation of Saskatch (Daily bars)

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# Current forecasts

- MAJOR support has hit again in all metals – prime buying opportunities developed as predicted
- NO CHANGE in long term bullish forecast
- Platinum vs gold or silver
- Inflation – forecast on course – printing presses rolling
- Fiat money is the cure and the curse
- MANY markets new highs coming: on course – 2012 Forecast (refer to CRB cycle chart)

# Economic factors supporting the cycles

- World is being flooded with fiat money: inflationary
- Interest rates effectively at zero or very low and likely to continue so
- Europe FORCED to low rates to “save” Euro and economies
- Governments debased currency to cure problem – it will work but the price will be inflation: we will pay for it with higher costs across the board
- The inflationary stage is set and it has started
- China continues to accumulate and hoard raw commodities
- More money chasing fewer goods: definition of inflation
- Commercials and large traders still accumulating long positions in some markets
- Commercials: buy cheap things with low % on debt
- Cycles point higher in most commodities and stocks
- Situation is similar to the 1970’s patterns
- Electronic trading has increased volatility and price swings
- Mistrust of governments and lack of confidence in paper currency has created demand and buying for things that are REAL and TANGIBLE
- The confluence is a near “perfect storm” for massive rallies and volatility into 2012 and beyond

# Stock sectors: why

- Steel and coal (fire sale)
- Infrastructure
- Foods and commodities
- Banks (fire sale) JPM, MS, AXP
- Real estate (discussed)
- Builders (discussed)
- Biotech
- Technology

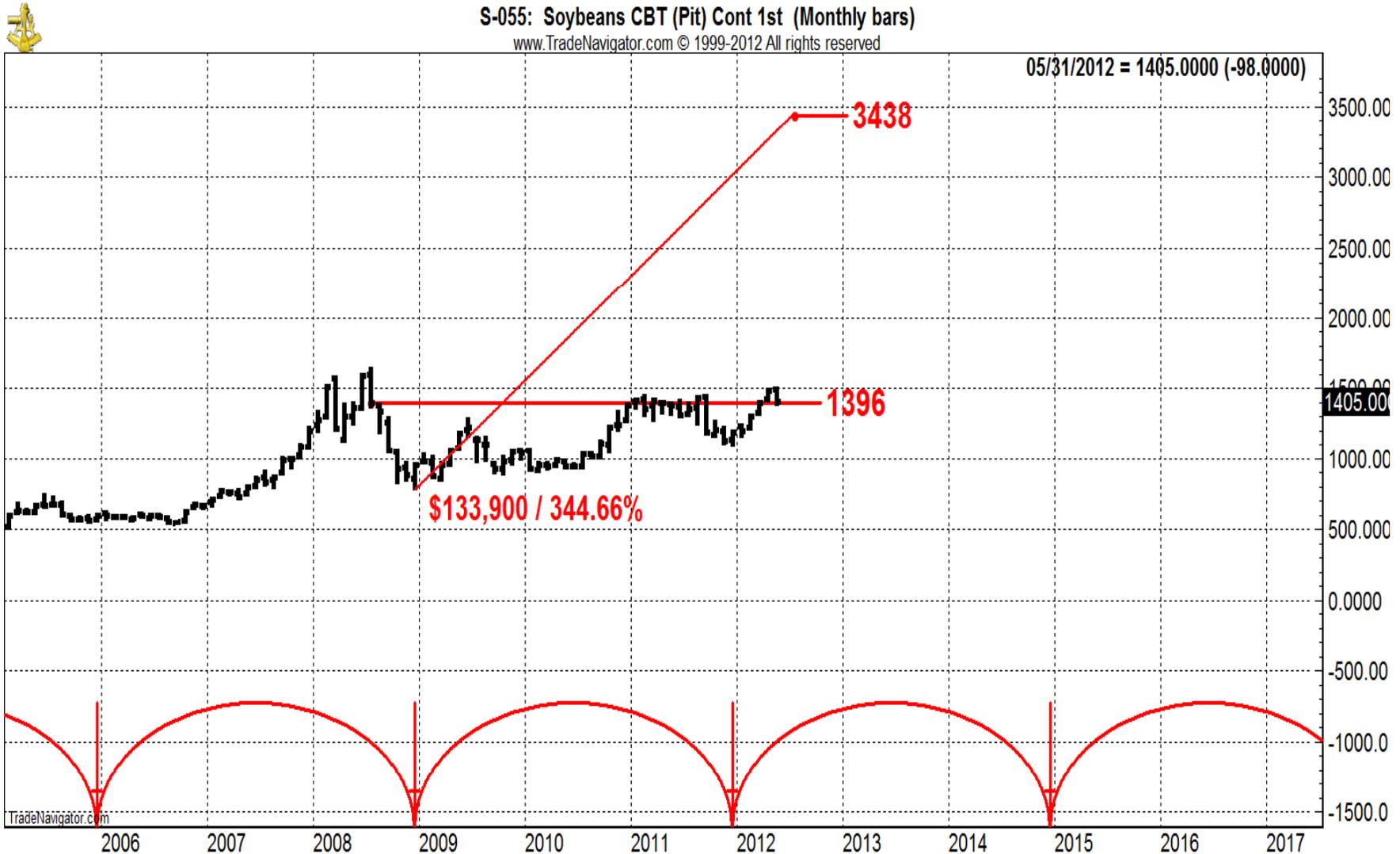


### S-055: Soybeans CBT (Pit) Cont 1st (Monthly bars)

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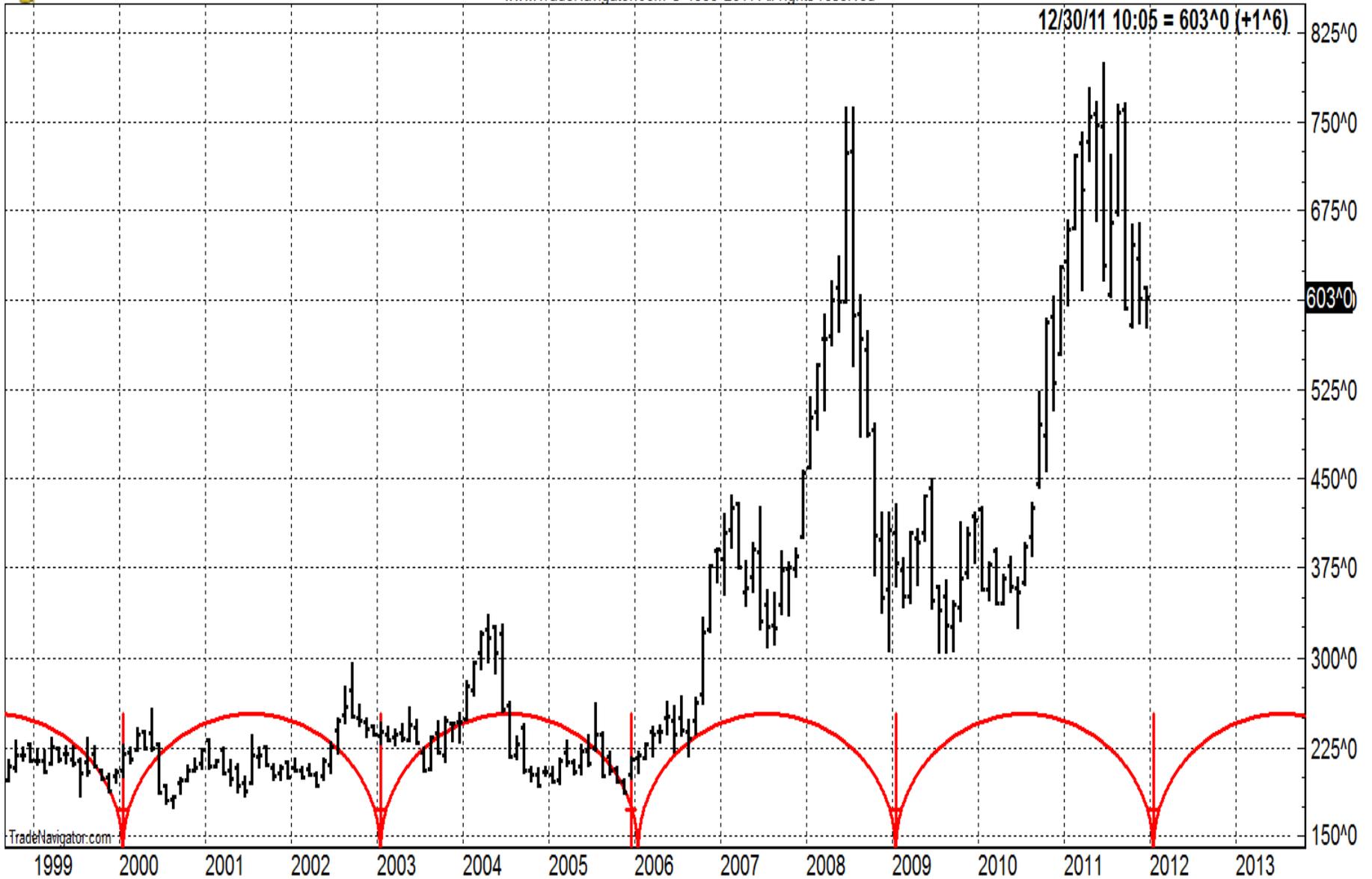
# Soybeans 341% move from current levels give a target of \$34 soybeans...crazy?





### C-055: Corn CBT (Pit) Cont 1st (Monthly bars)

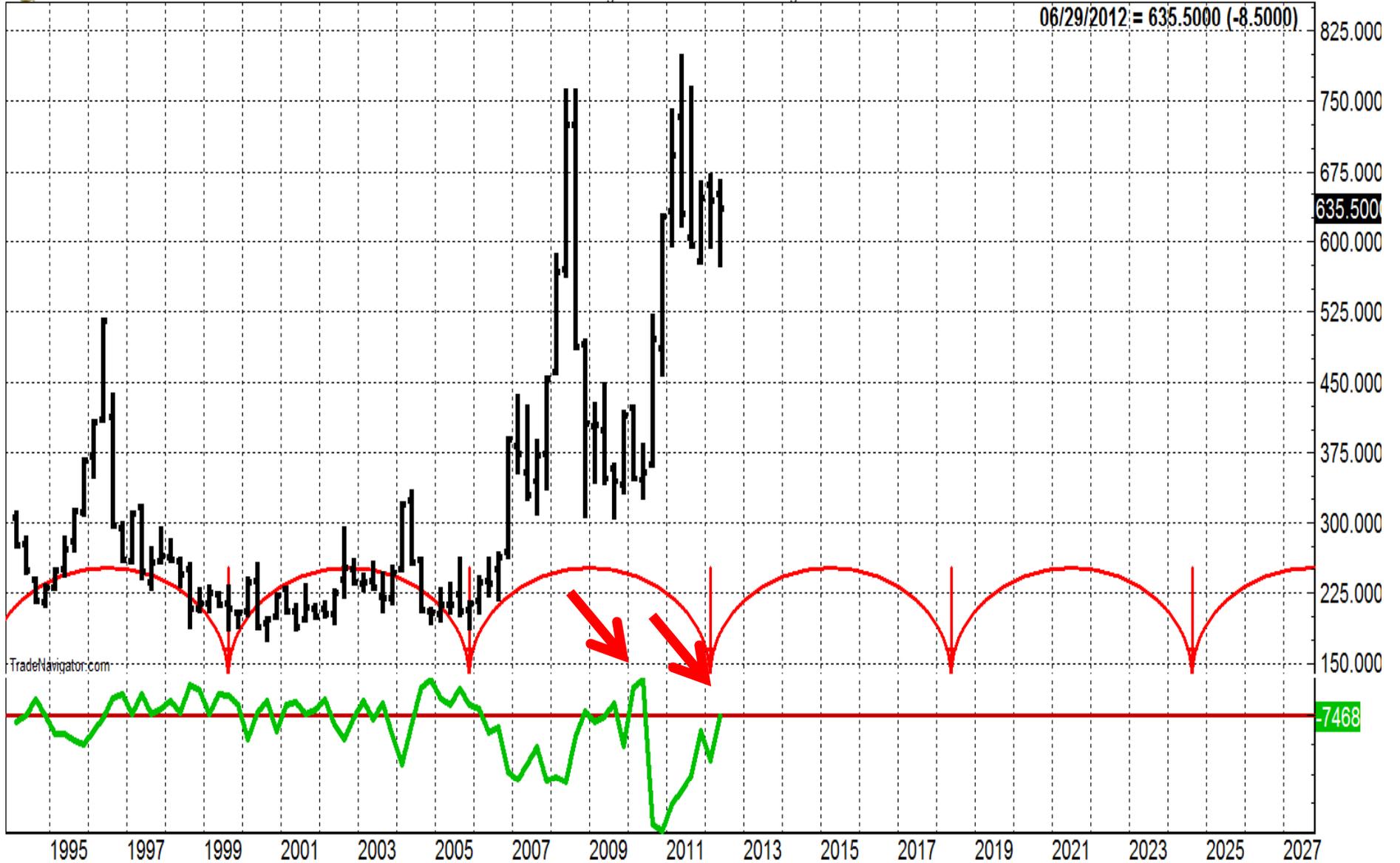
www.TradeNavigator.com © 1999-2011 All rights reserved





### C-055: Corn CBT (Pit) Cont 1st (Quarterly bars)

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# Gold long term trend



GC-055: Gold Comex (Pit) Cont 1st (Monthly bars)

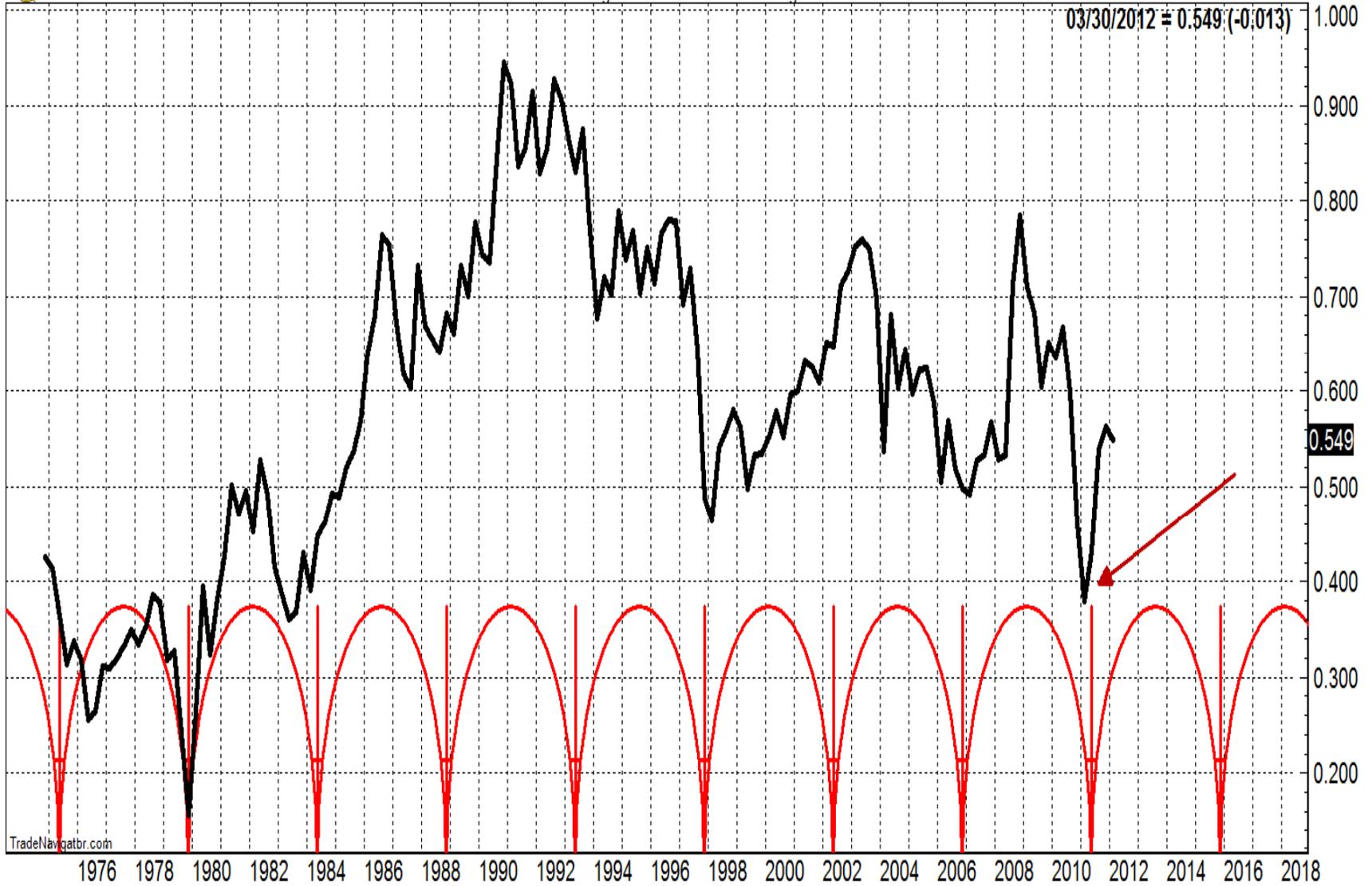
www.TradeNavigator.com © 1999-2012 All rights reserved





GC-055,SI-055: 12/31/1974 - 03/30/2012 (Quarterly bars)

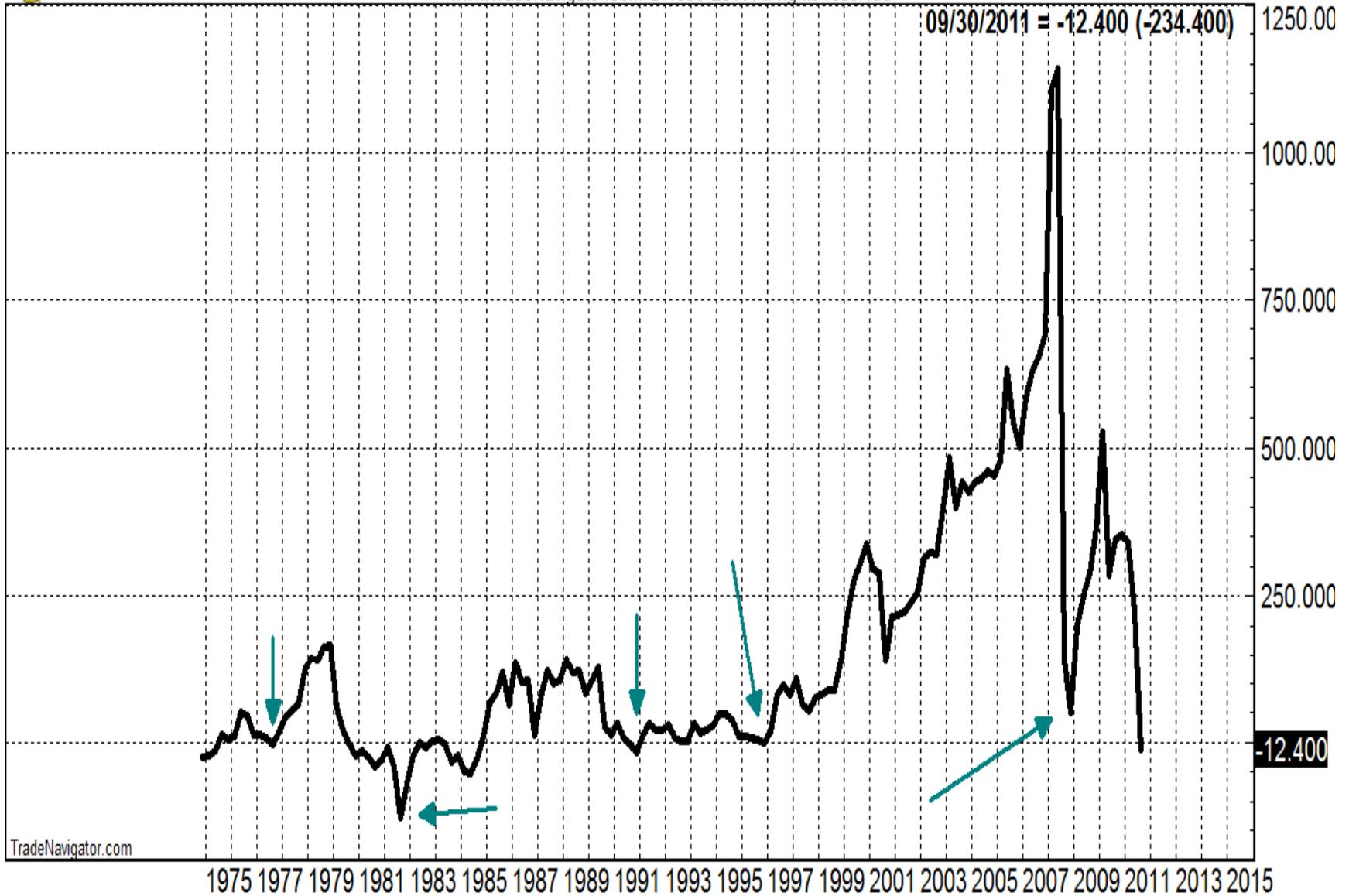
www.TradeNavigator.com © 1999-2012 All rights reserved





PL-055,GC-055: 12/31/1974 - 09/30/2011 (Quarterly bars)

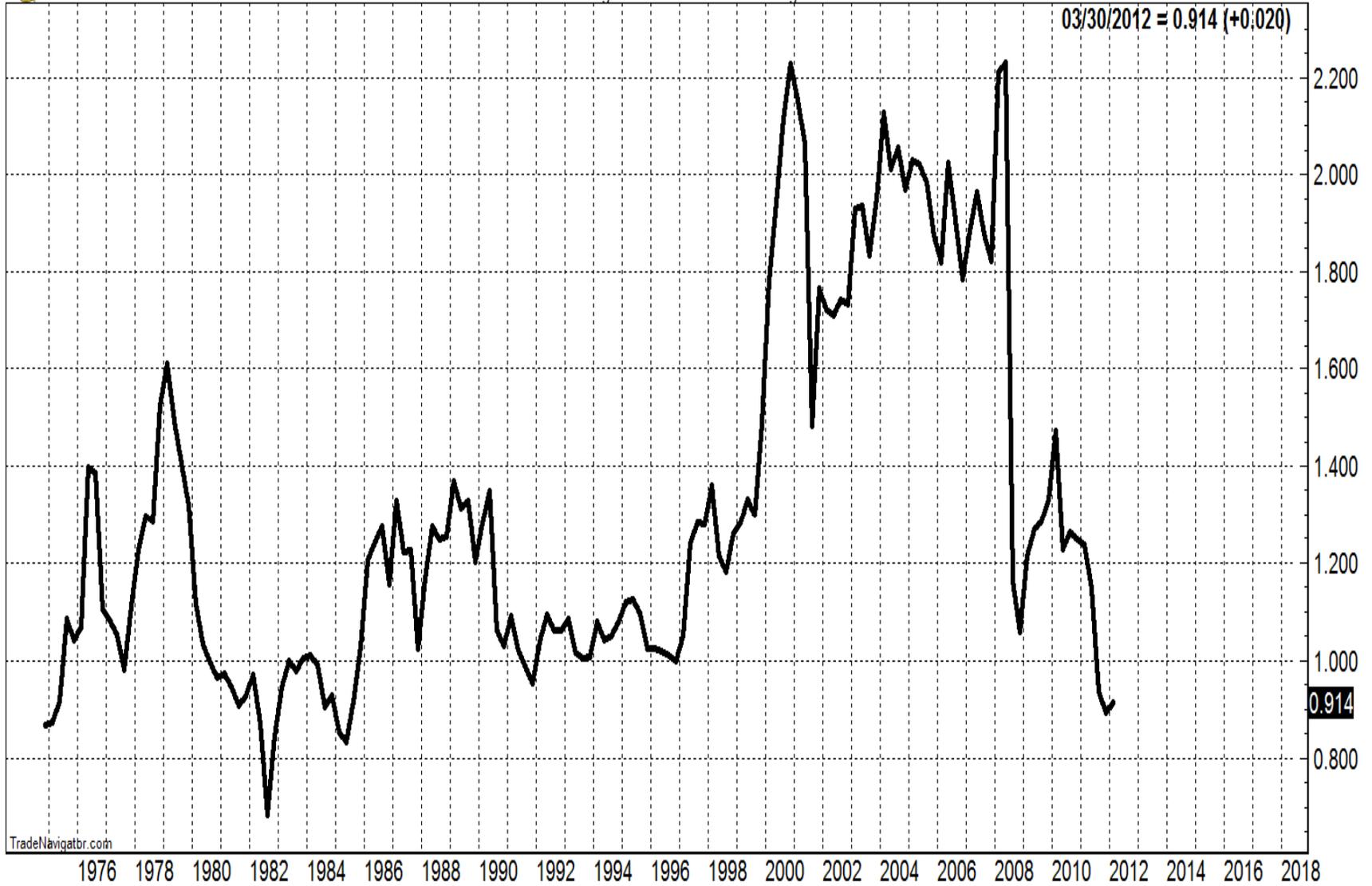
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PL-055,GC-055: 12/31/1974 - 03/30/2012 (Quarterly bars)

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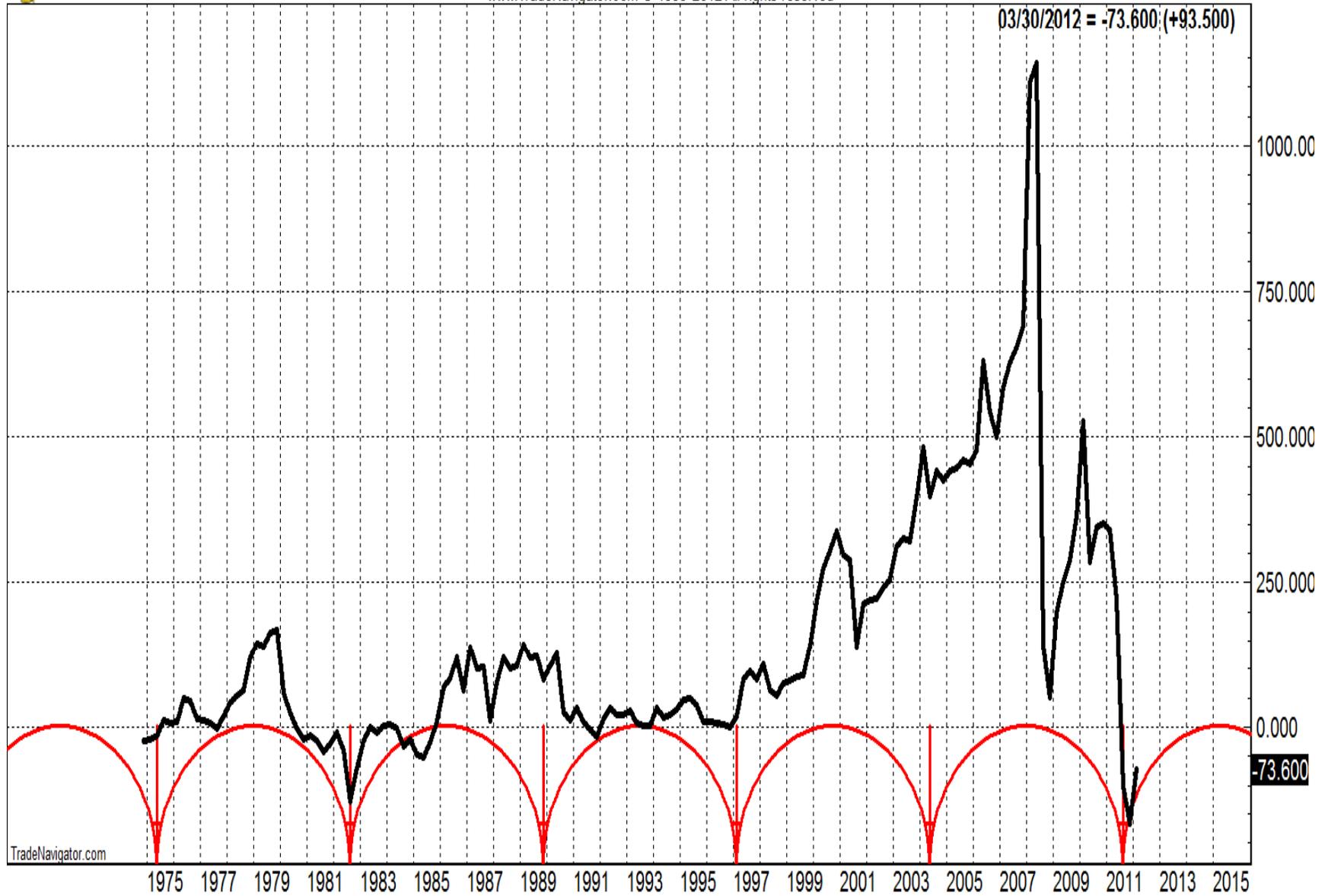
03/30/2012 = 0.914 (+0.020)

0.914



PL-055,GC-055: 12/31/1974 - 03/30/2012 (Quarterly bars)

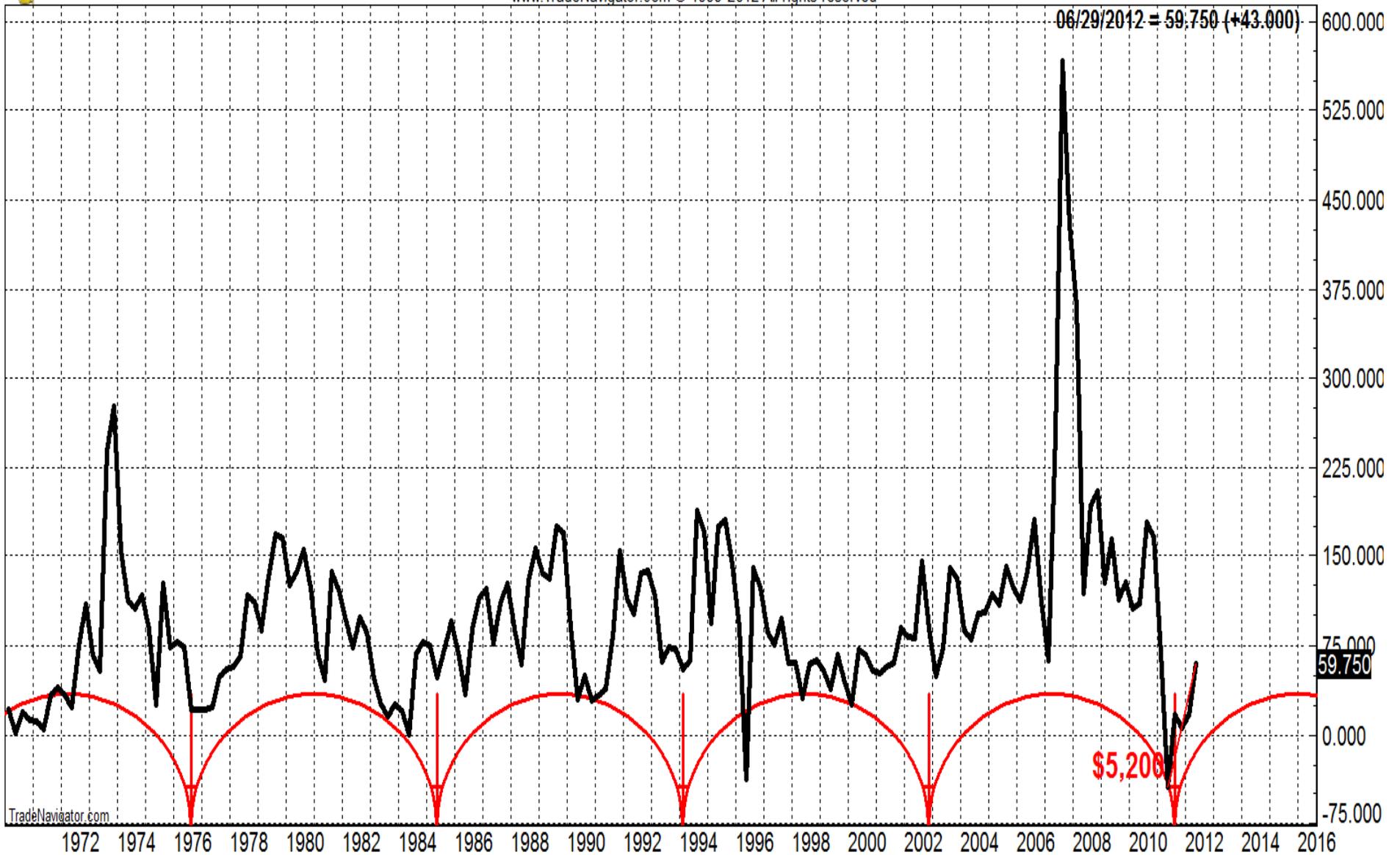
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### W-055,C-055: 06/28/1968 - 06/29/2012 (Quarterly bars)

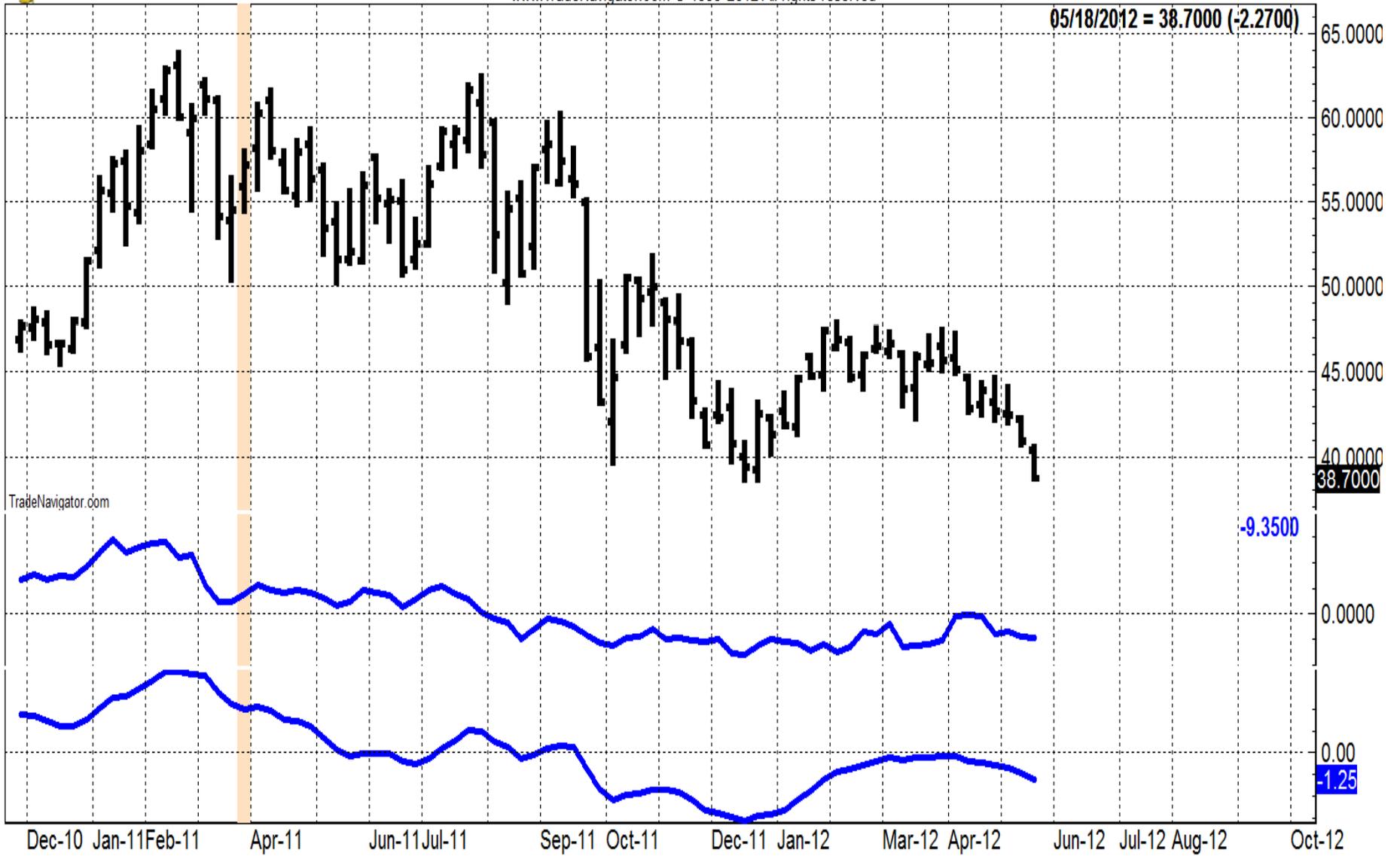
www.TradeNavigator.com © 1999-2012 All rights reserved





# POT: Potash Corporation of Saskatch (Weekly bars)

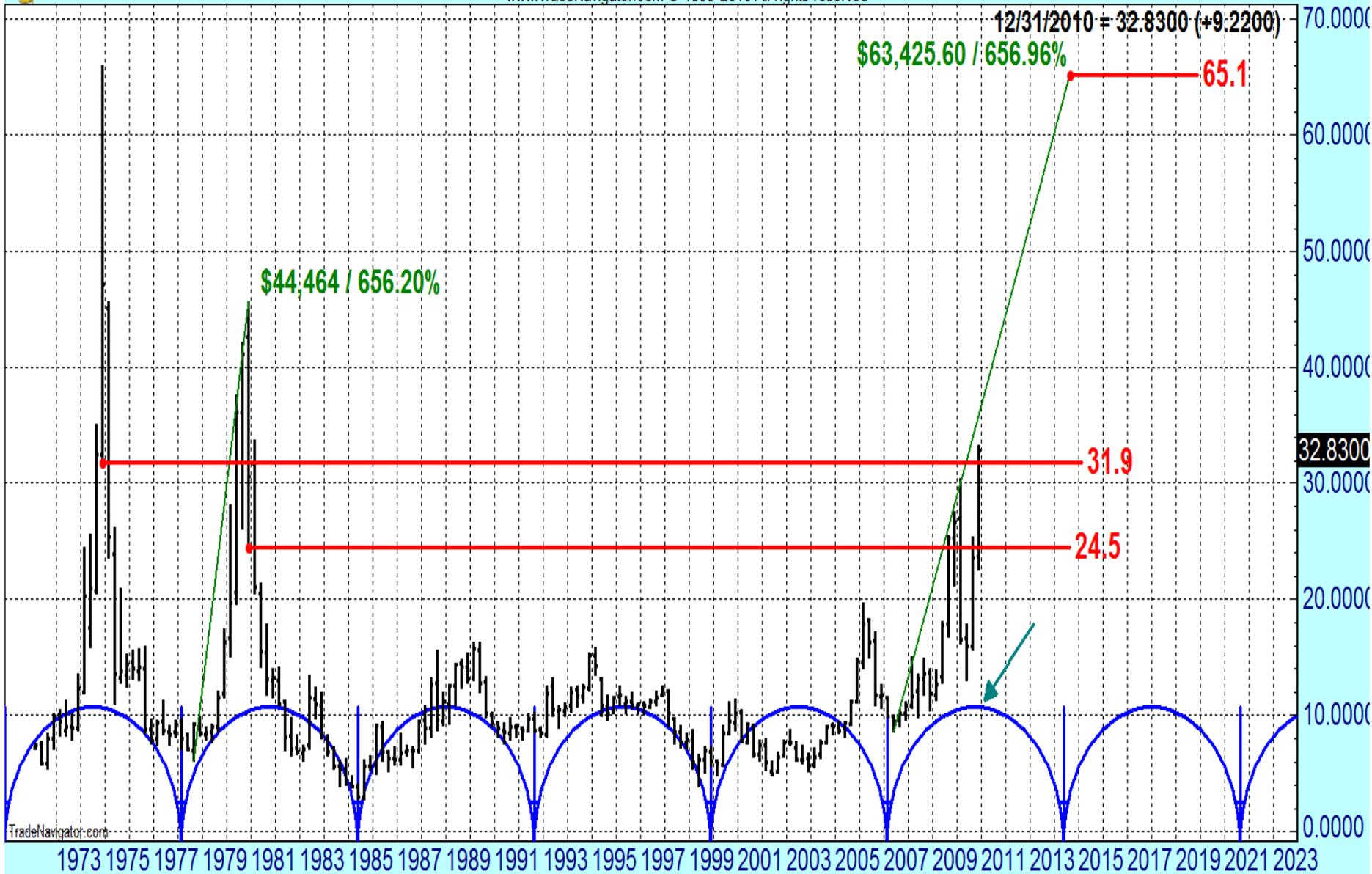
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### SB-055: Sugar #11 (Elec) Cont 1st (Quarterly bars)

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### SB-055: Sugar #11 (Elec) Cont 1st (Monthly bars)

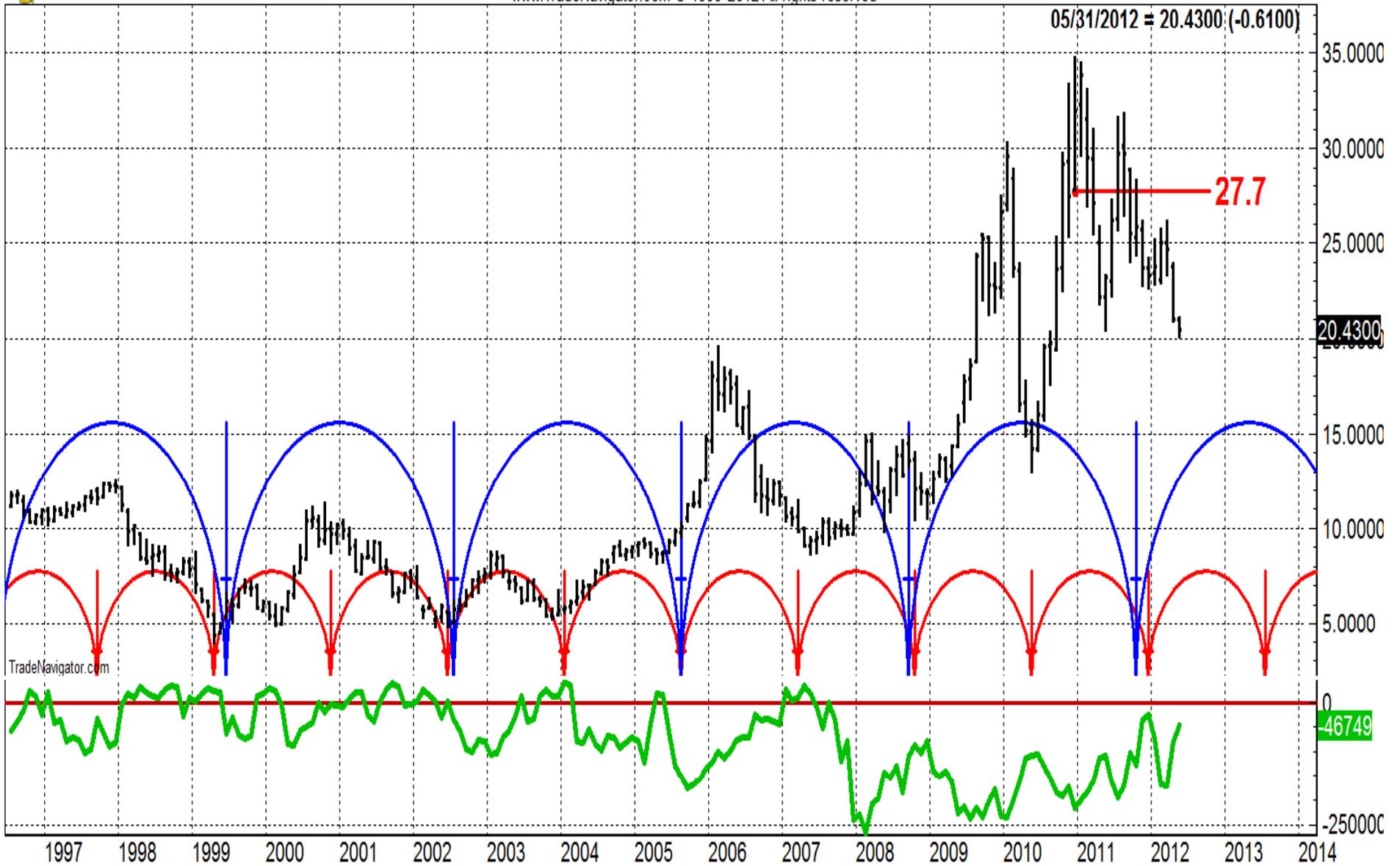
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# SB2-055: Sugar #11 (Comb) Cont 1st (Monthly bars)

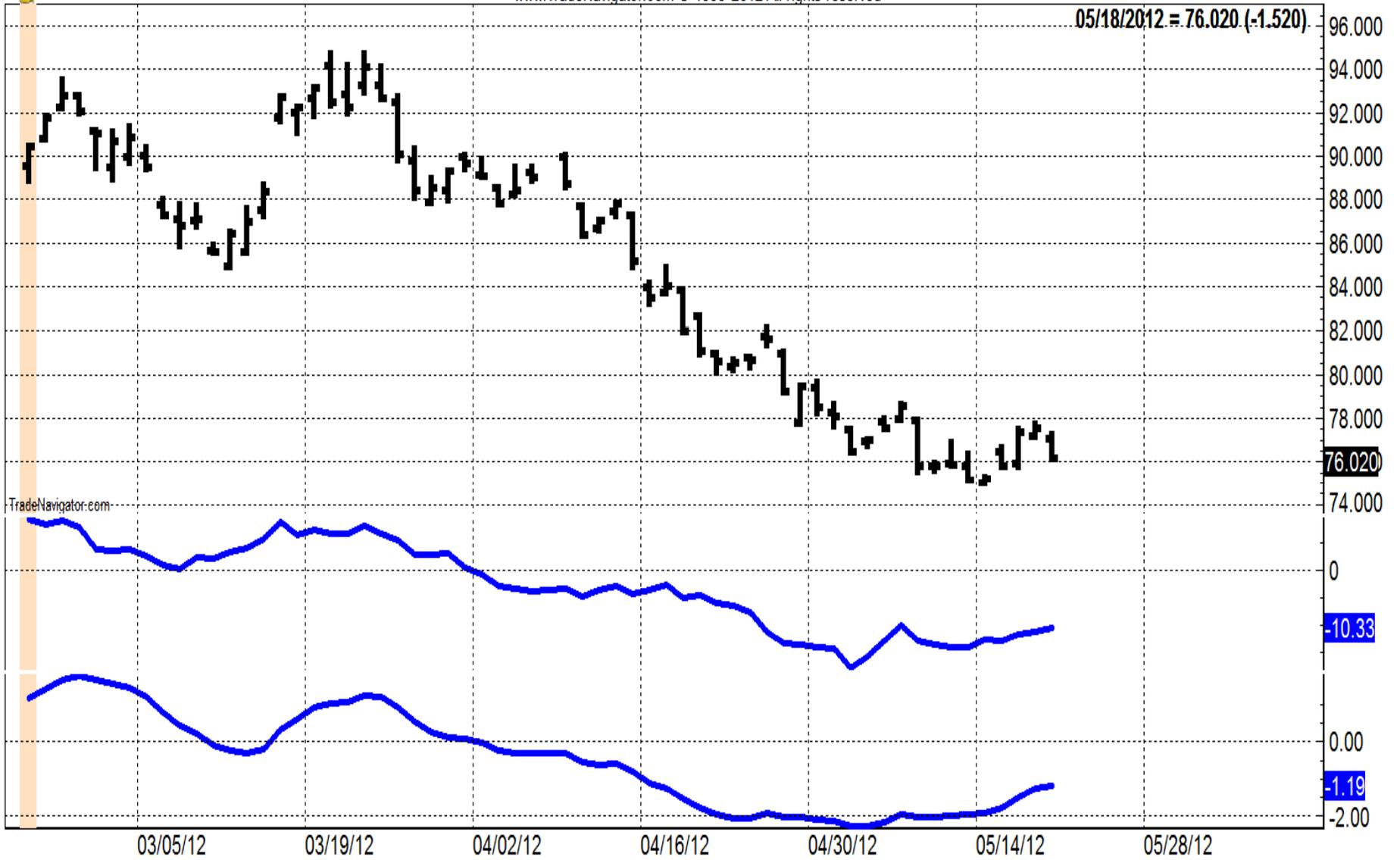
www.TradeNavigator.com © 1999-2012 All rights reserved



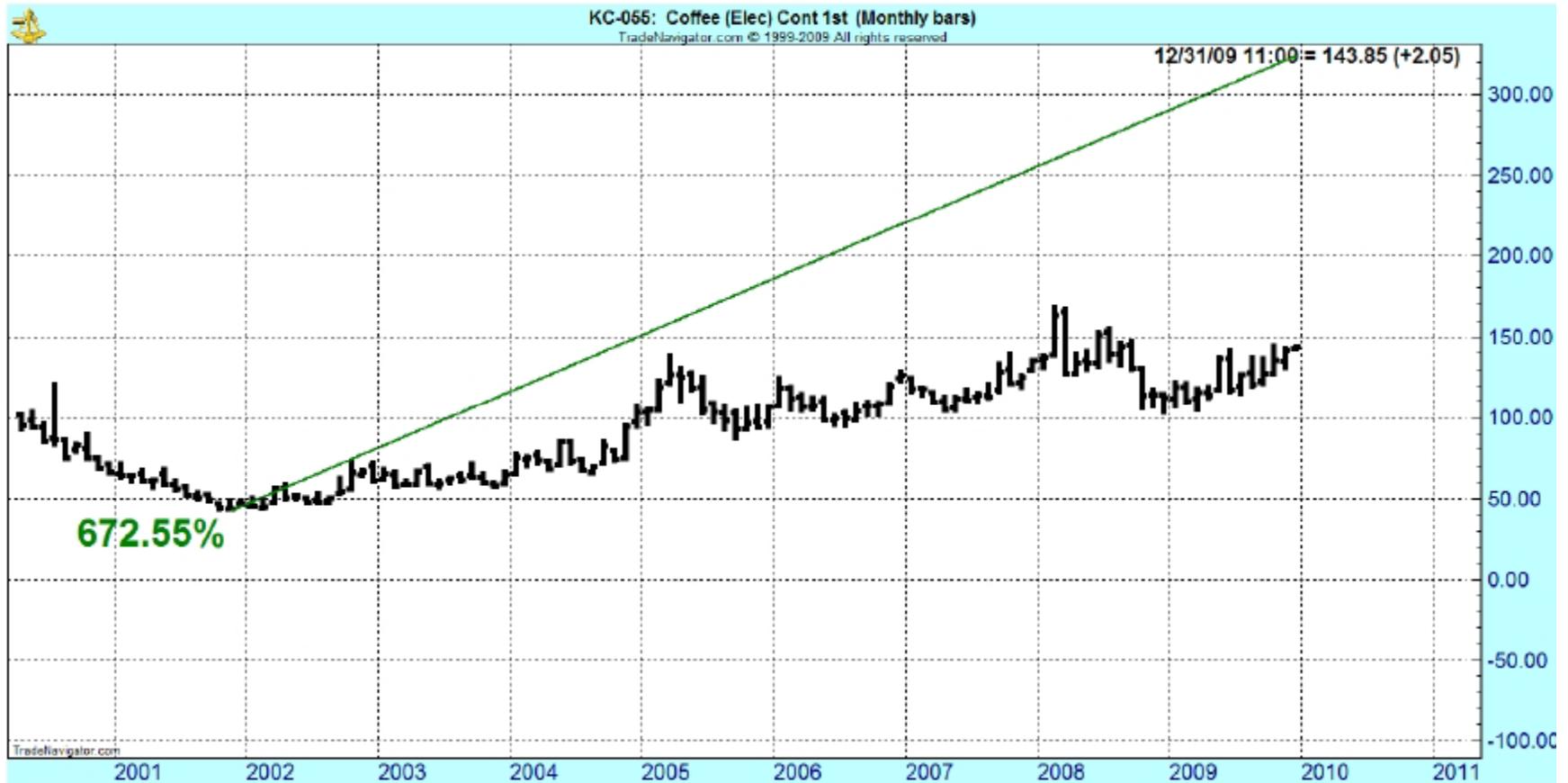


### SGG: iPath DJ-UBS Sugar ETN (Daily bars)

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# Coffee 685% rally is likely

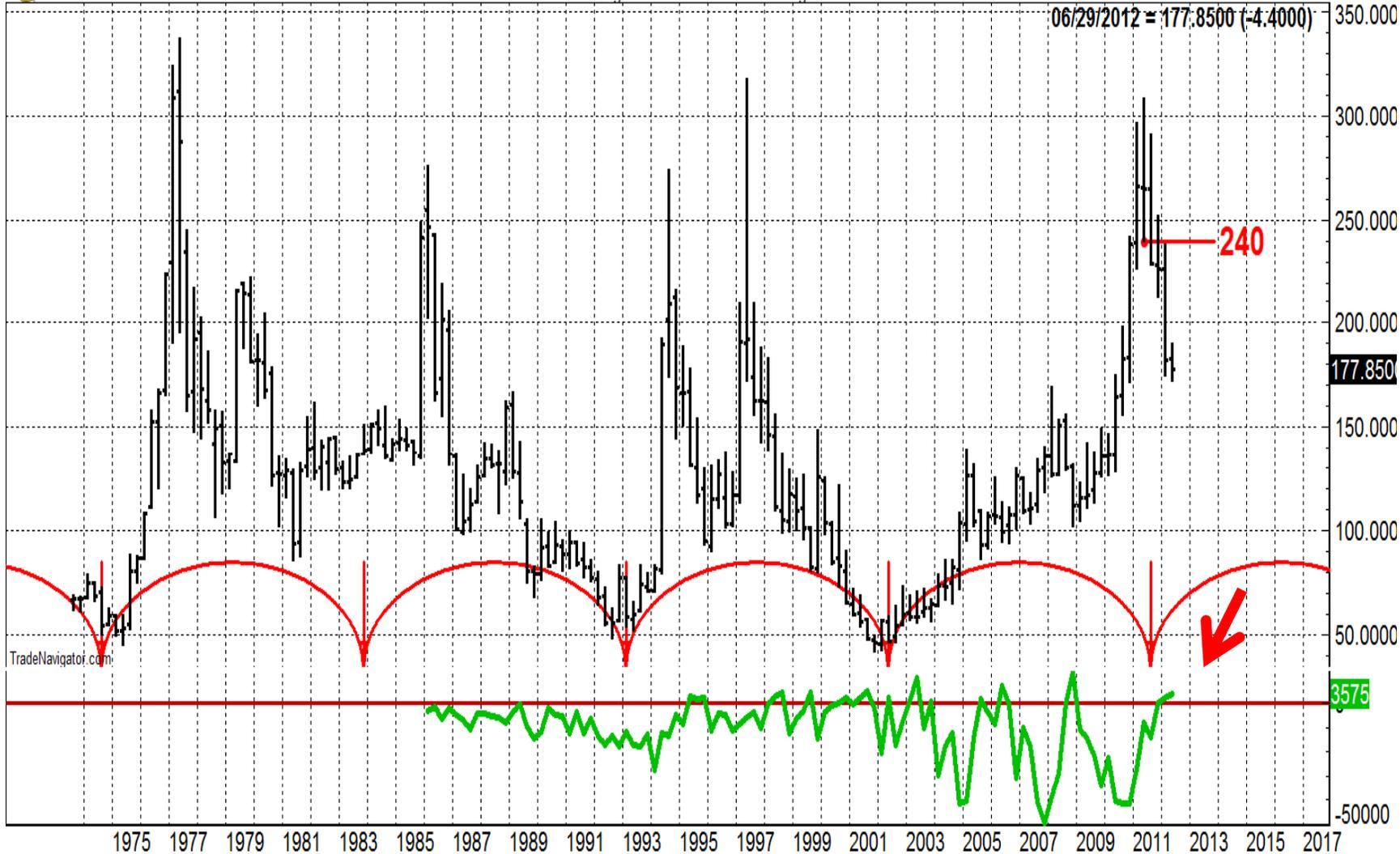


# Coffee now



KC-055: Coffee (Elec) Cont 1st (Quarterly bars)

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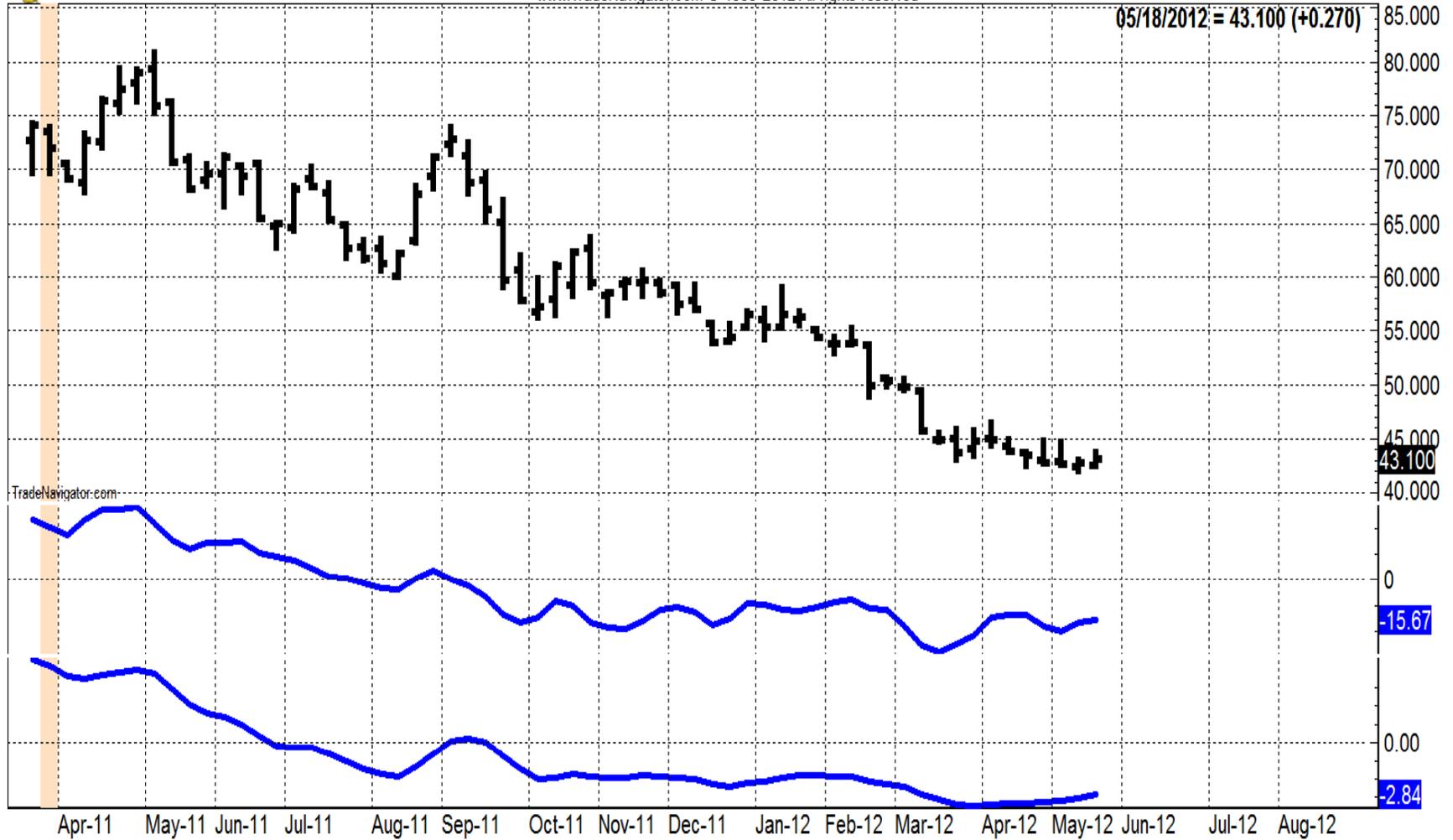


# JO



JO: iPath DJ-UBS Coffee ETN (Weekly bars)

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# jva

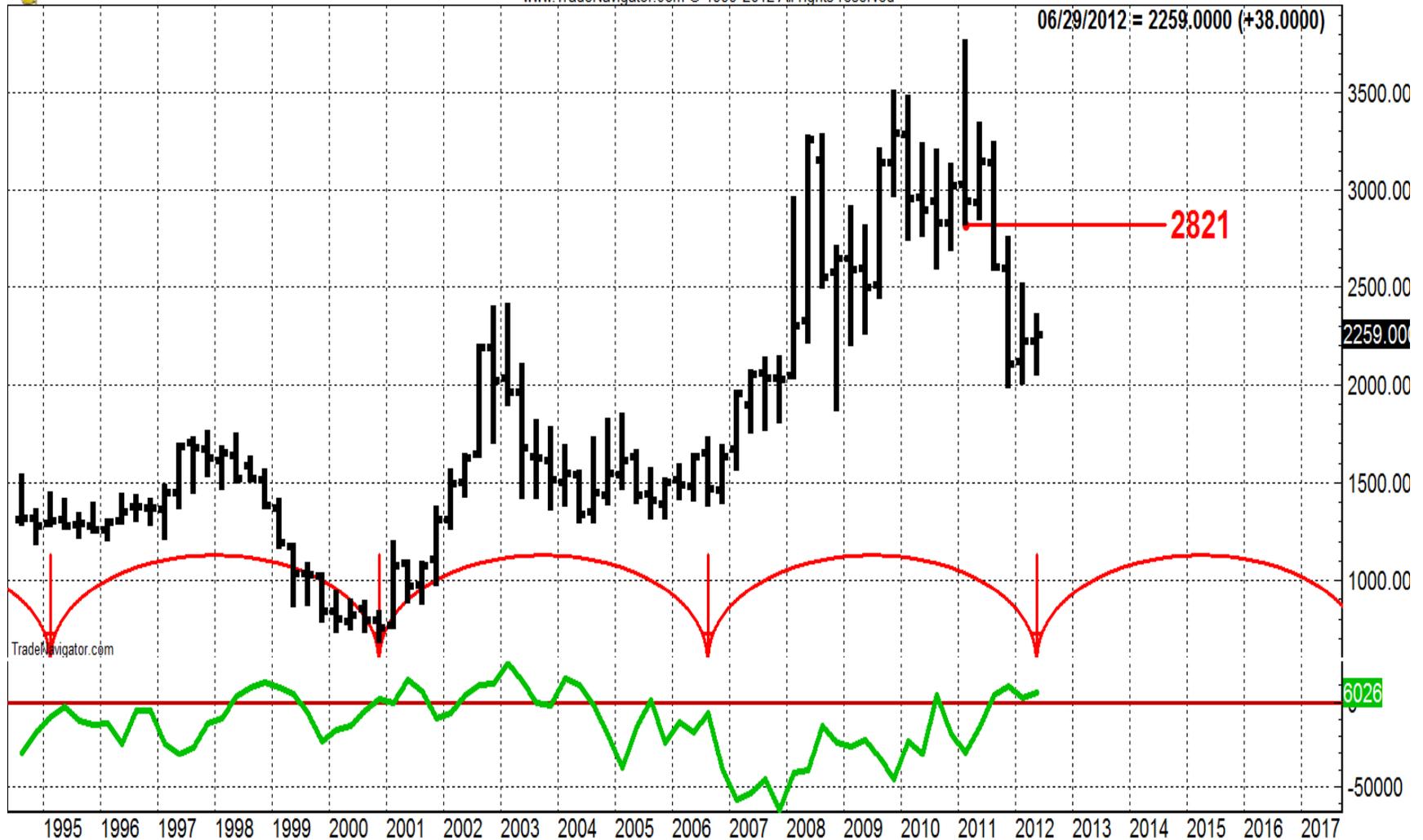


# Cocoa – get ready!



CC-055: Cocoa NYBT (Elec) Cont 1st (Quarterly bars)

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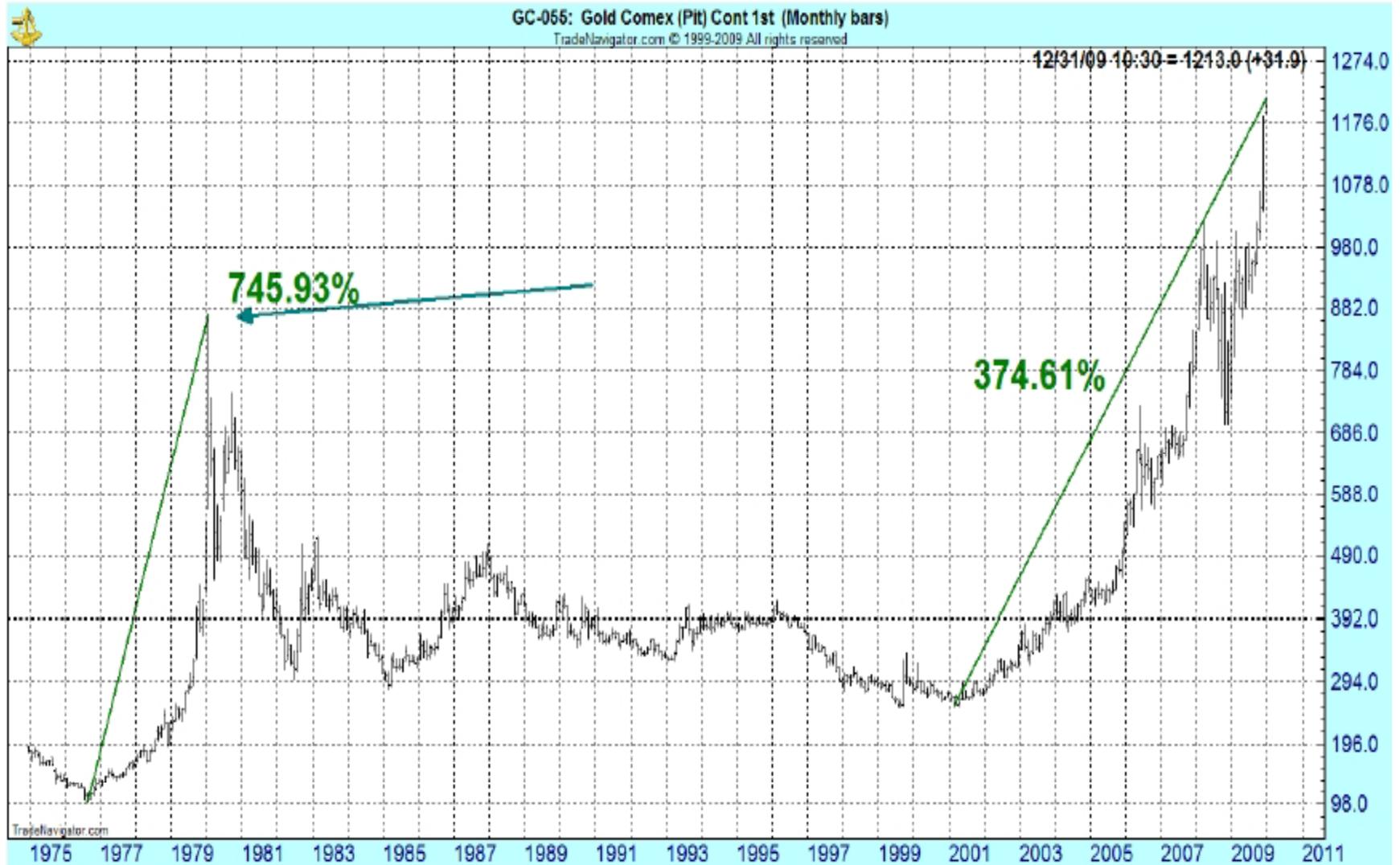
# NIB



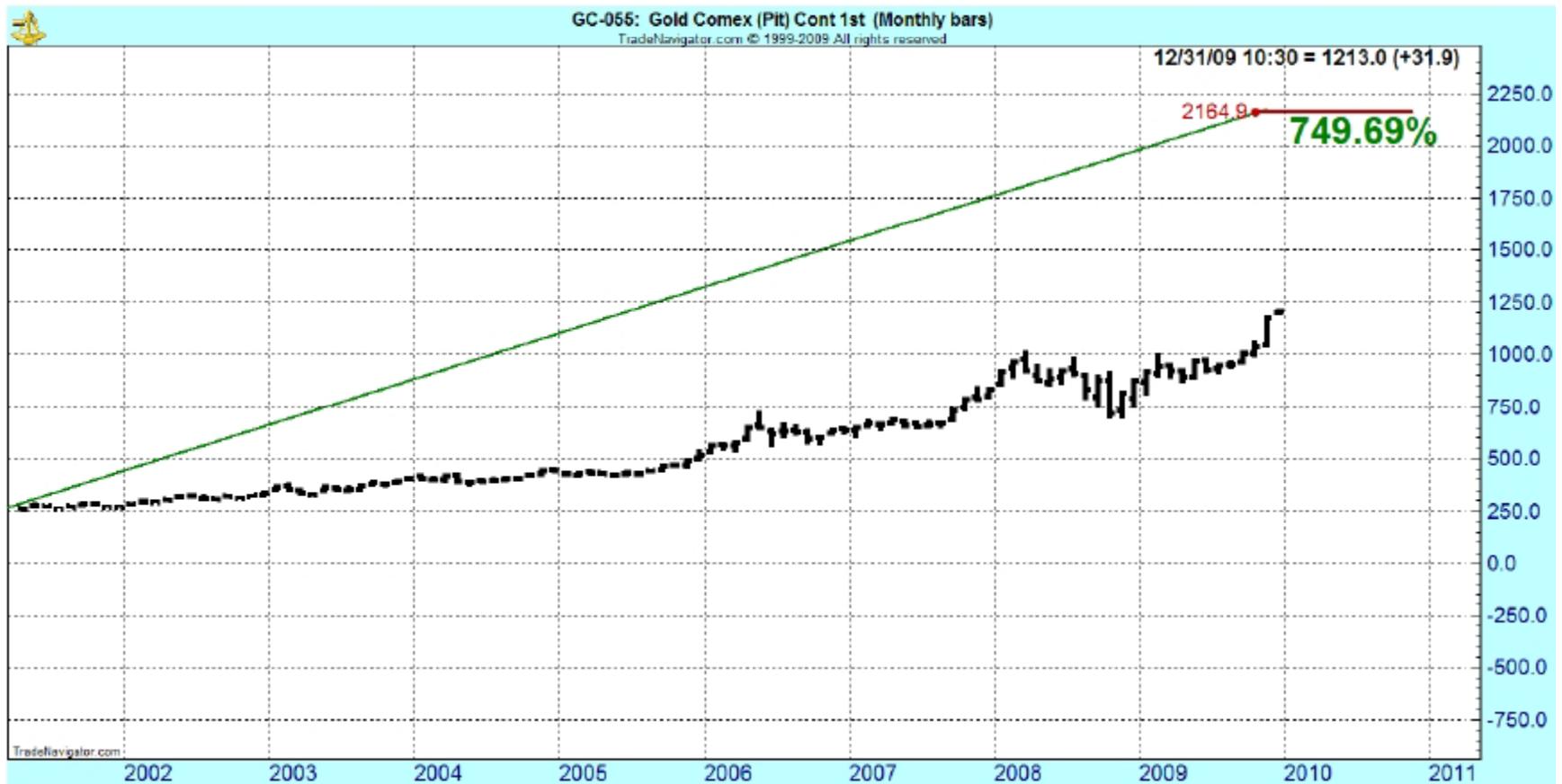
NIB: iPath DJ-UBS Cocoa ETN (Weekly bars)  
www.TradeNavigator.com © 1999-2012 All rights reserved



# Gold



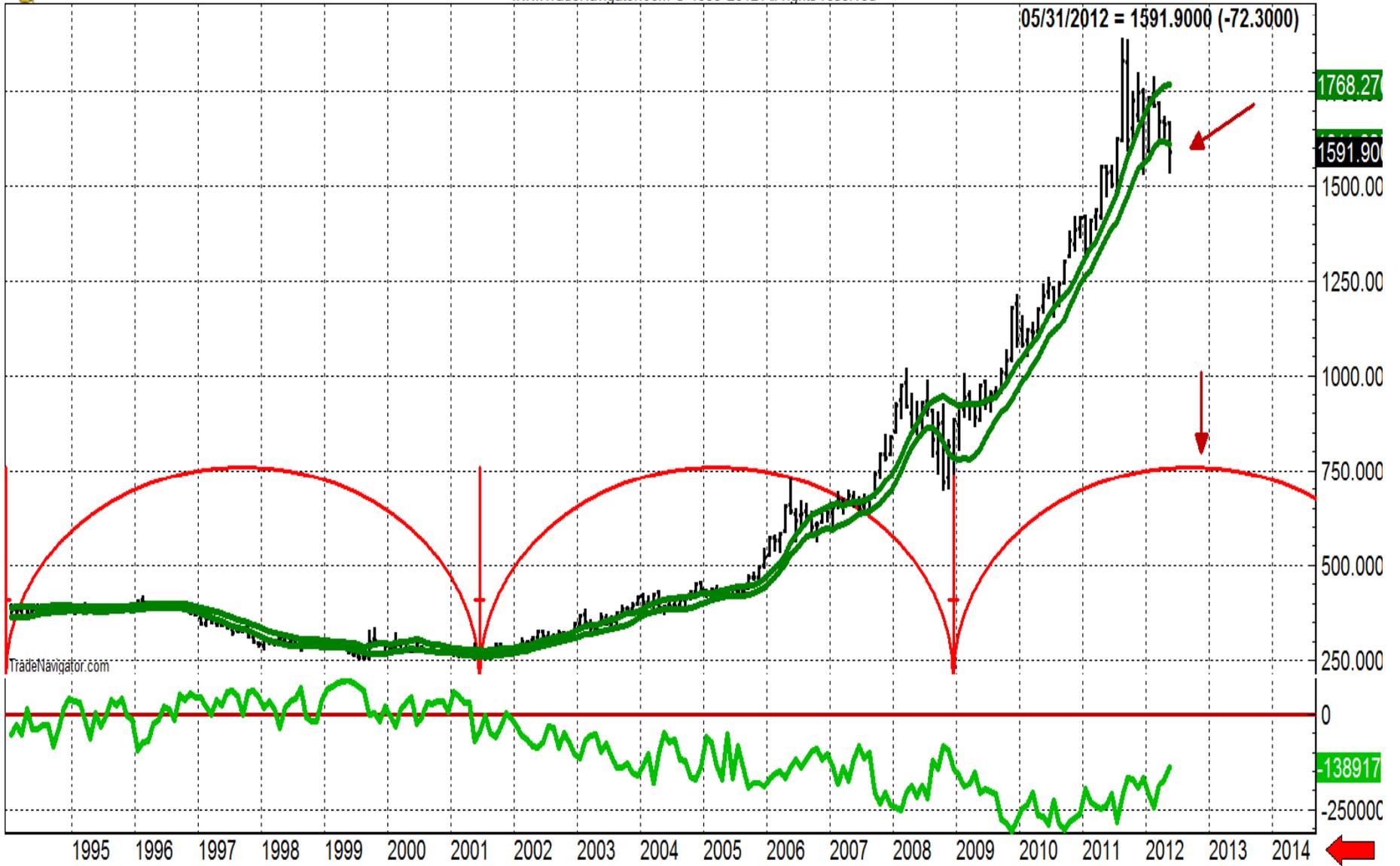
# Gold 745% rally?





# GC-055: Gold Comex (Pit) Cont 1st (Monthly bars)

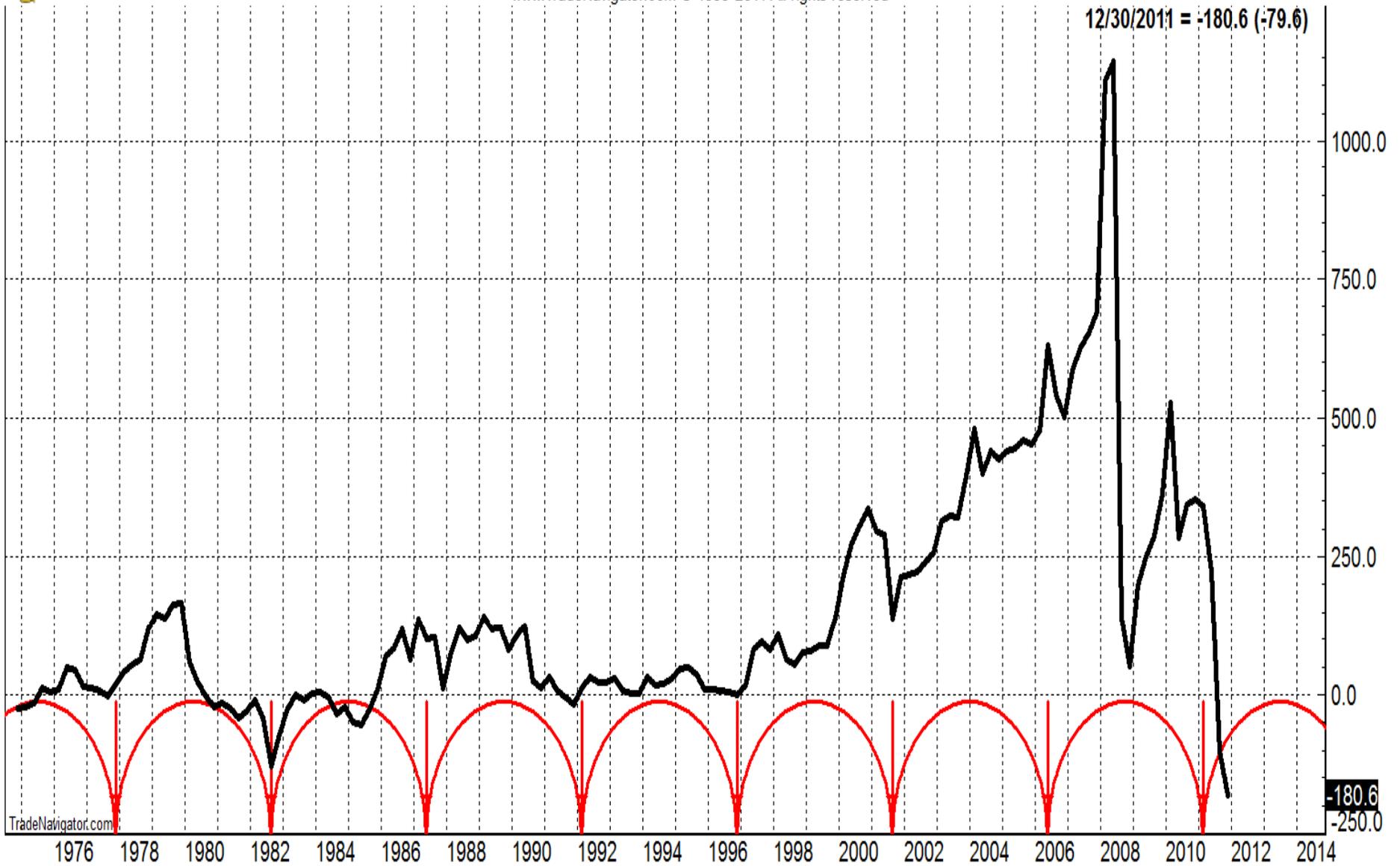
www.TradeNavigator.com © 1999-2012 All rights reserved





PL-055,GC-055: 12/31/1974 - 12/30/2011 (Quarterly bars)

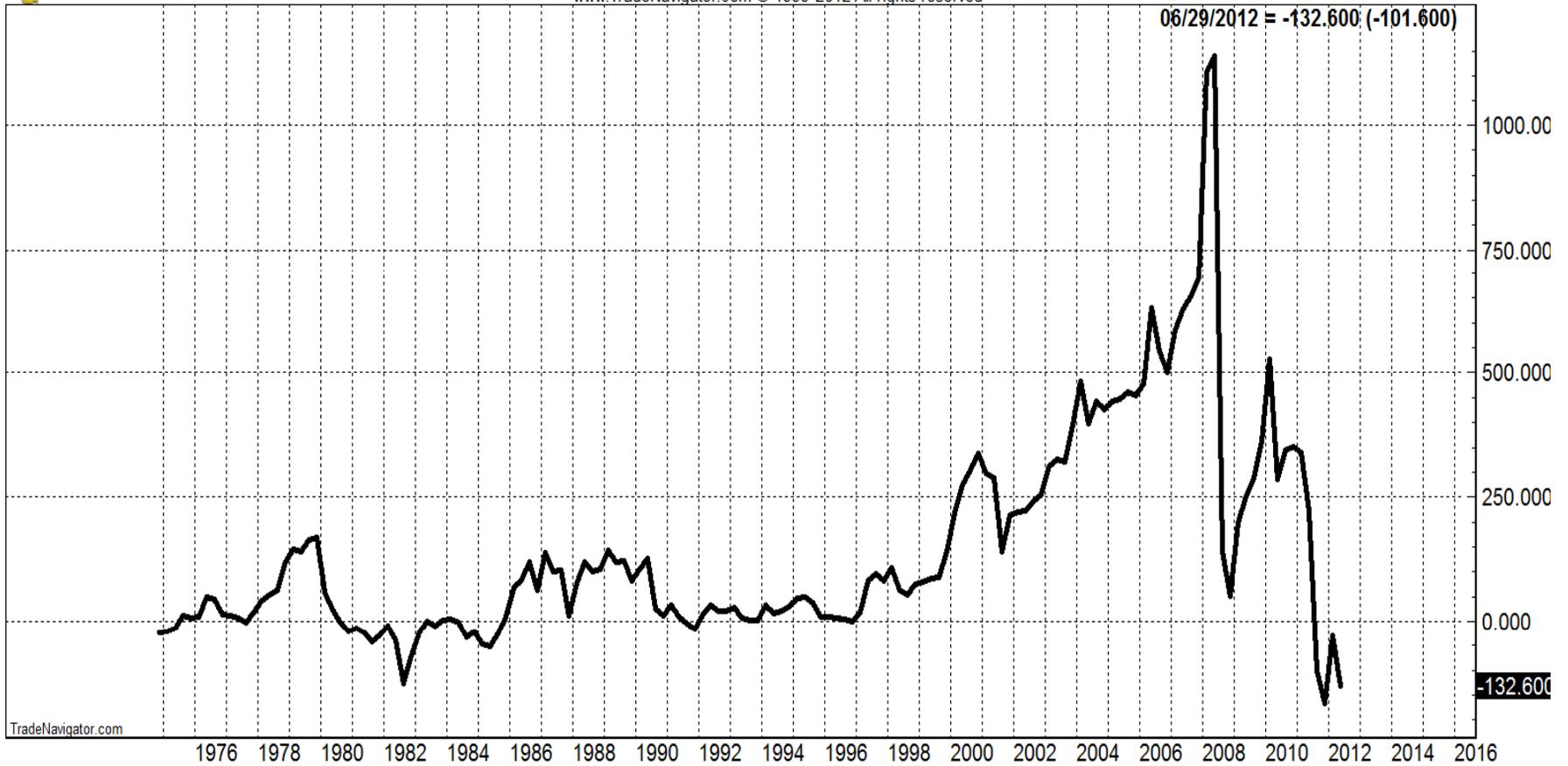
www.TradeNavigator.com © 1999-2011 All rights reserved





PL-055,GC-055: 12/31/1974 - 06/29/2012 (Quarterly bars)

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PA-055,GC-055: 11/30/1982 - 05/31/2012 (Monthly bars)

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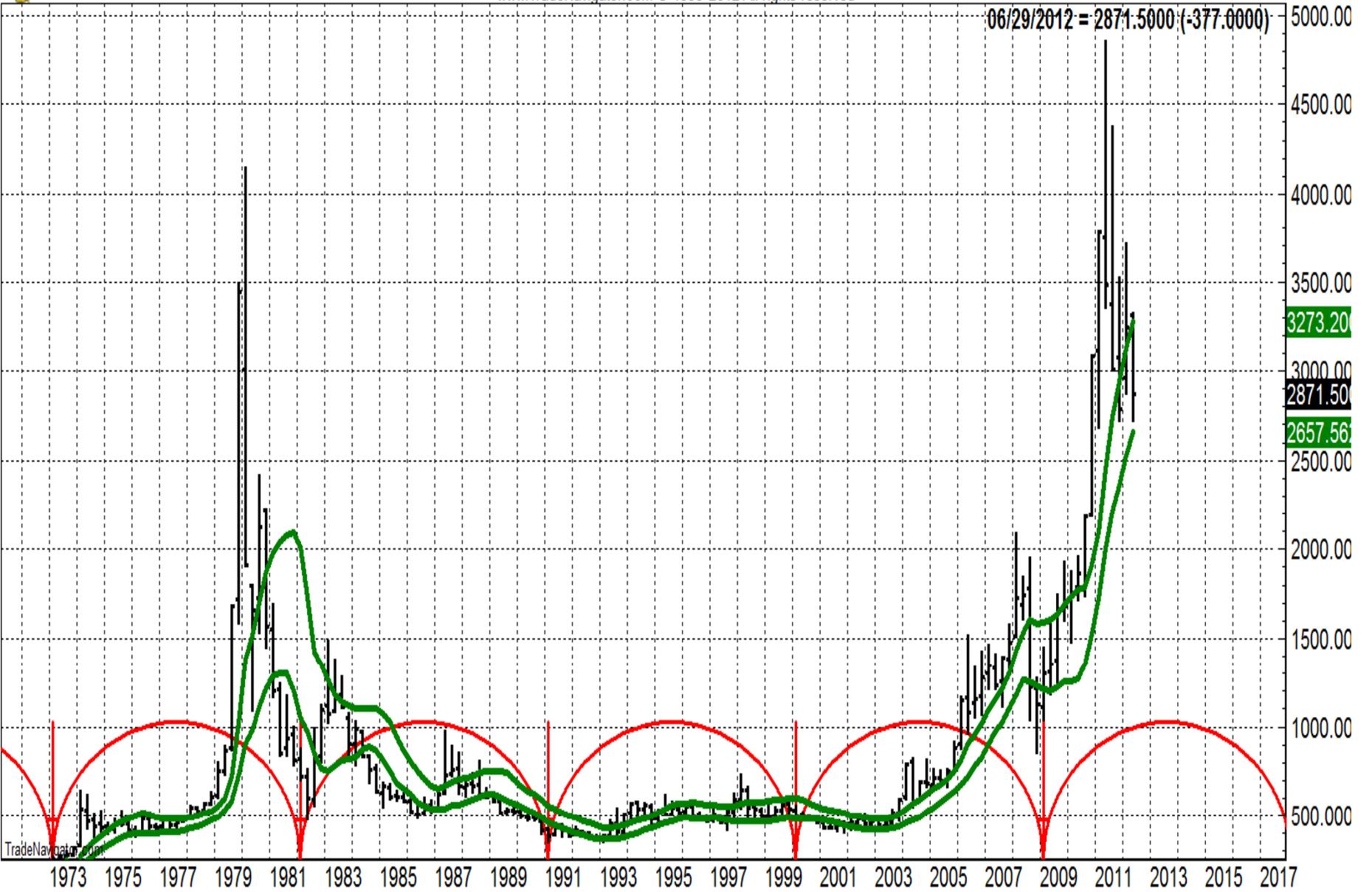
05/31/2012 = -988.300 (-6.450)





### SI-055: Silver Comex (Pit) Cont 1st (Quarterly bars)

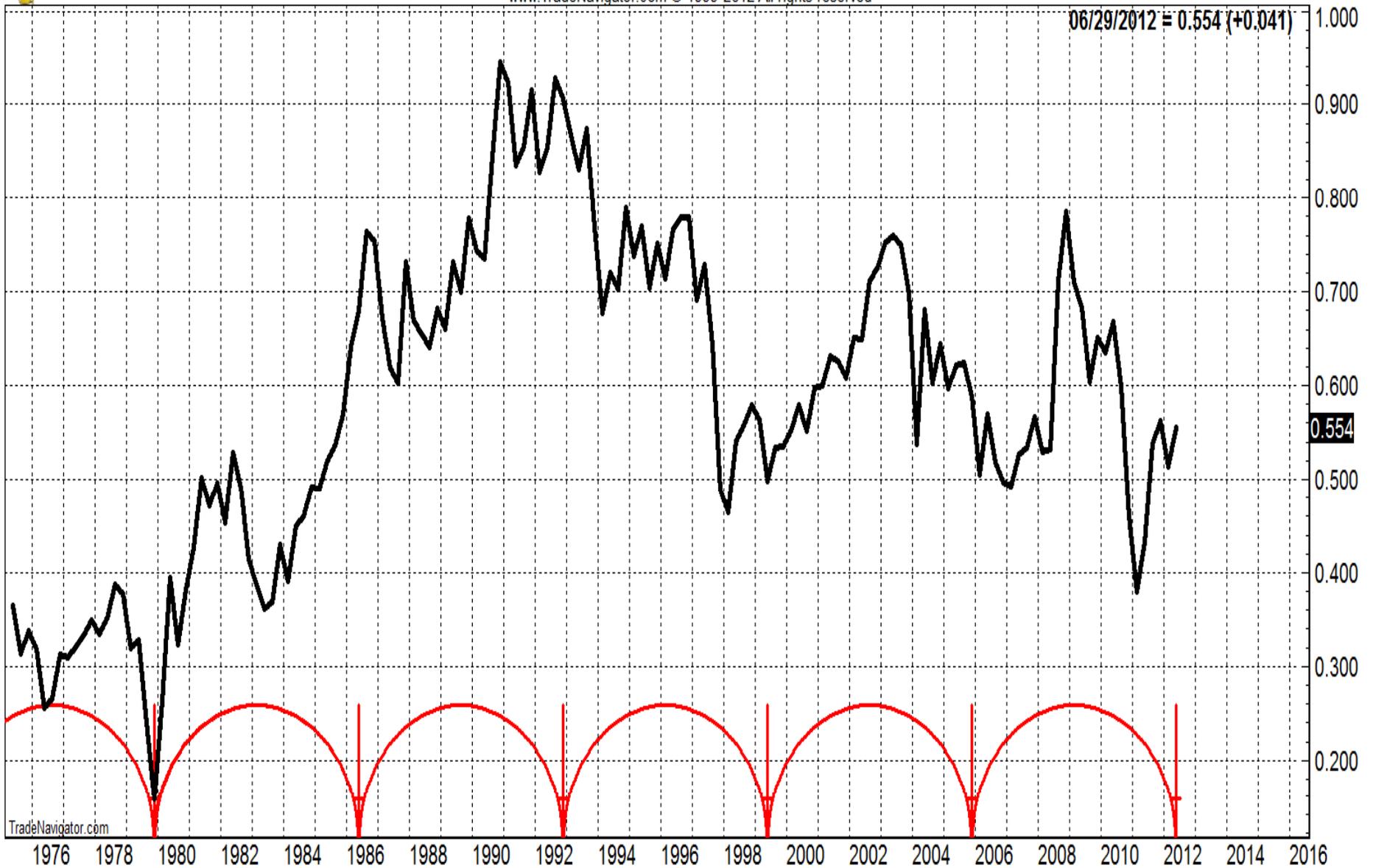
www.TradeNavigator.com © 1999-2012 All rights reserved





GC-055,SI-055: 12/31/1974 - 06/29/2012 (Quarterly bars)

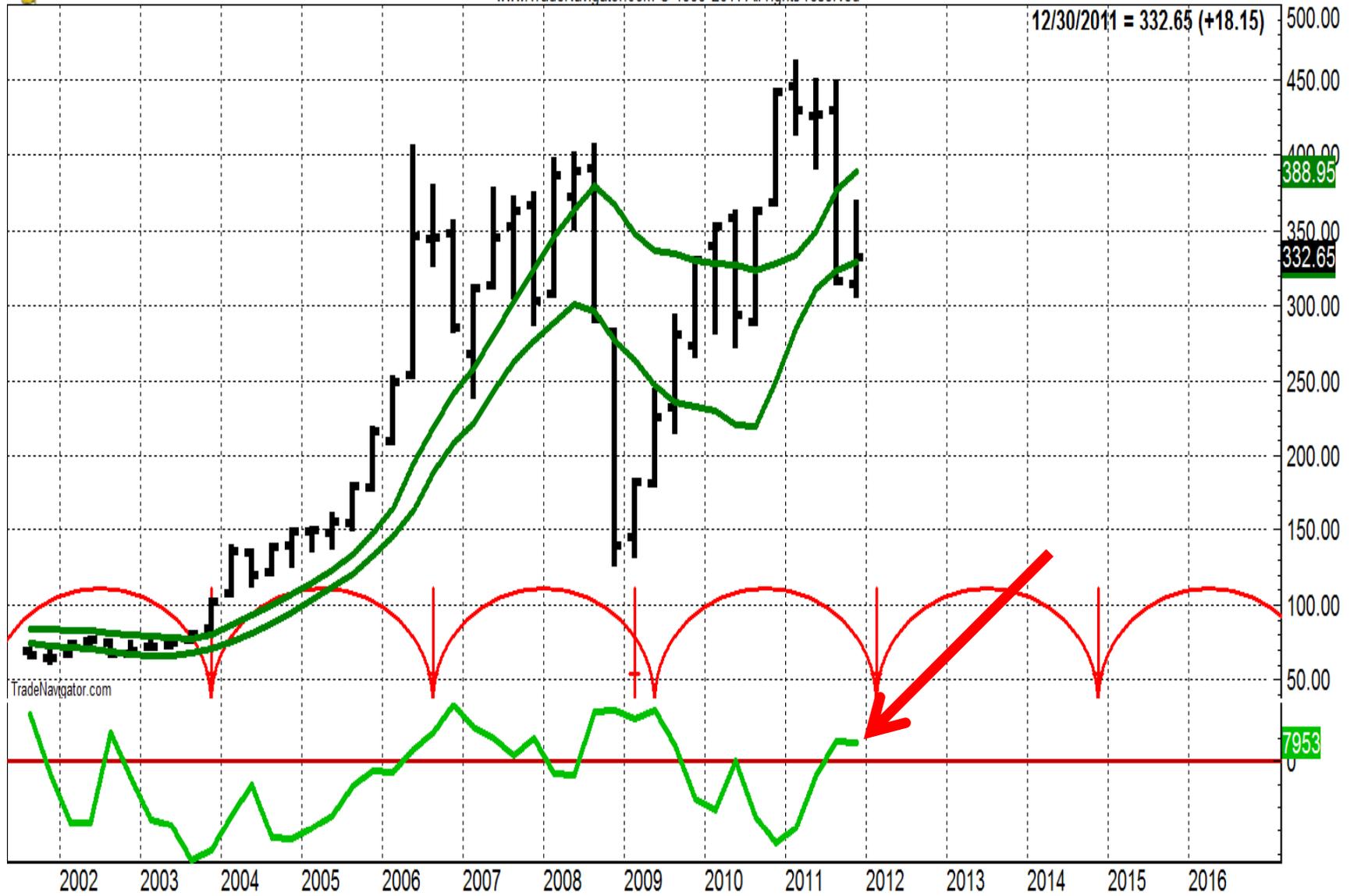
www.TradeNavigator.com © 1999-2012 All rights reserved





### HG-055: Copper HG NYMX (Pit) Cont 1st (Quarterly bars)

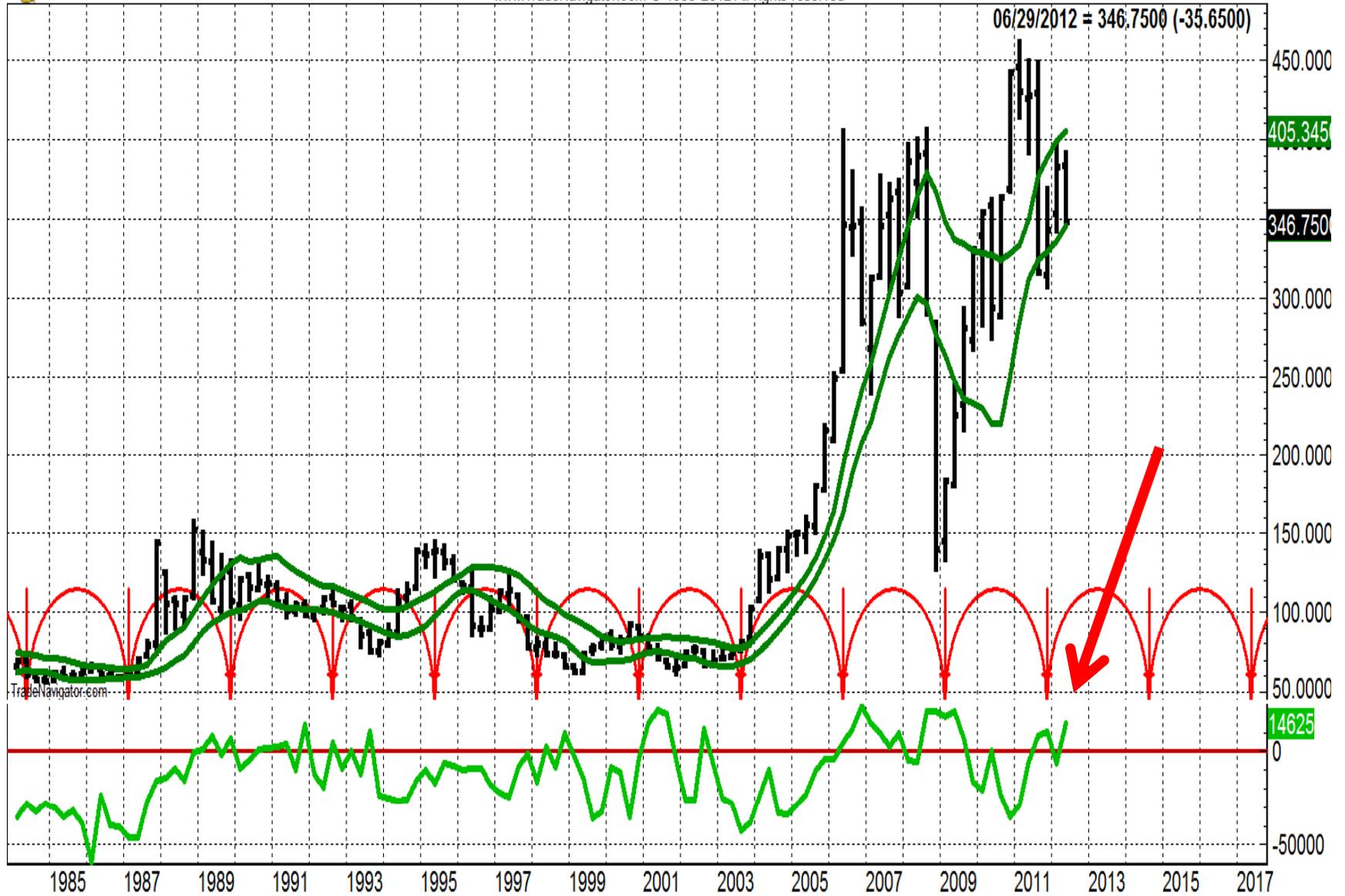
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# HG-055: Copper HG NYMX (Pit) Cont 1st (Quarterly bars)

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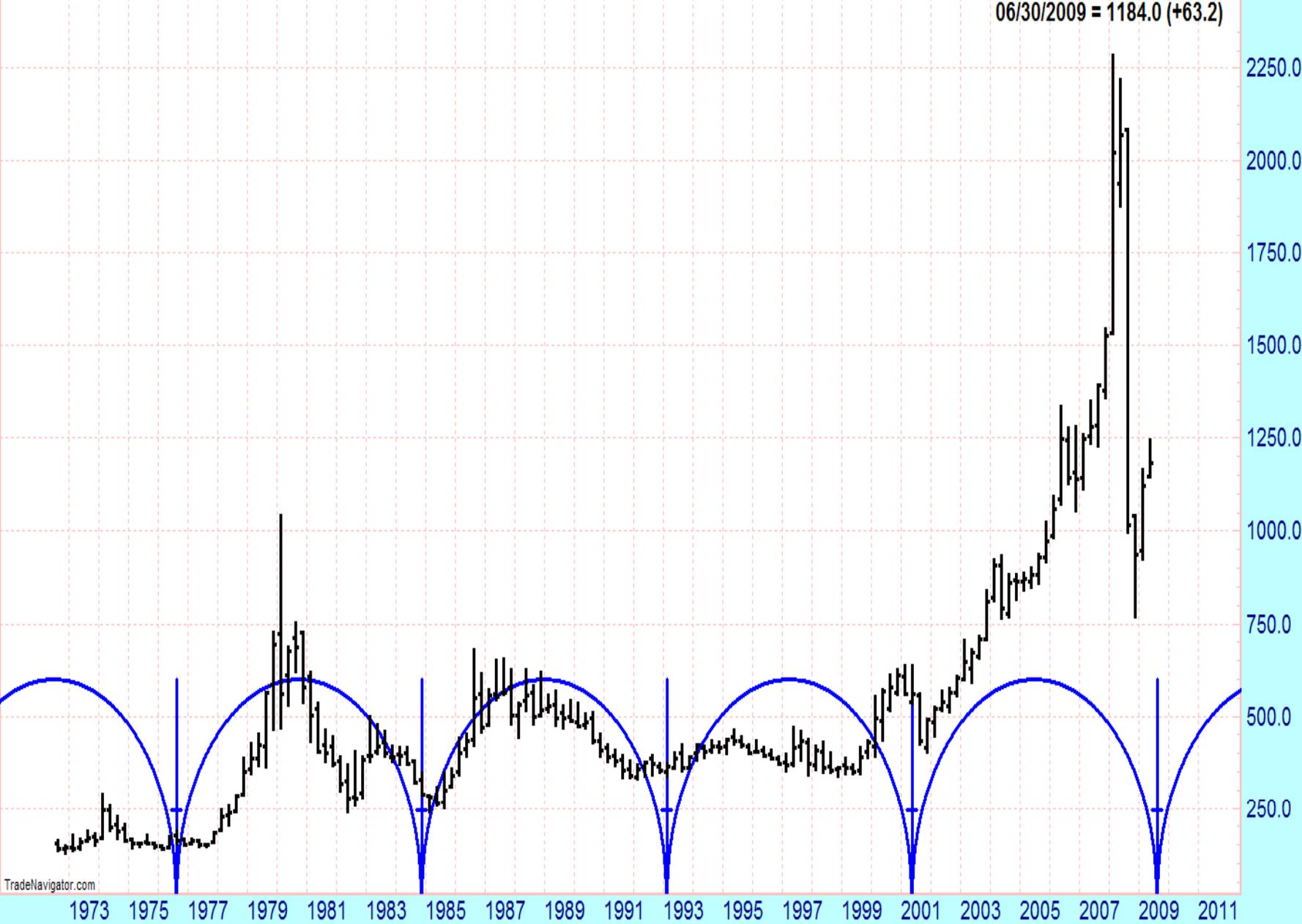




PL-055: Platinum (Pit) Cont 1st (Quarterly bars)

TradeNavigator.com © 1999-2009 All rights reserved

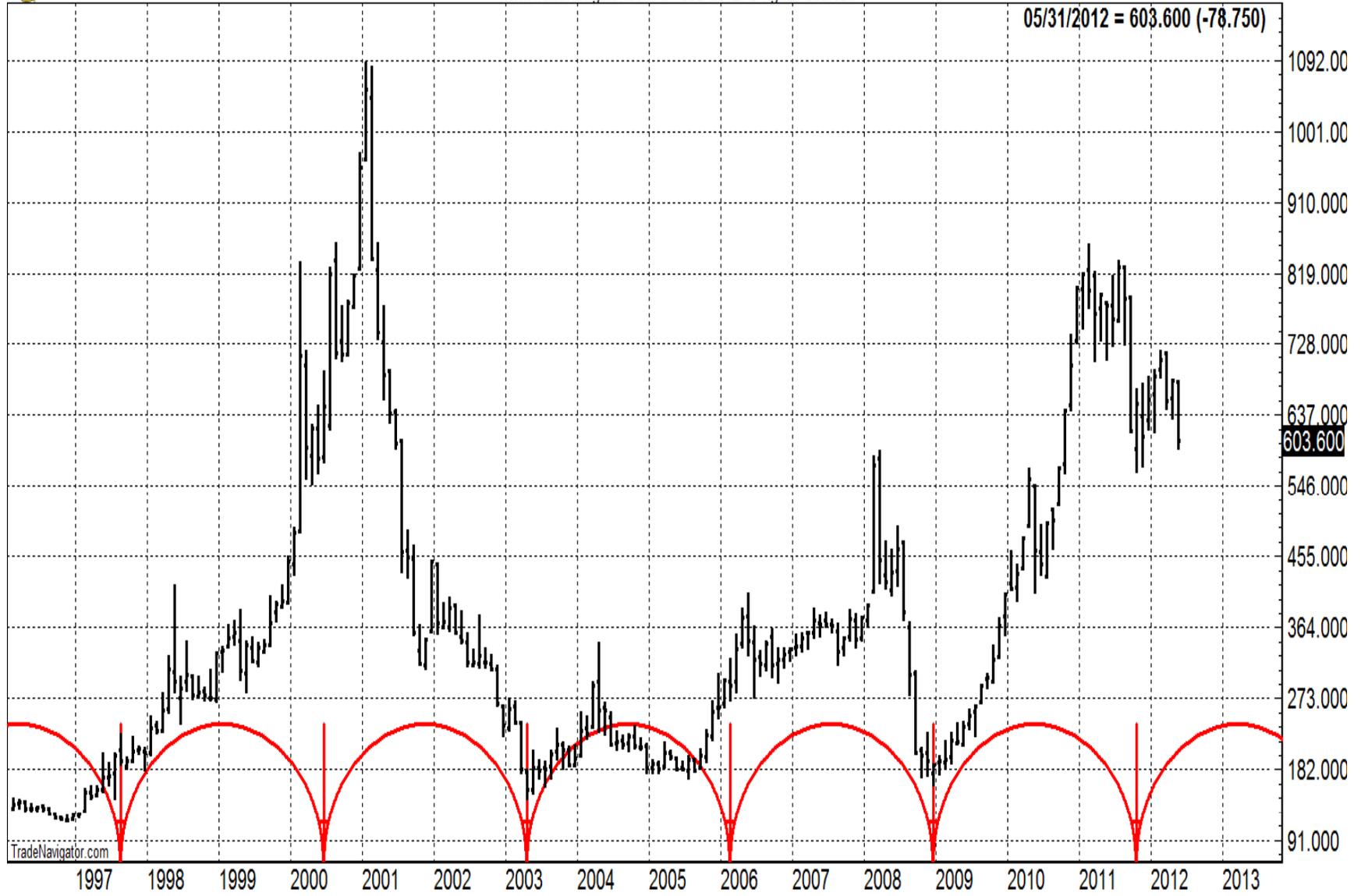
06/30/2009 = 1184.0 (+63.2)





### PA-055: Palladium (Pit) Cont 1st (Monthly bars)

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## Precious metals recommendations

HL

PAL

GDXJ

NG

SLW

SIL

GOLD

FCX

SCCO

JJC (ETF)

TIE

MOLY

USEC \*

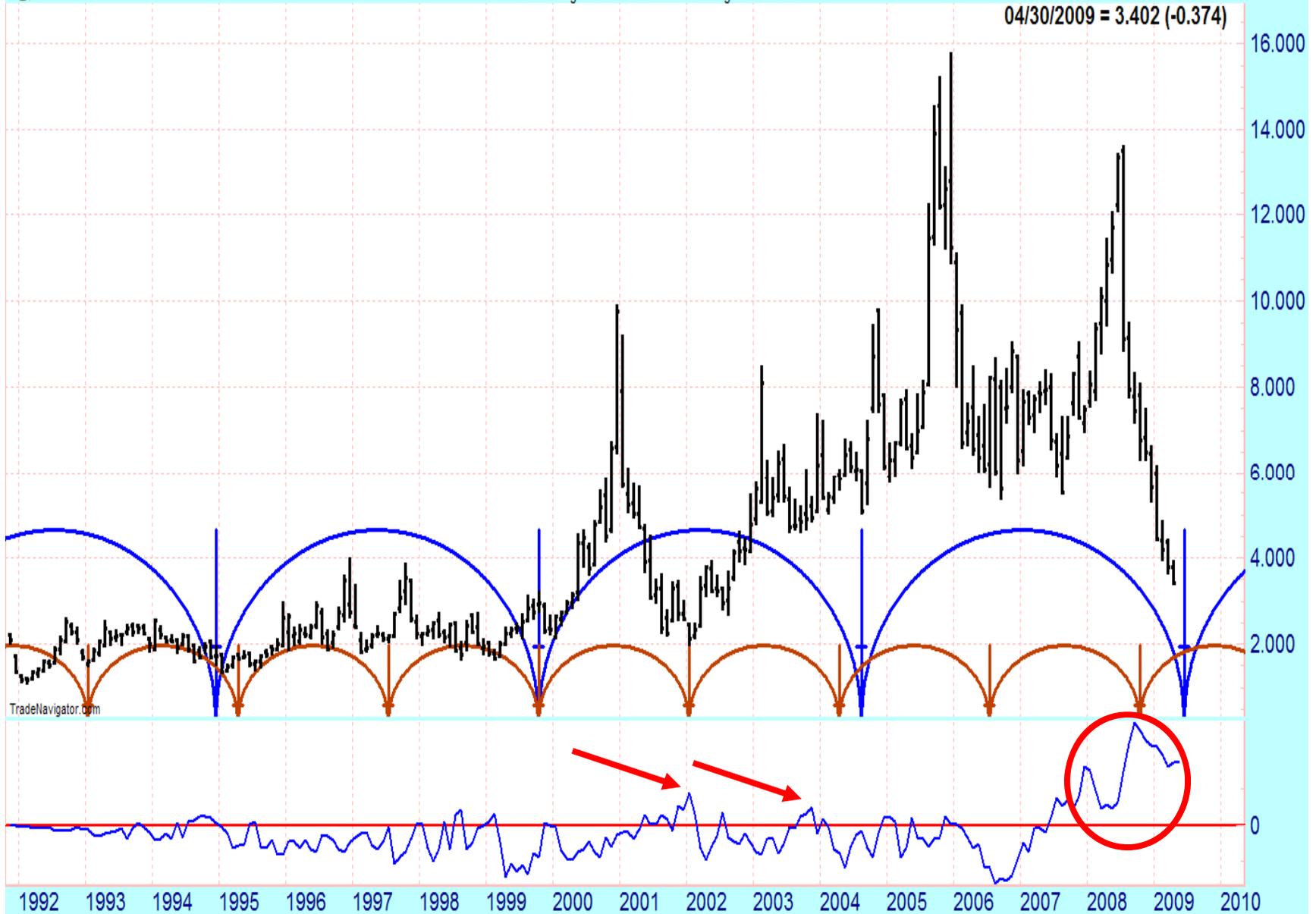
# COT Commercials Nat Gas + Cycles



NG-055: Natural Gas NY (Pit) Cont 1st (Monthly bars)

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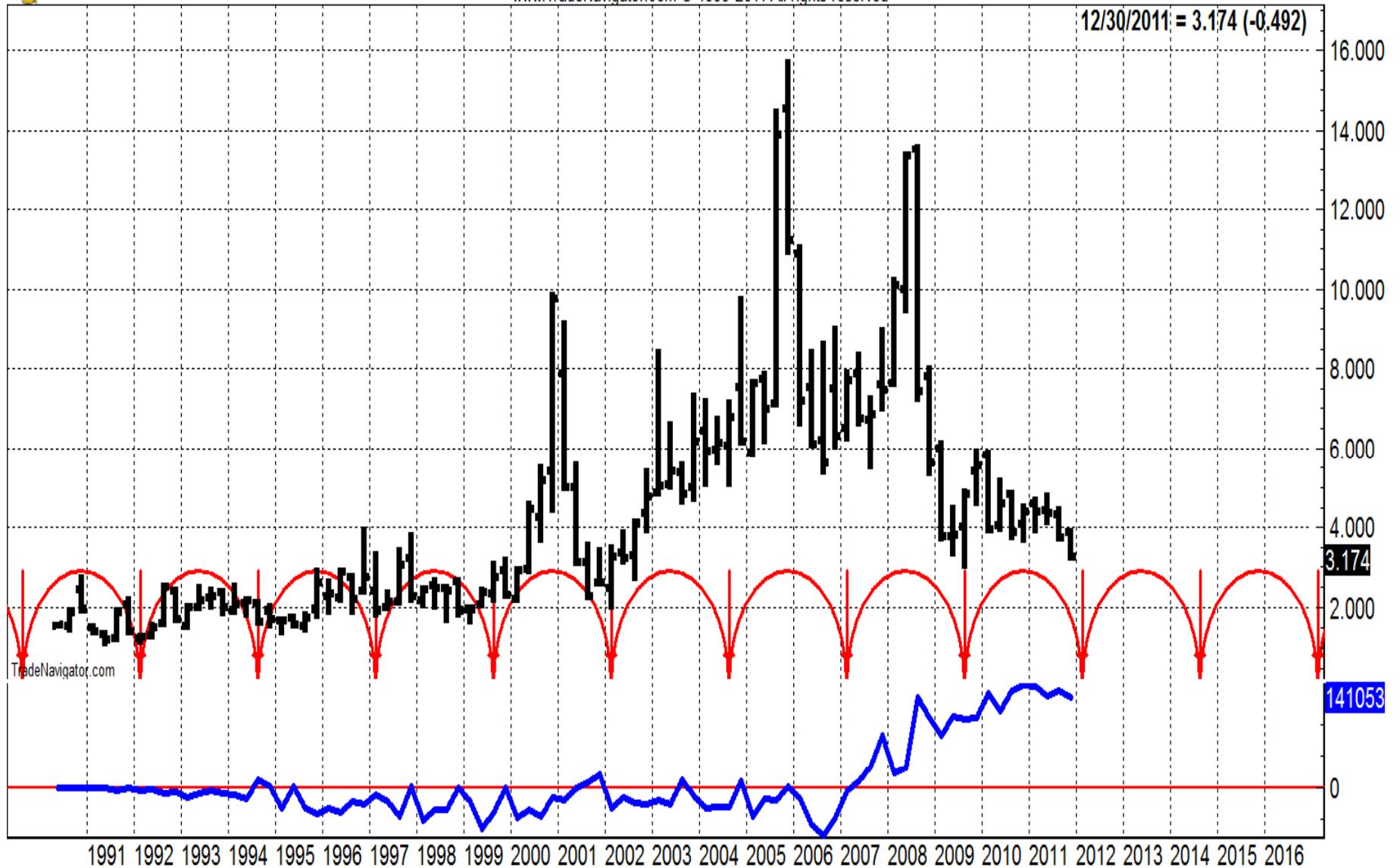
04/30/2009 = 3.402 (-0.374)





### NG-055: Natural Gas NY (Pit) Cont 1st (Quarterly bars)

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12/30/2011 = 3.174 (-0.492)

16.000

14.000

12.000

10.000

8.000

6.000

4.000

2.000

141053

0

1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016

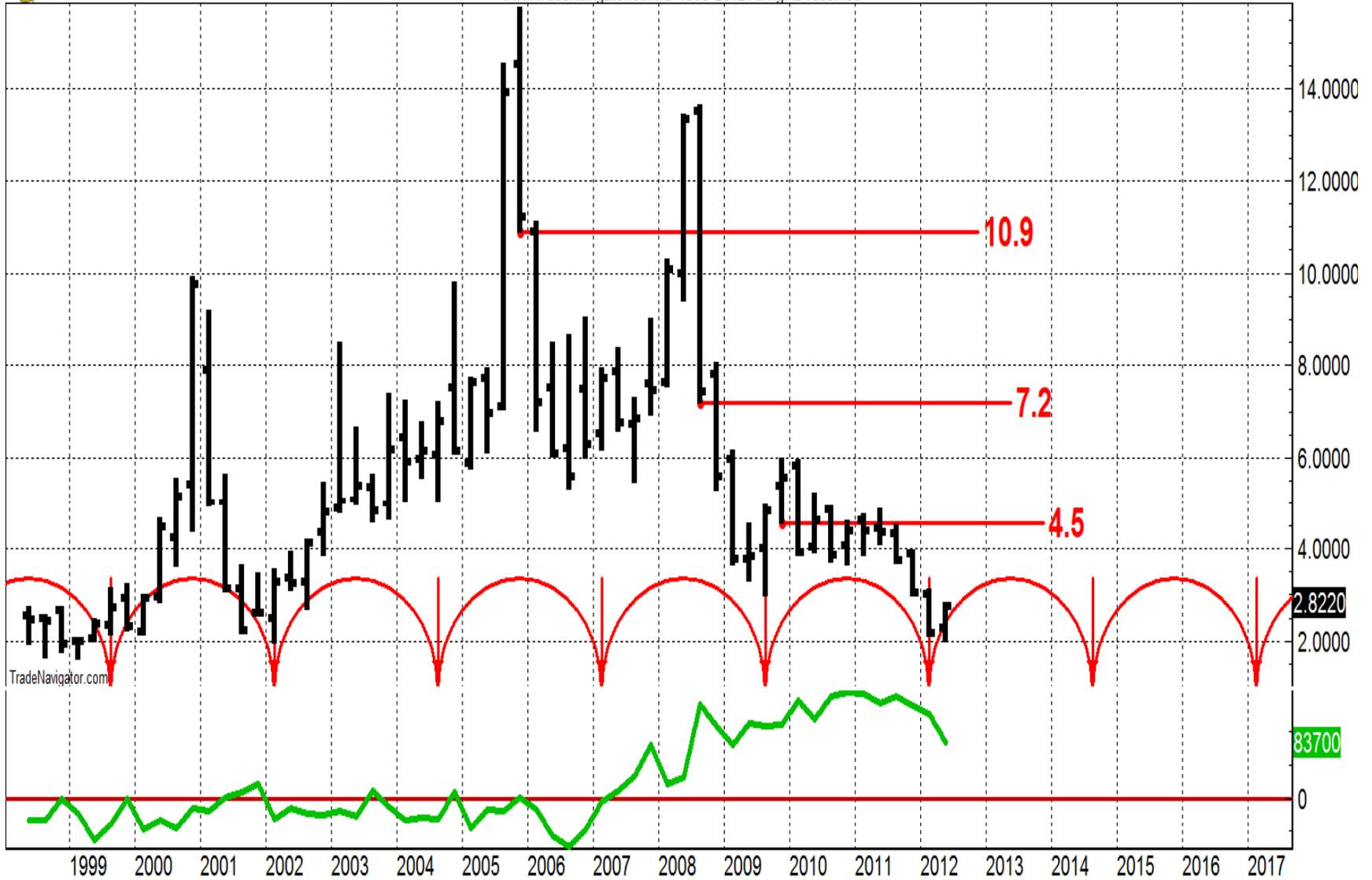
TradeNavigator.com

3.174



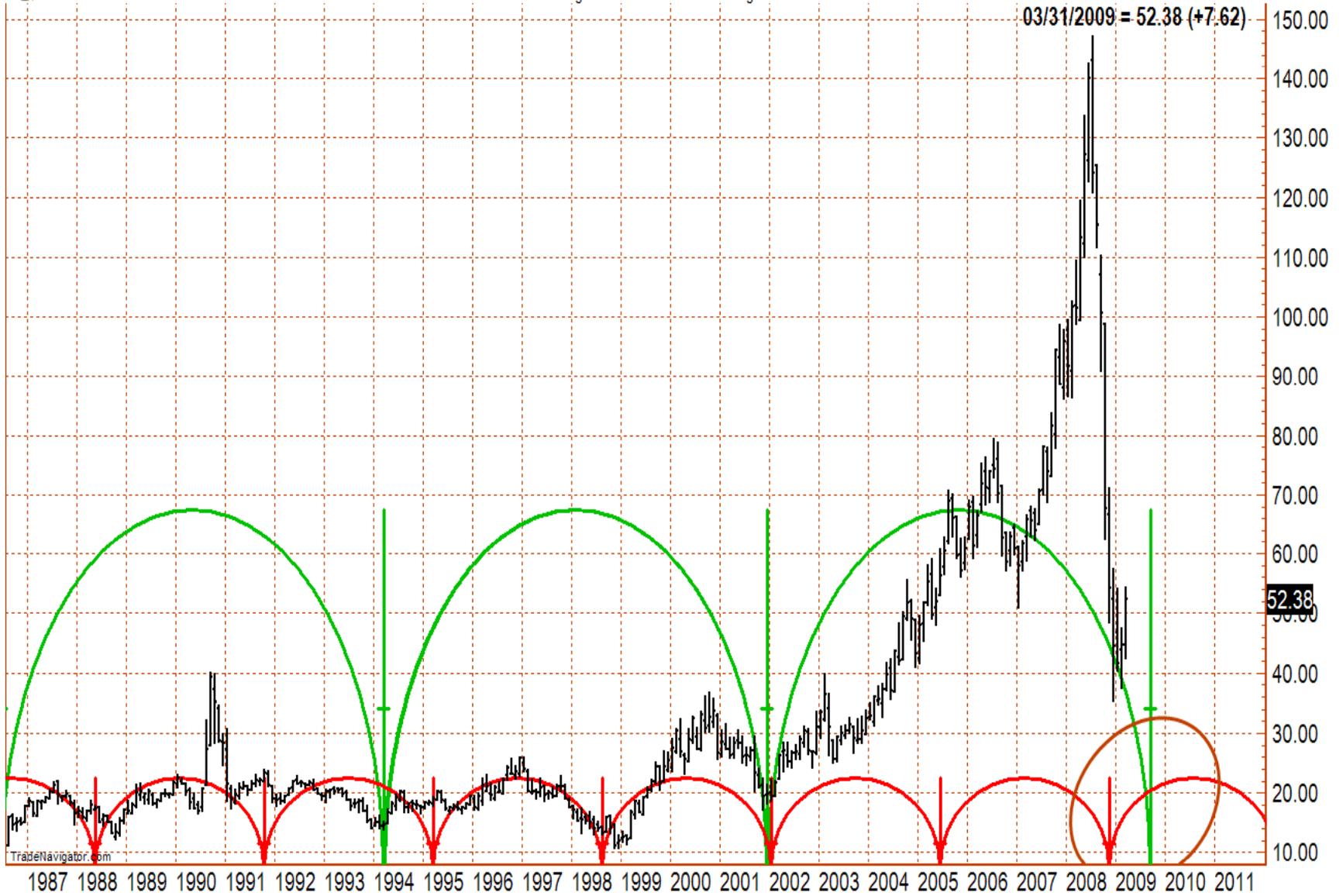
### NG-055: Natural Gas NY (Pit) Cont 1st (Quarterly bars)

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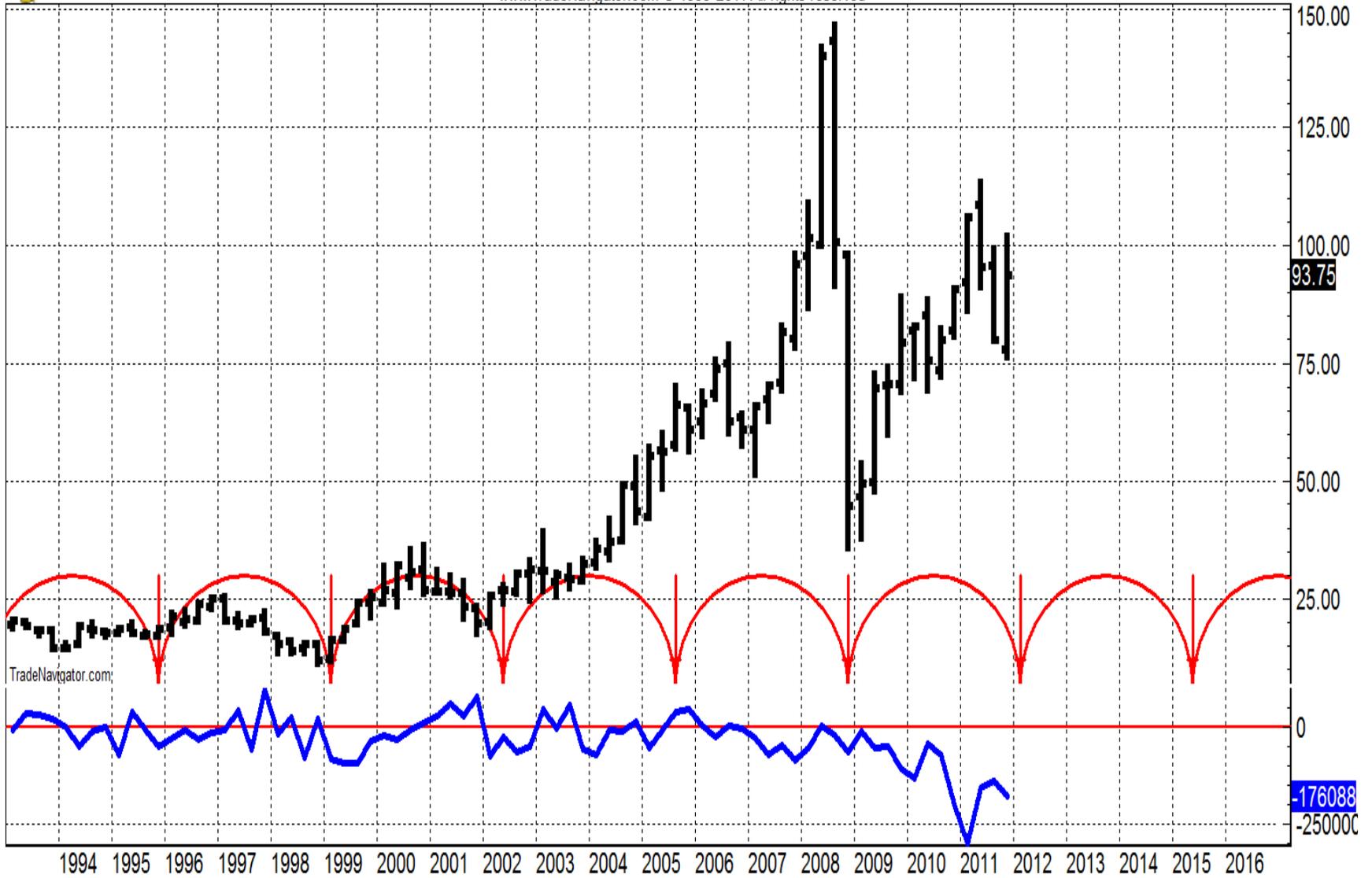
CL-055: Crude Oil NY (Pit) Cont 1st (Monthly bars)  
TradeNavigator.com © 1999-2009 All rights reserved





### CL-055: Crude Oil NY (Pit) Cont 1st (Quarterly bars)

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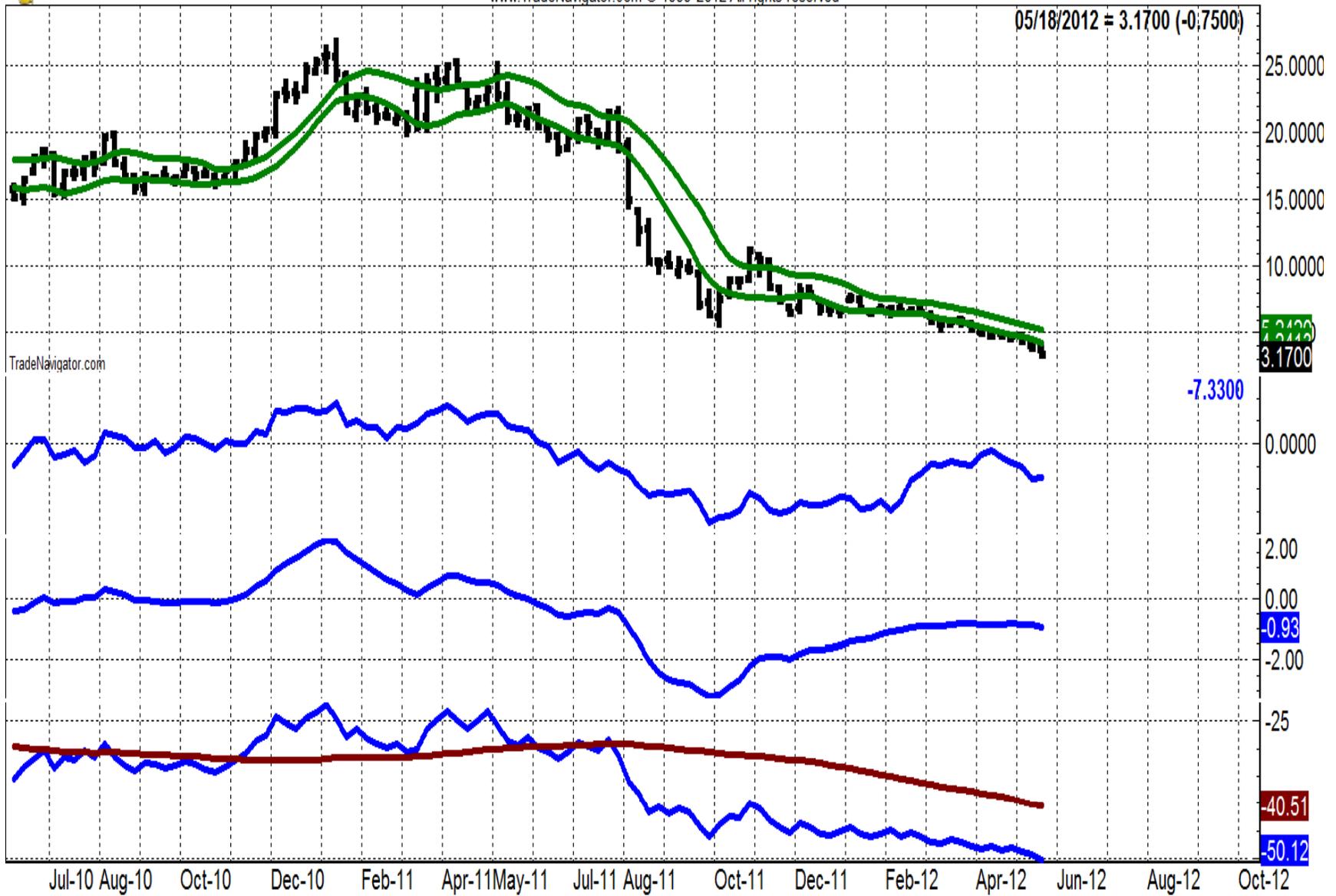




# JRCC: James River Coal Company (Weekly bars)

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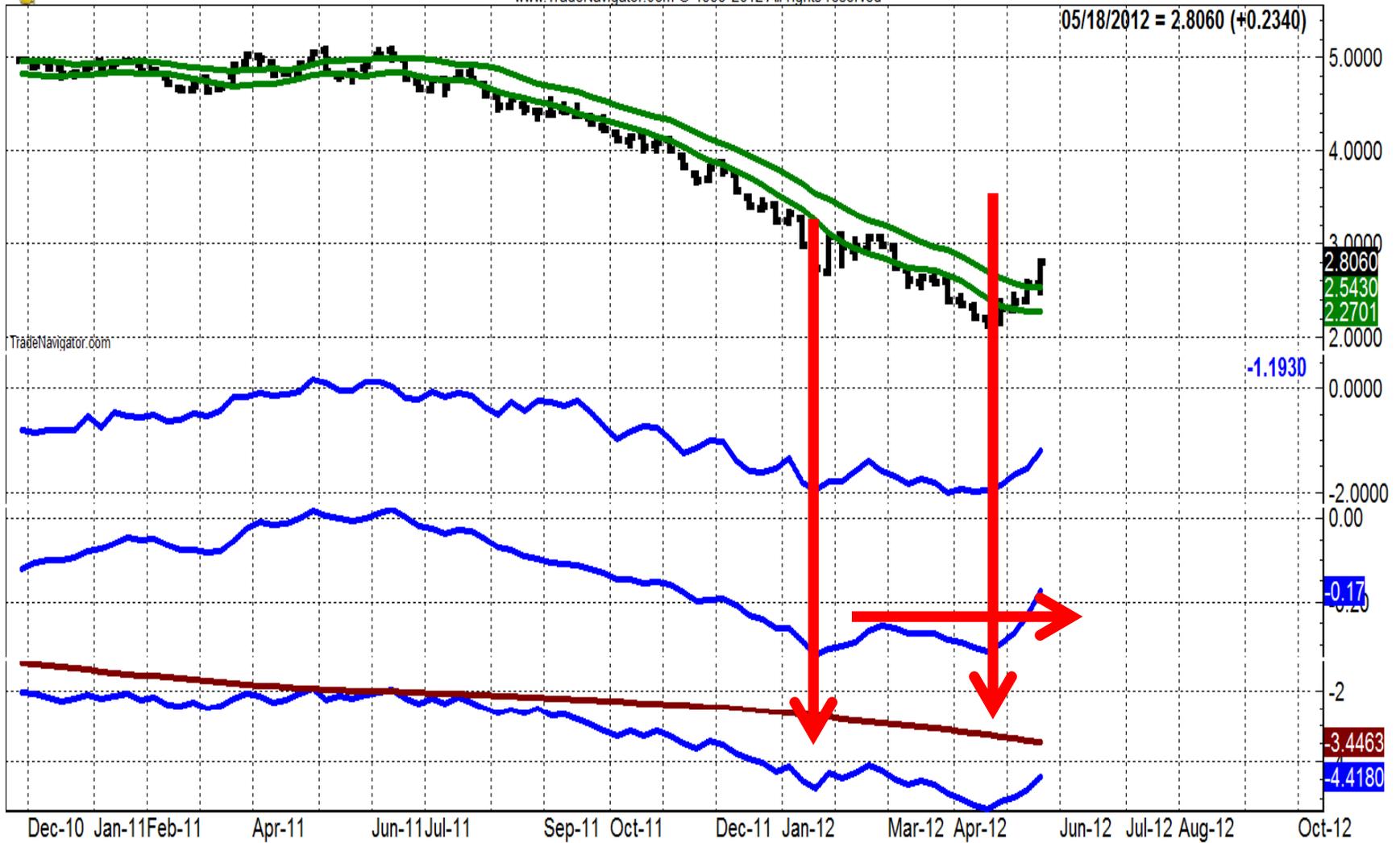
05/18/2012 = 3.1700 (-0;7500)





# NG2-201207: Natural Gas NY (Comb) Jul 2012 (Weekly bars)

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## Gas and energy related stocks

GAS

COG

EOG

OXY

HAL

SLB

TSO

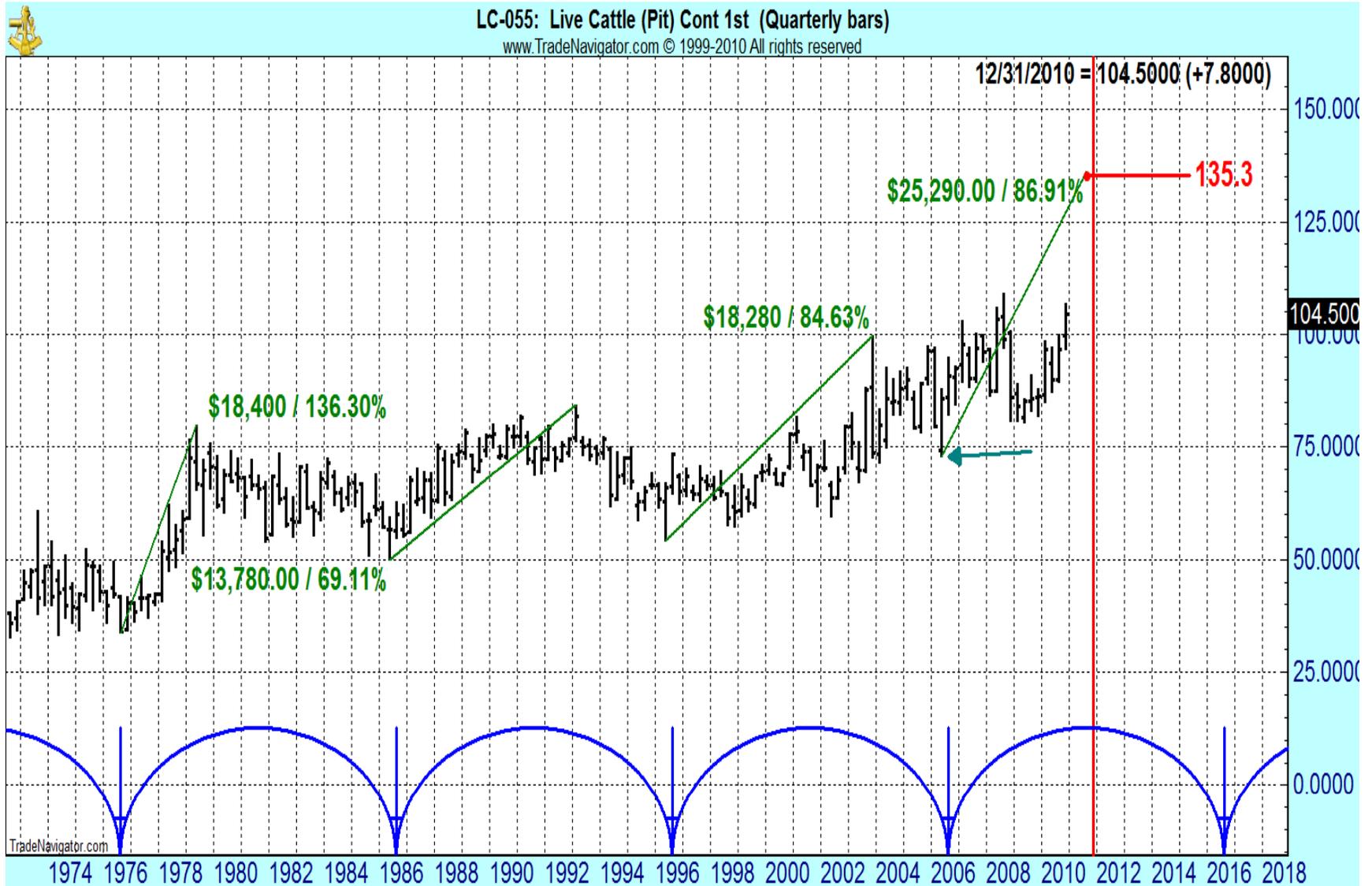
KOG

LNG

SD

TPLM

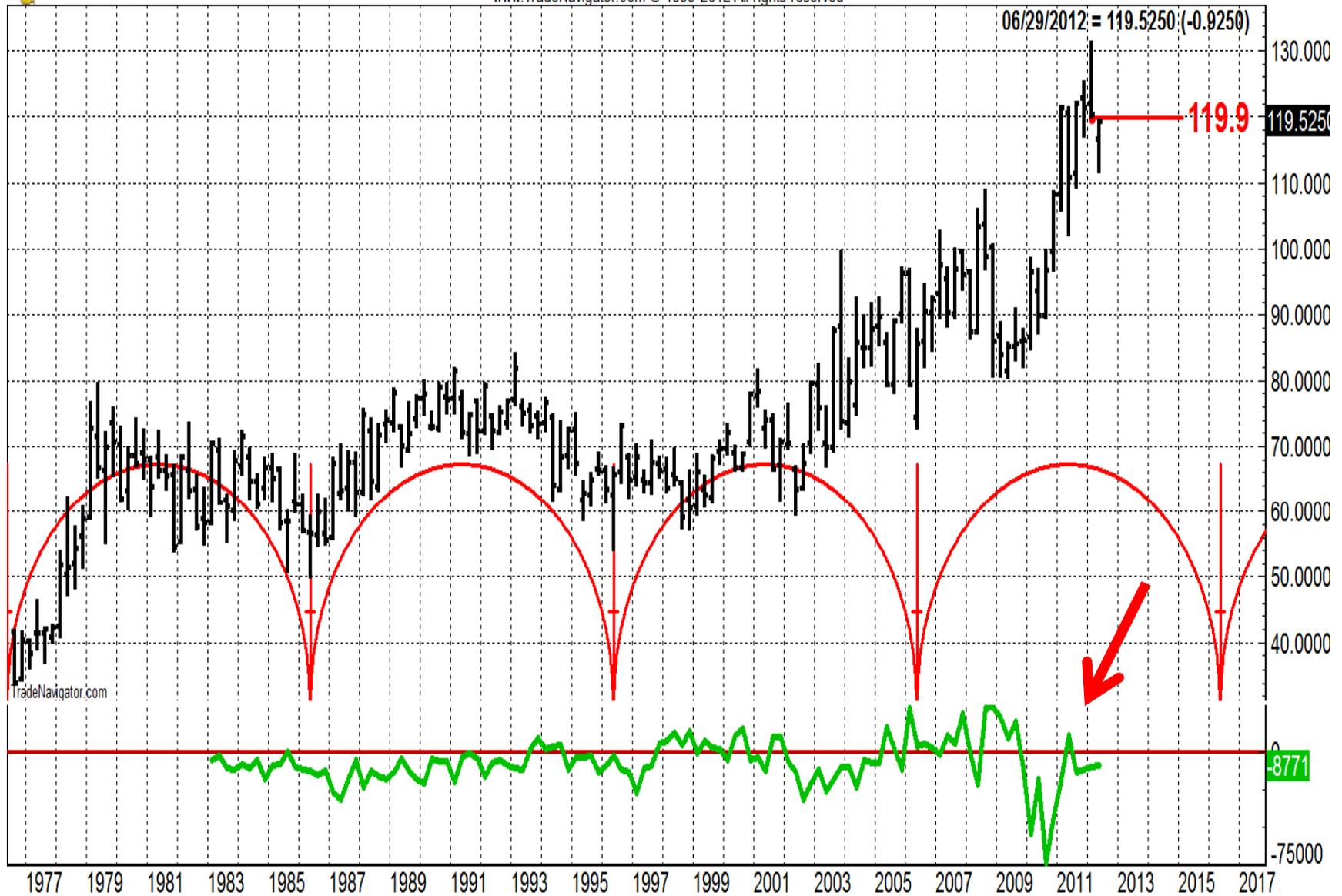
# Cattle last Dec and forecast





# LC-055: Live Cattle (Pit) Cont 1st (Quarterly bars)

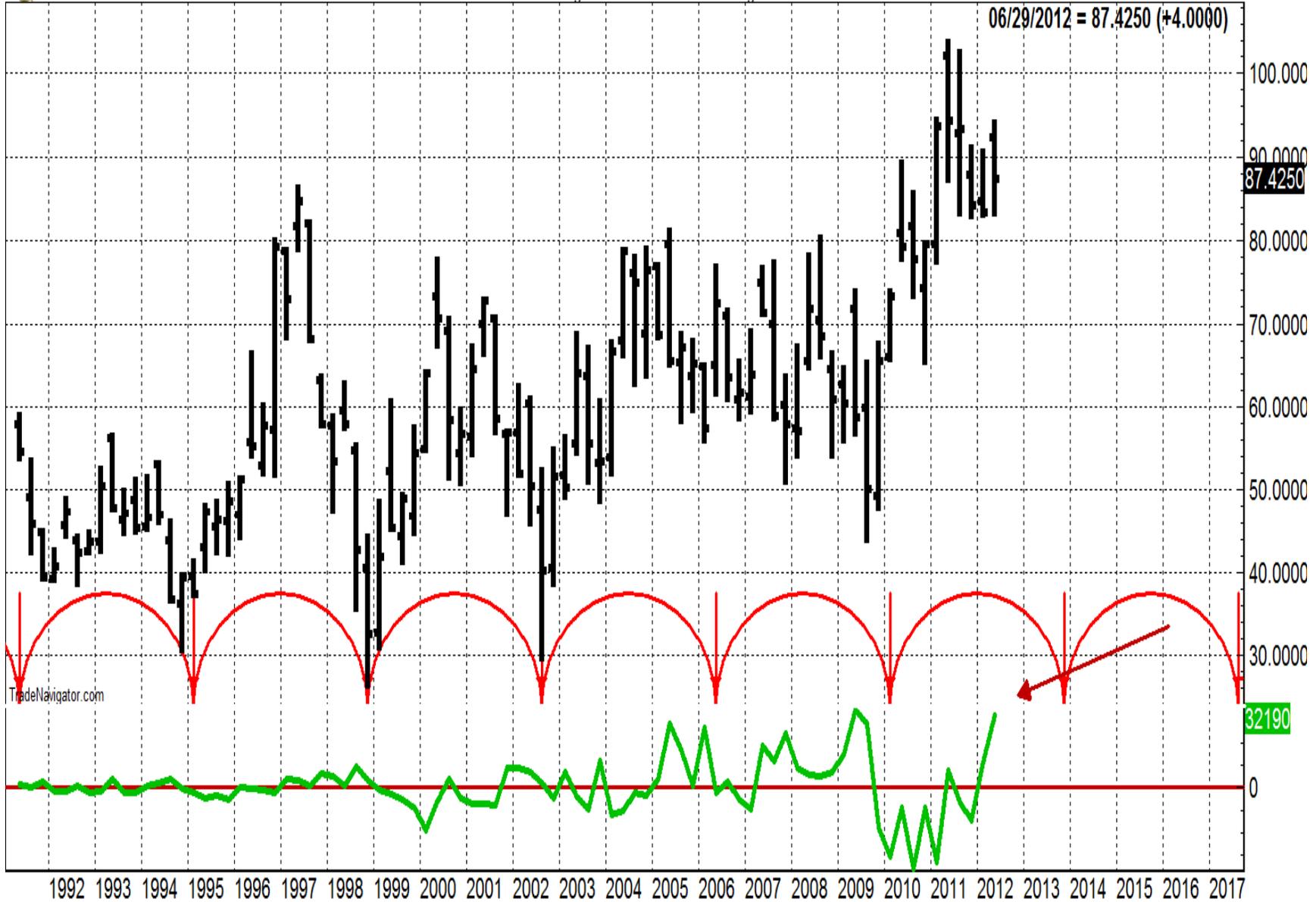
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# LH-055: Lean Hogs (Pit) Cont 1st (Quarterly bars)

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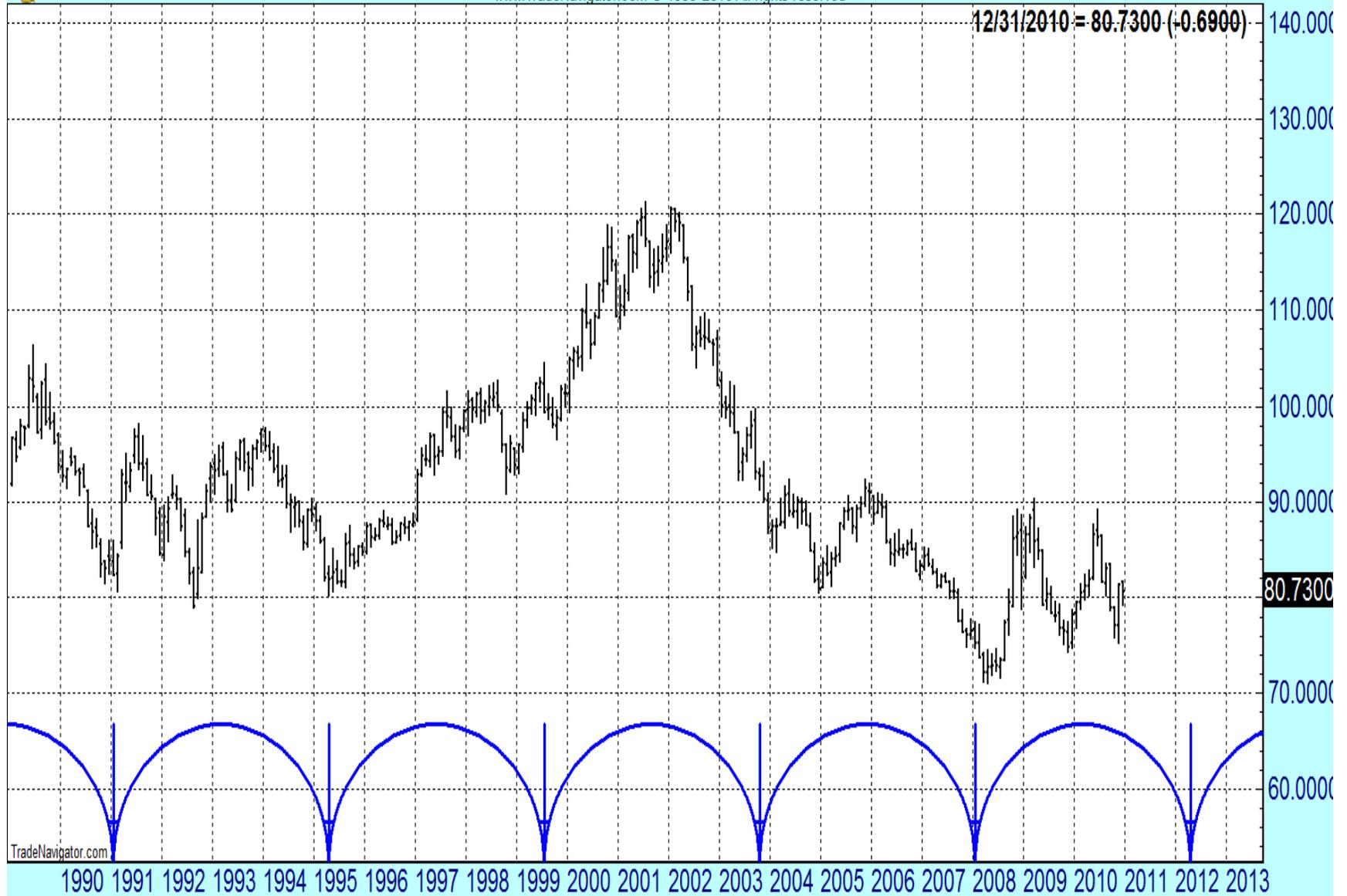
# Meats

- COW
- HRL
- SAFM
- TSN



### DX-055: US Dollar Index (ETH) Cont 1st (Monthly bars)

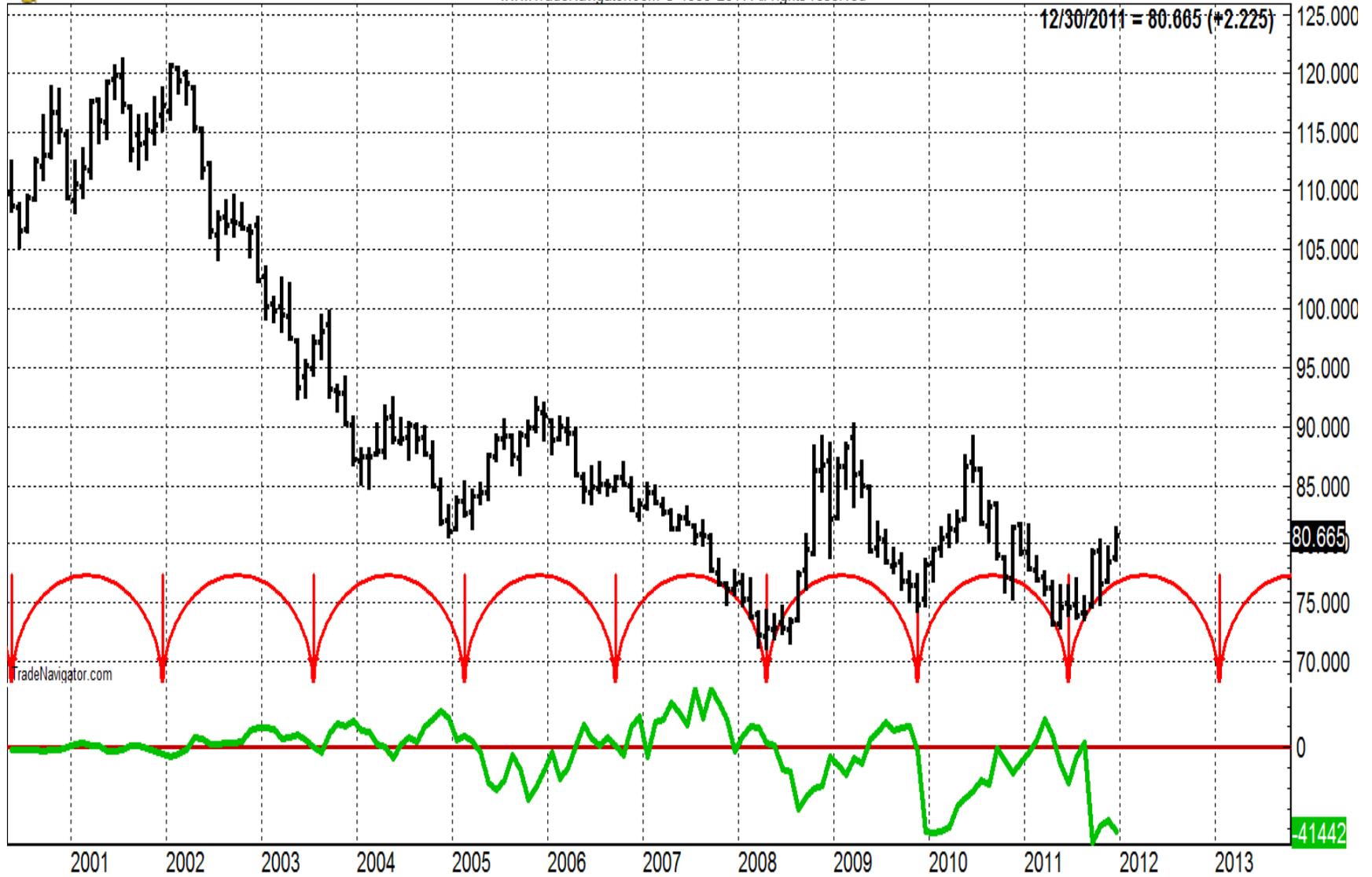
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### DX-055: US Dollar Index (ETH) Cont 1st (Monthly bars)

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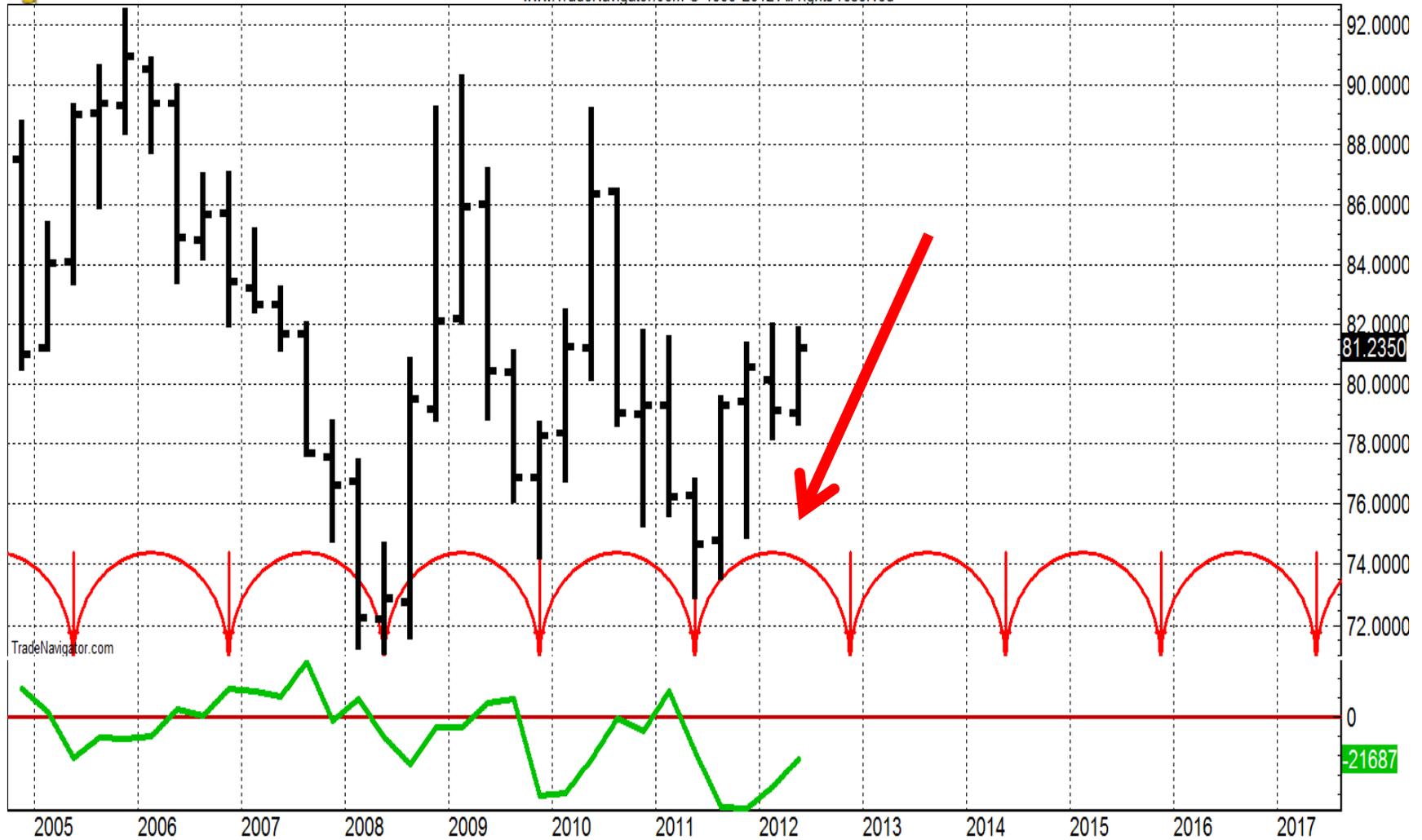


# Dollar top: implications?



**DX-055: US Dollar Index (ETH) Cont 1st (Quarterly bars)**

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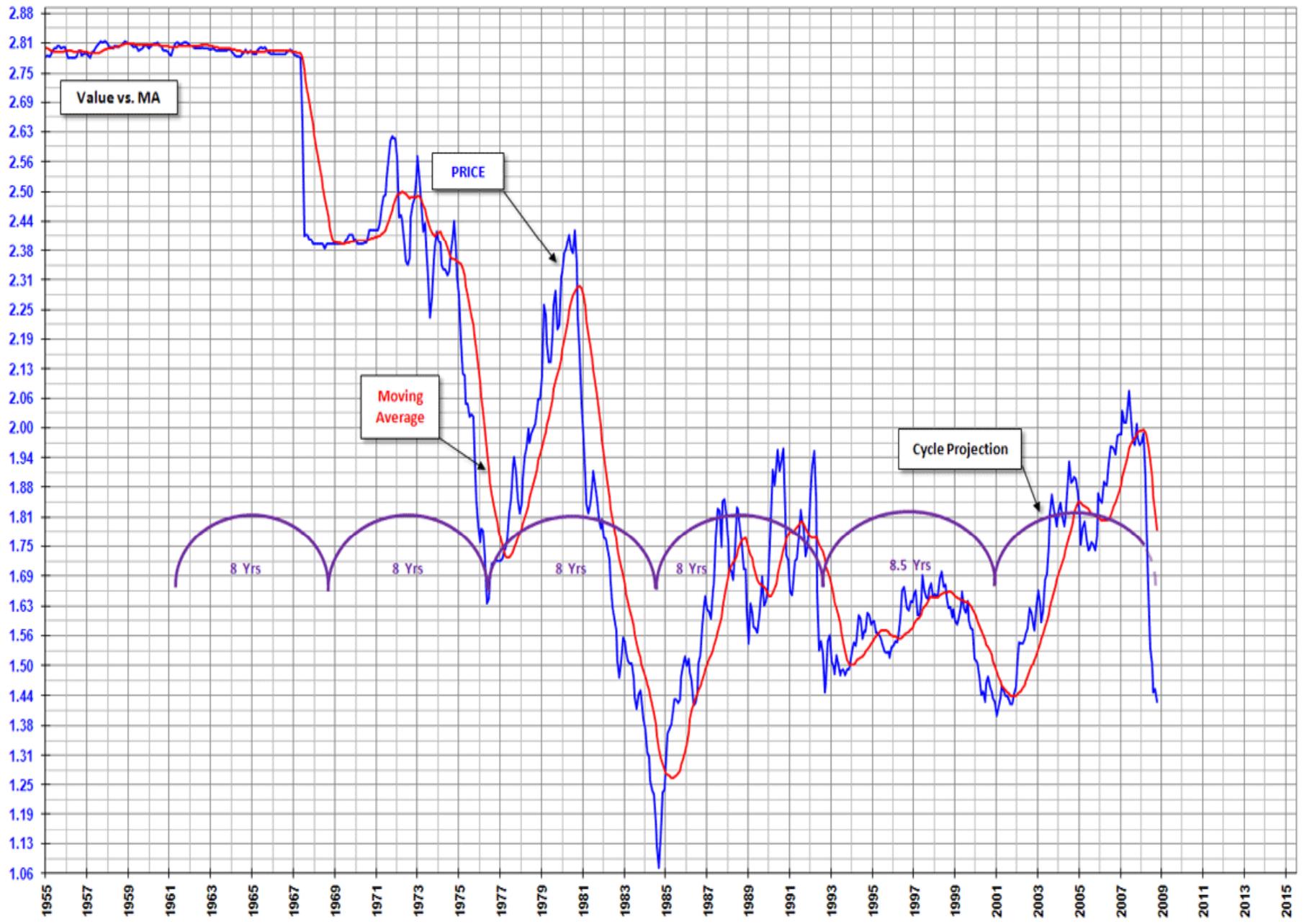


PRICE

Jake Bernstein's MAJOR TREND™ Charts

# Monthly Avg. BrPound: 1955-2015

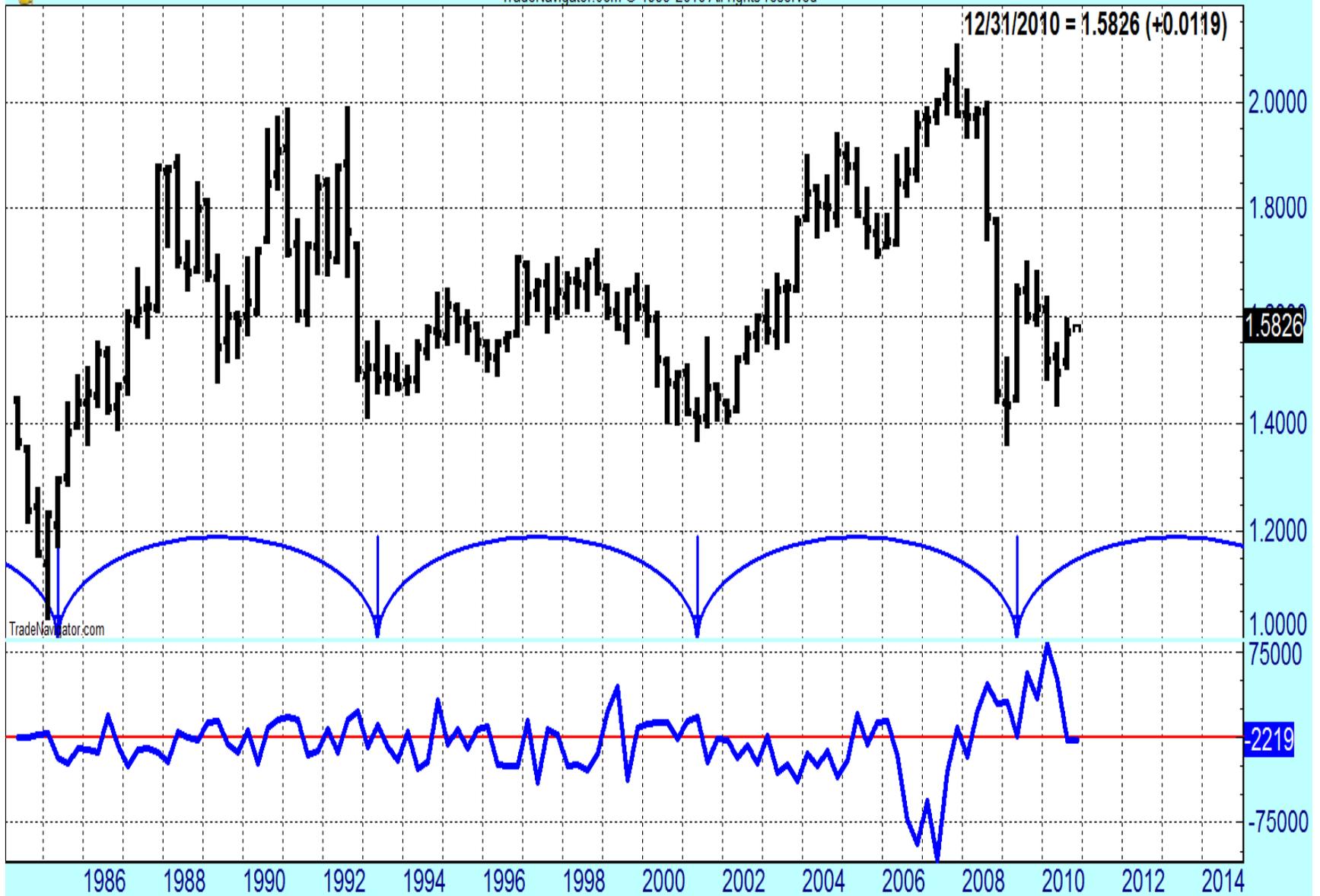
Price = — Moving Average = —





# BP-055: British Pound (Pit) Cont 1st (Quarterly bars)

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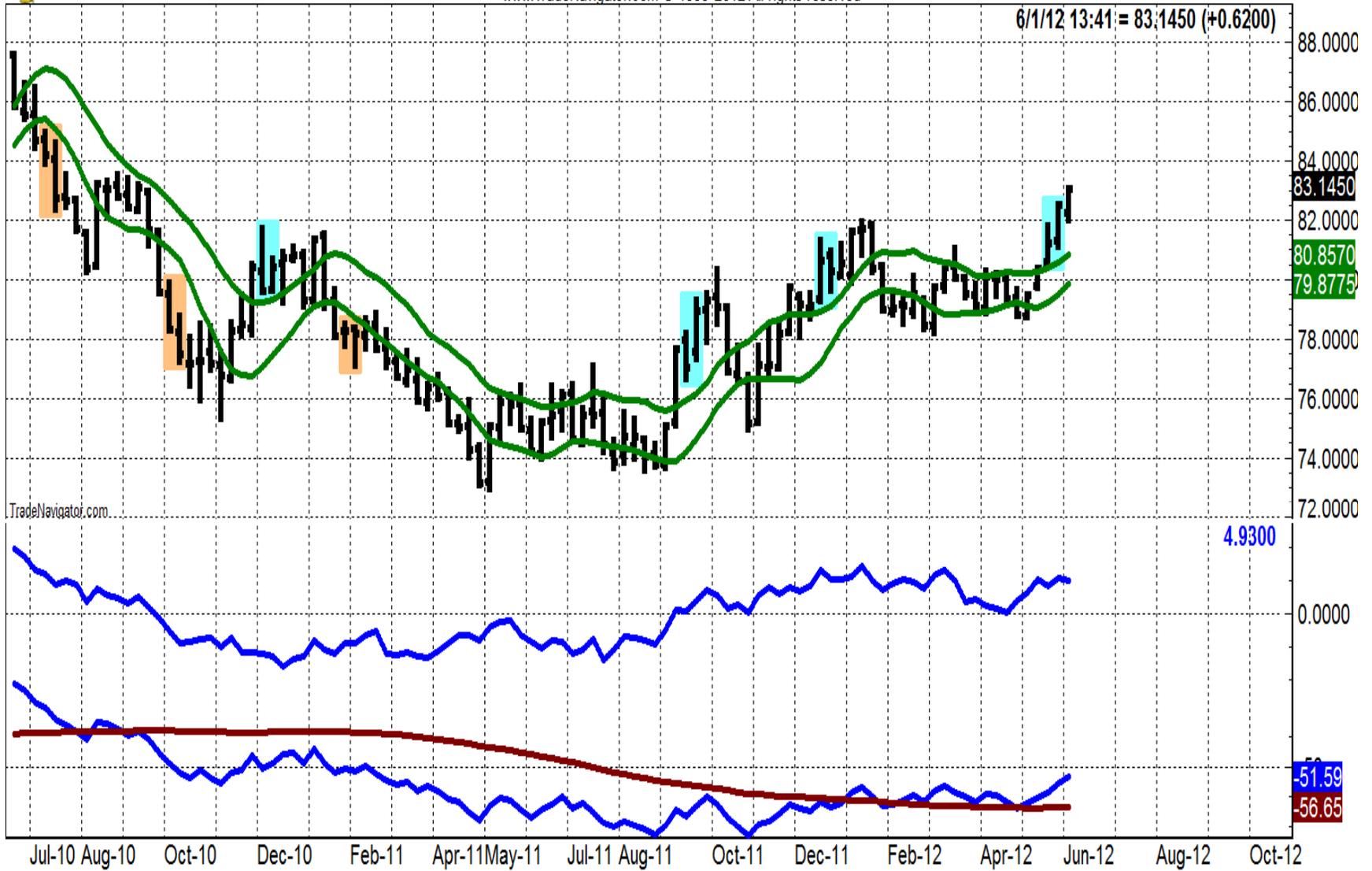




### DX-055: US Dollar Index (ETH) Cont 1st (Weekly bars)

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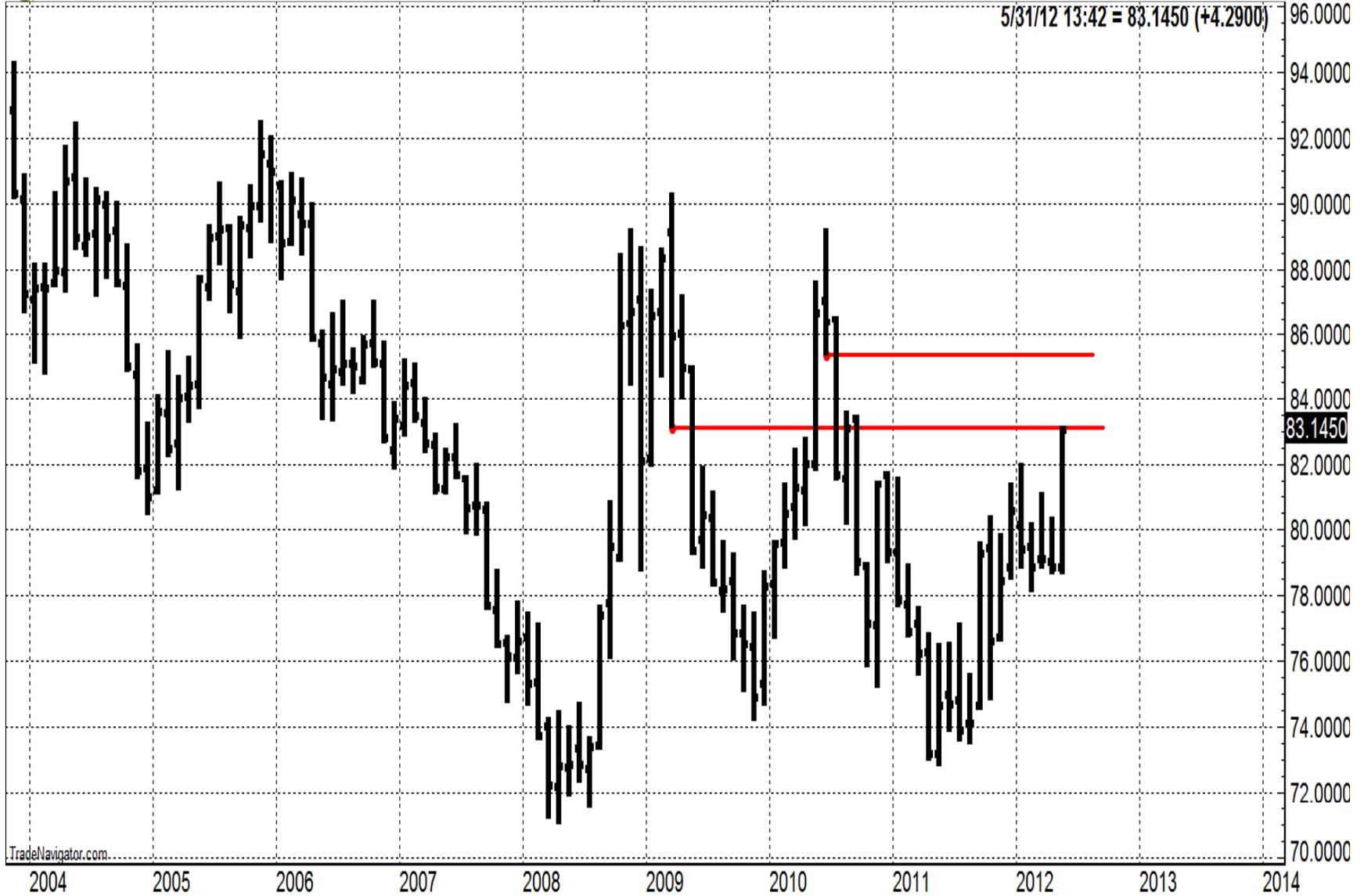
6/1/12 13:41 = 83.1450 (+0.6200)





### DX-055: US Dollar Index (ETH) Cont 1st (Monthly bars)

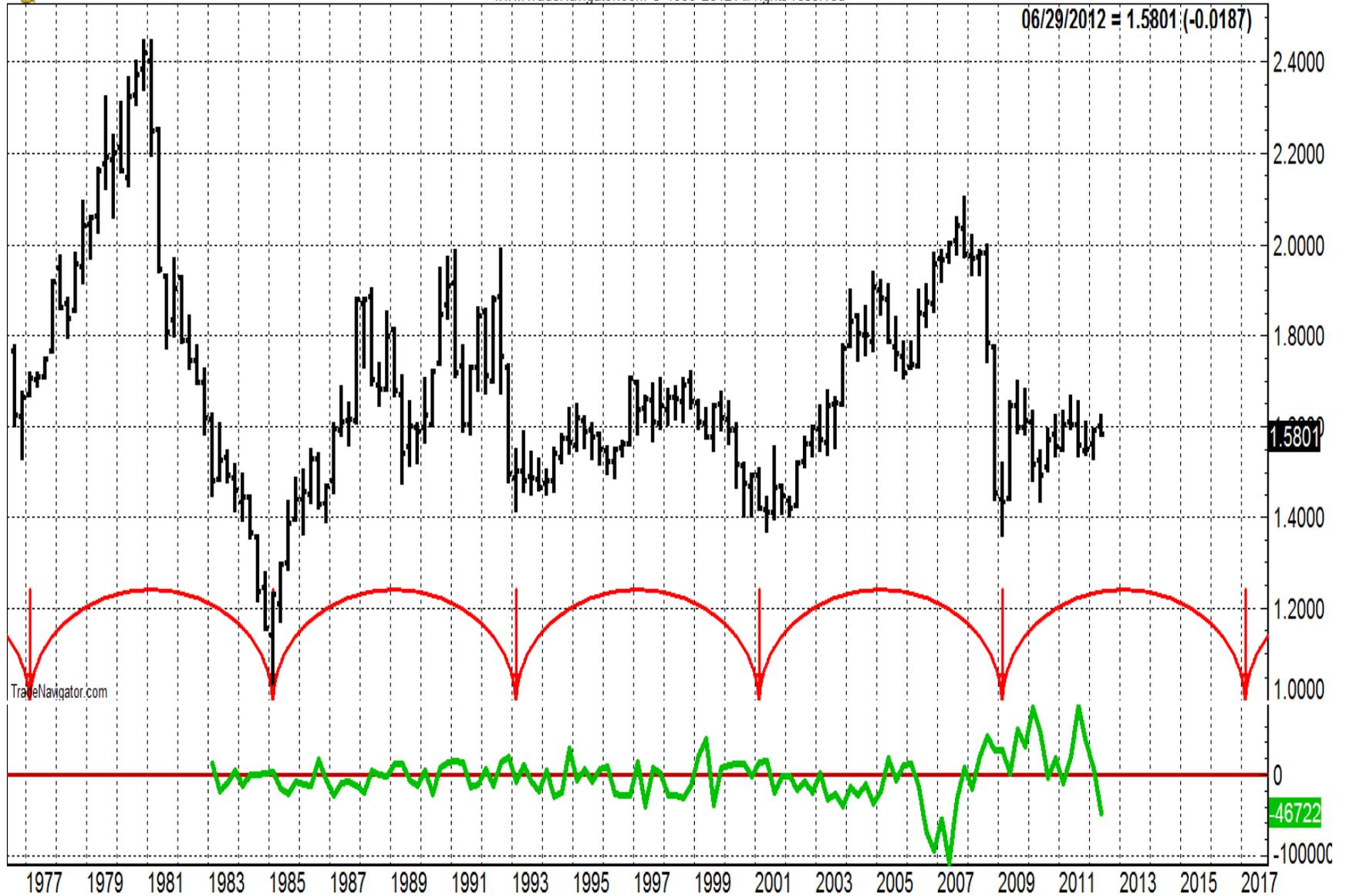
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### BP-055: British Pound (Pit) Cont 1st (Quarterly bars)

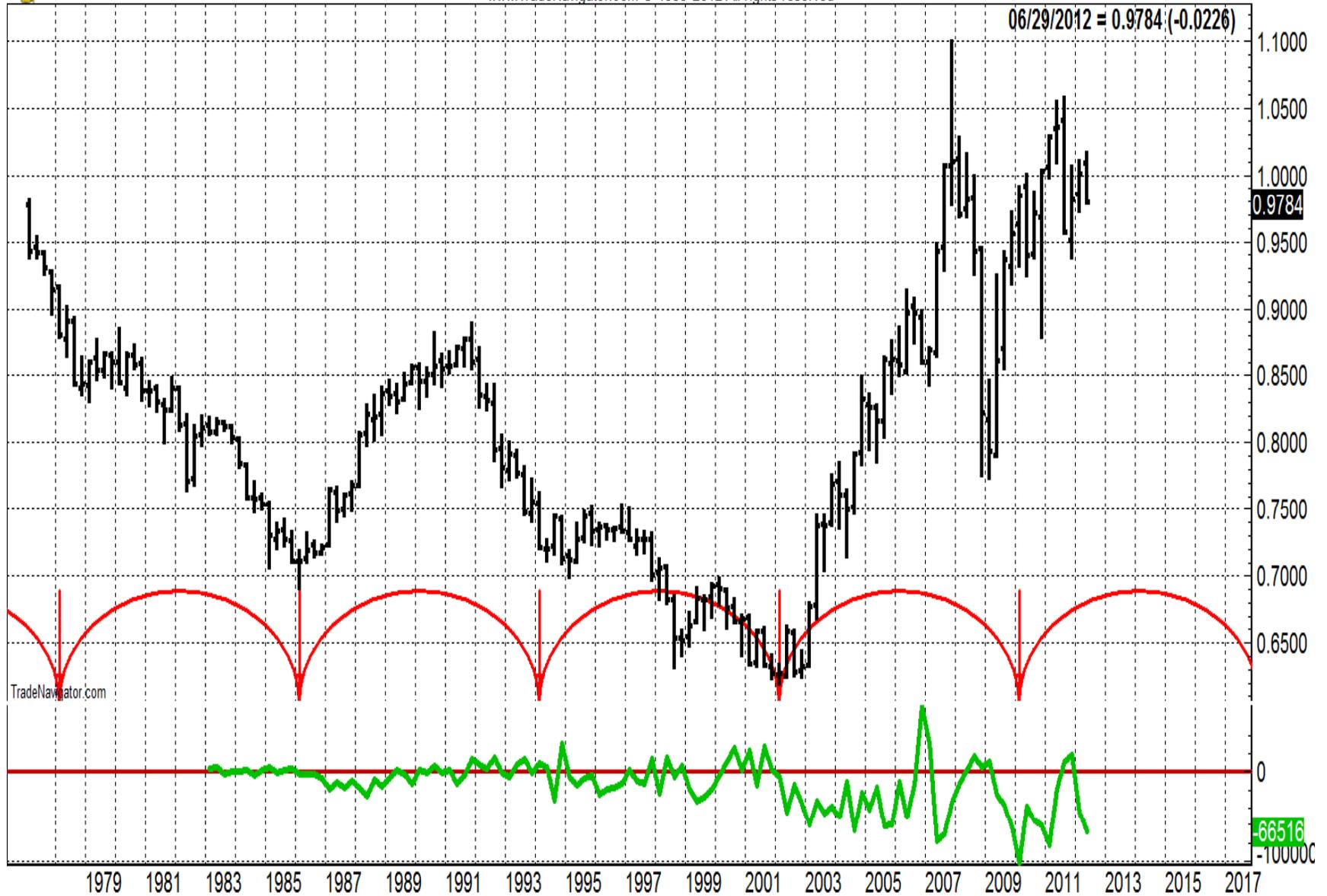
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# CD-055: Canadian \$ (Pit) Cont 1st (Quarterly bars)

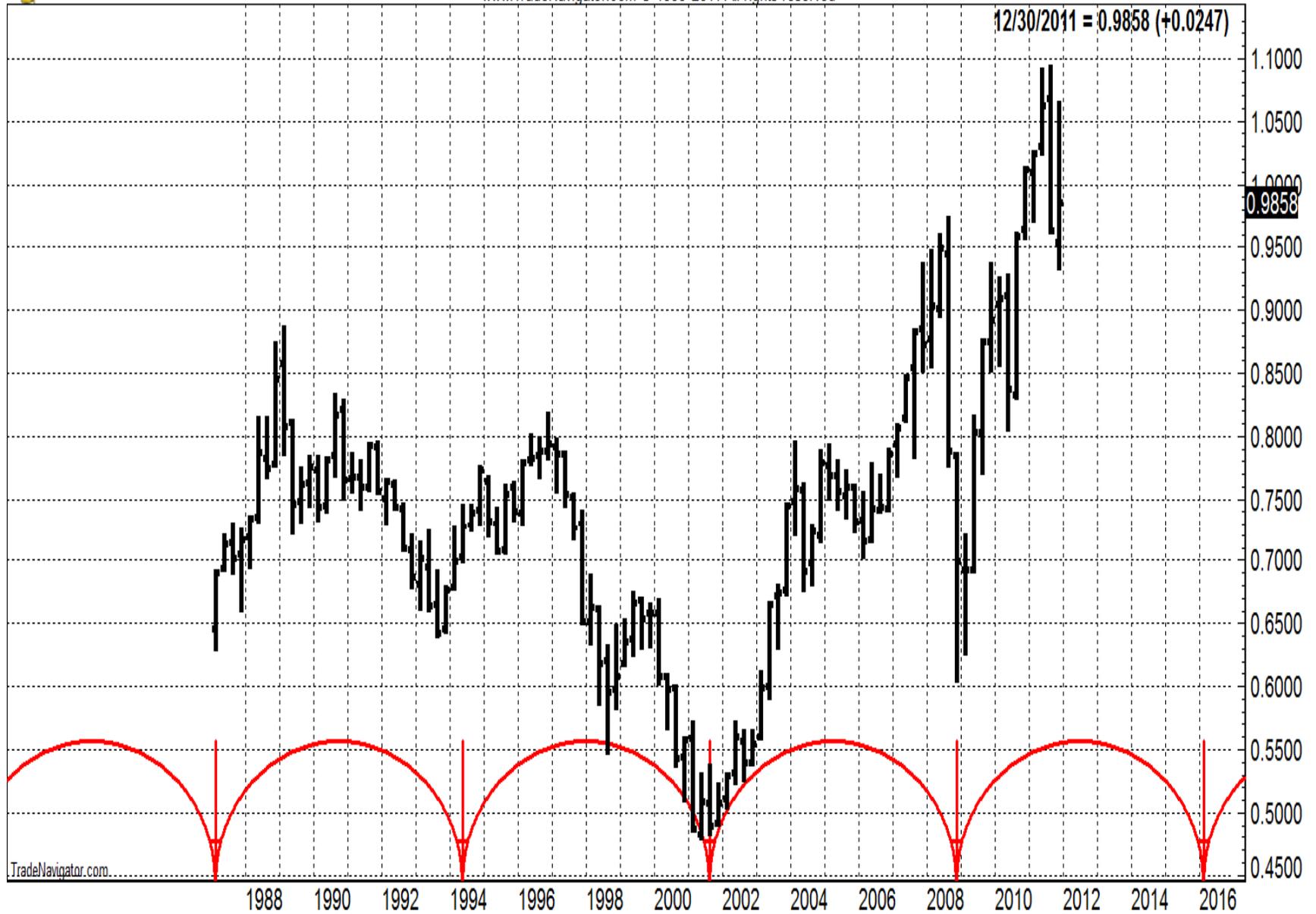
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### AD-055: Australian \$ (Pit) Cont 1st (Quarterly bars)

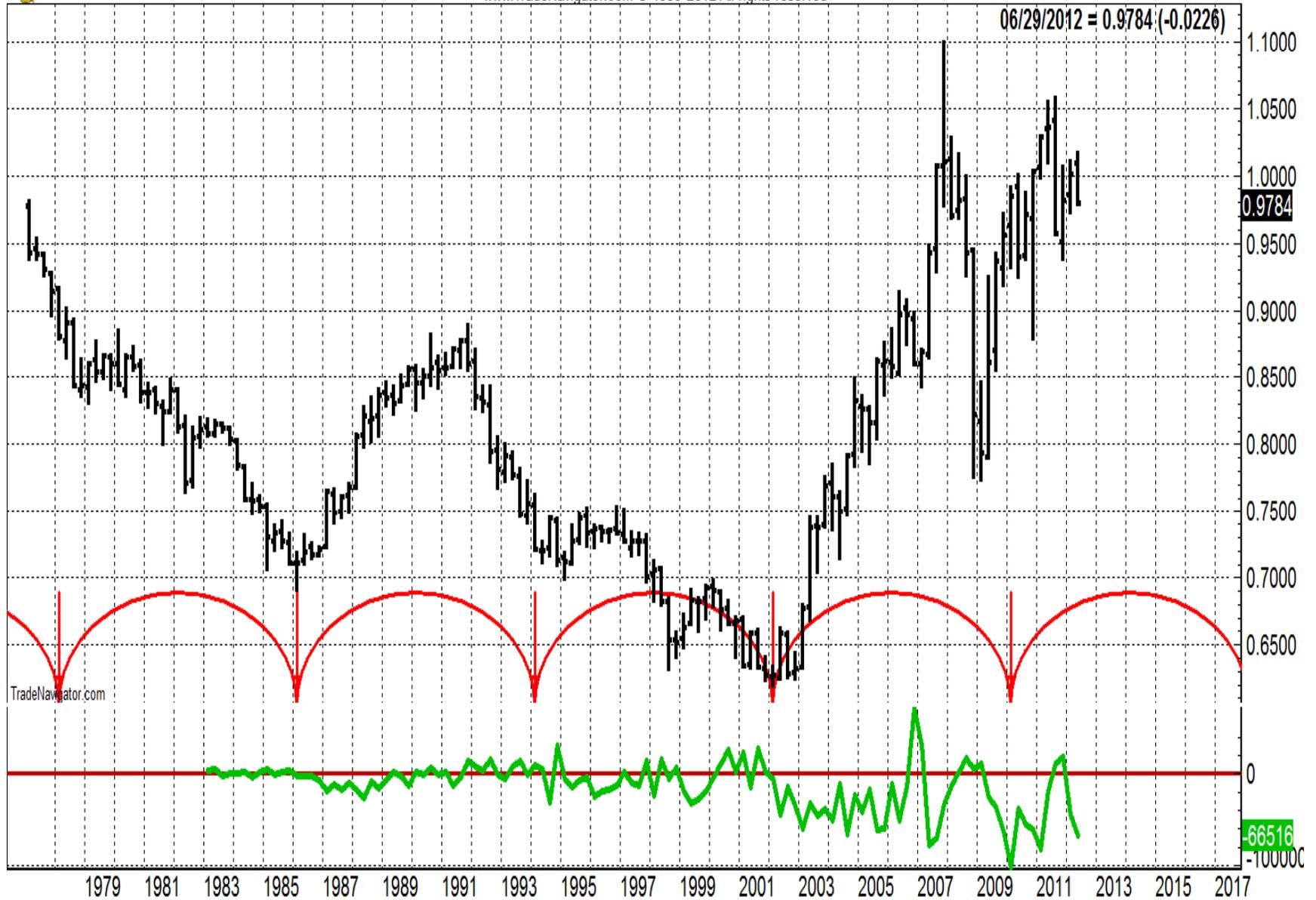
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# CD-055: Canadian \$ (Pit) Cont 1st (Quarterly bars)

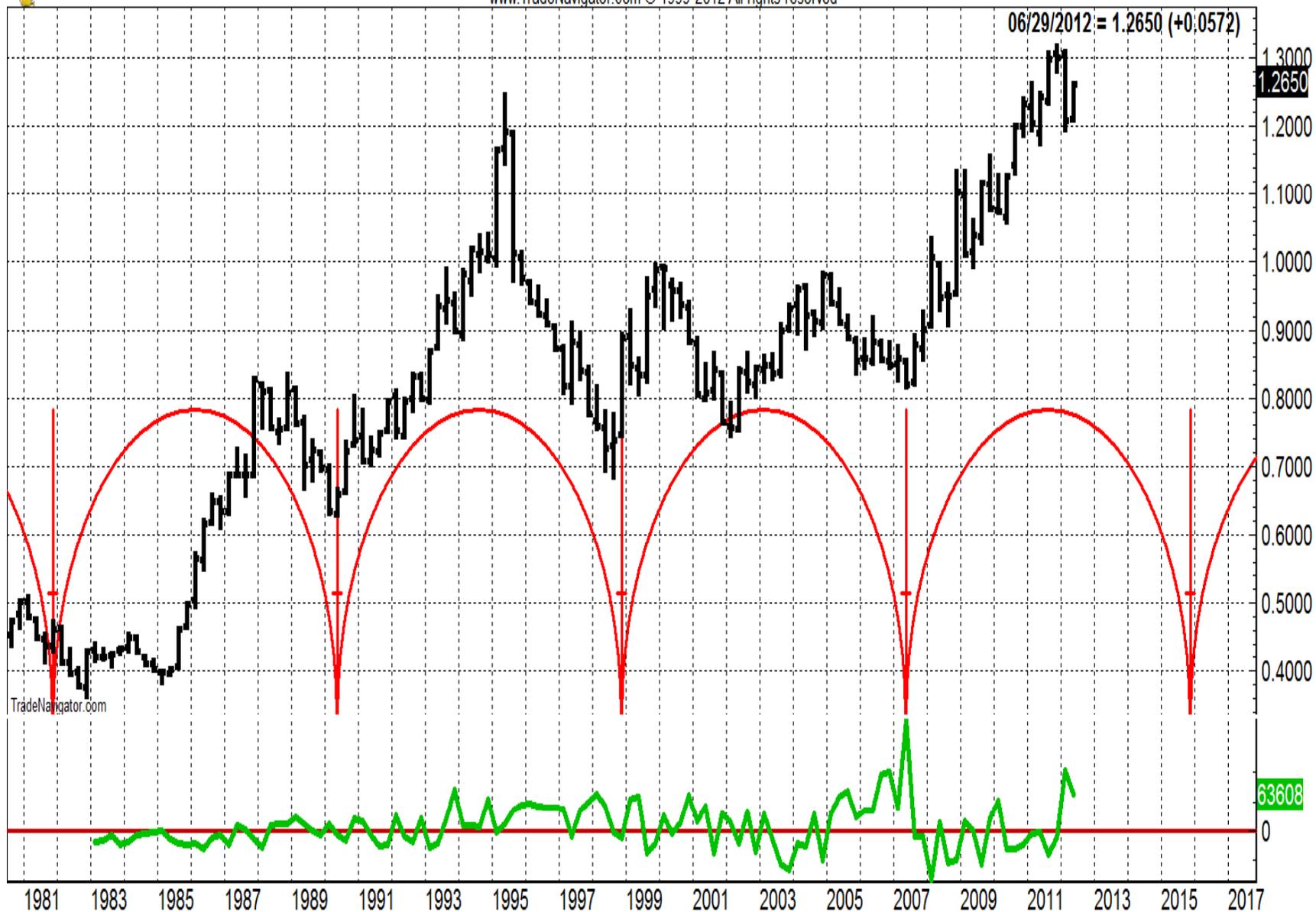
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### JY-055: Japanese Yen (Pit) Cont 1st (Quarterly bars)

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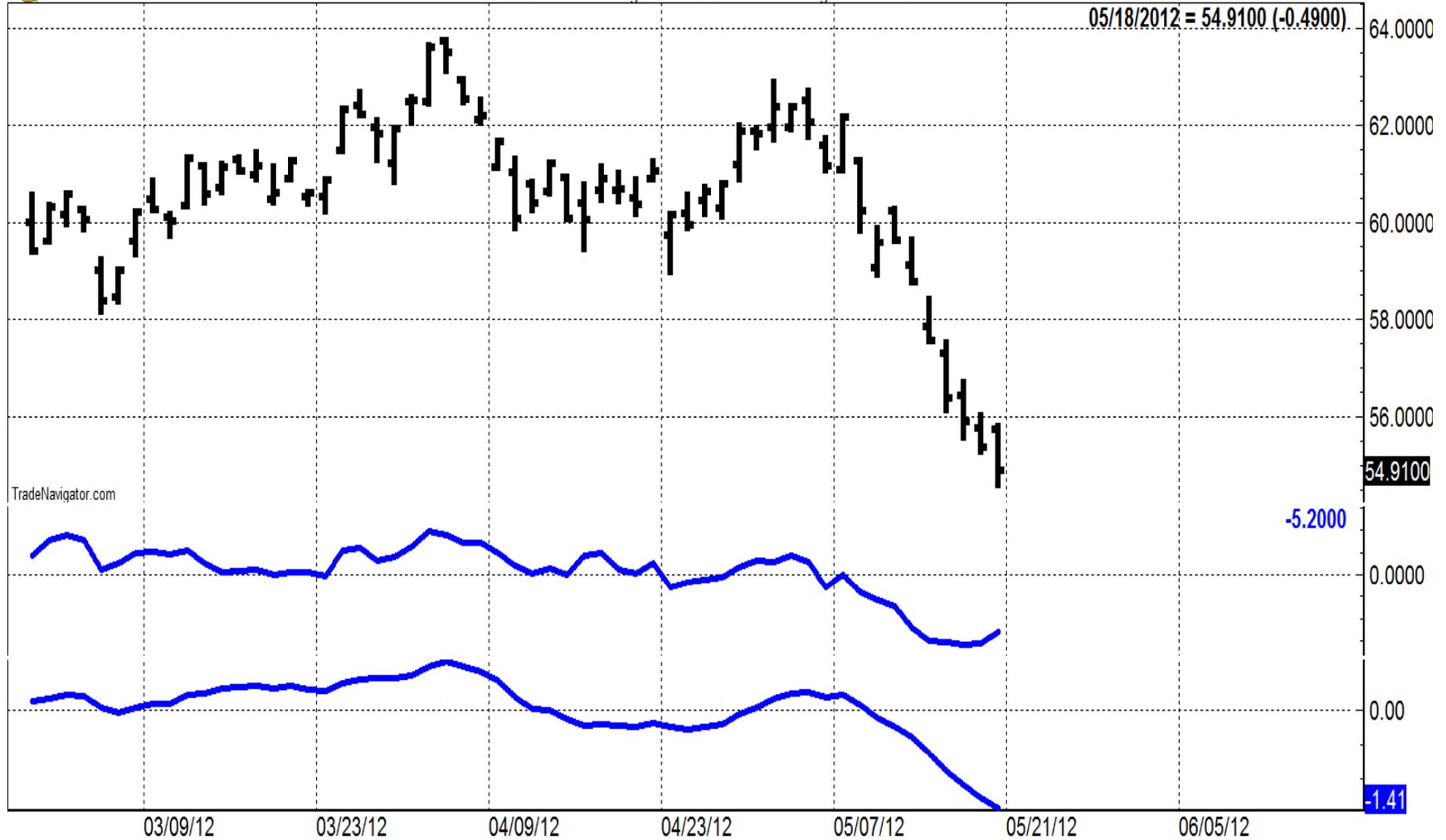


# EWV watch for MD trigger buy



EWV: iShares MSCI Mexico Investable (Daily bars)

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# \$DJIA: Dow Jones Industrials Index (Quarterly bars)

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12/31/1947 = 181.20 (+3.70)

400.00  
350.00  
300.00  
250.00  
200.00  
150.00  
100.00  
50.00



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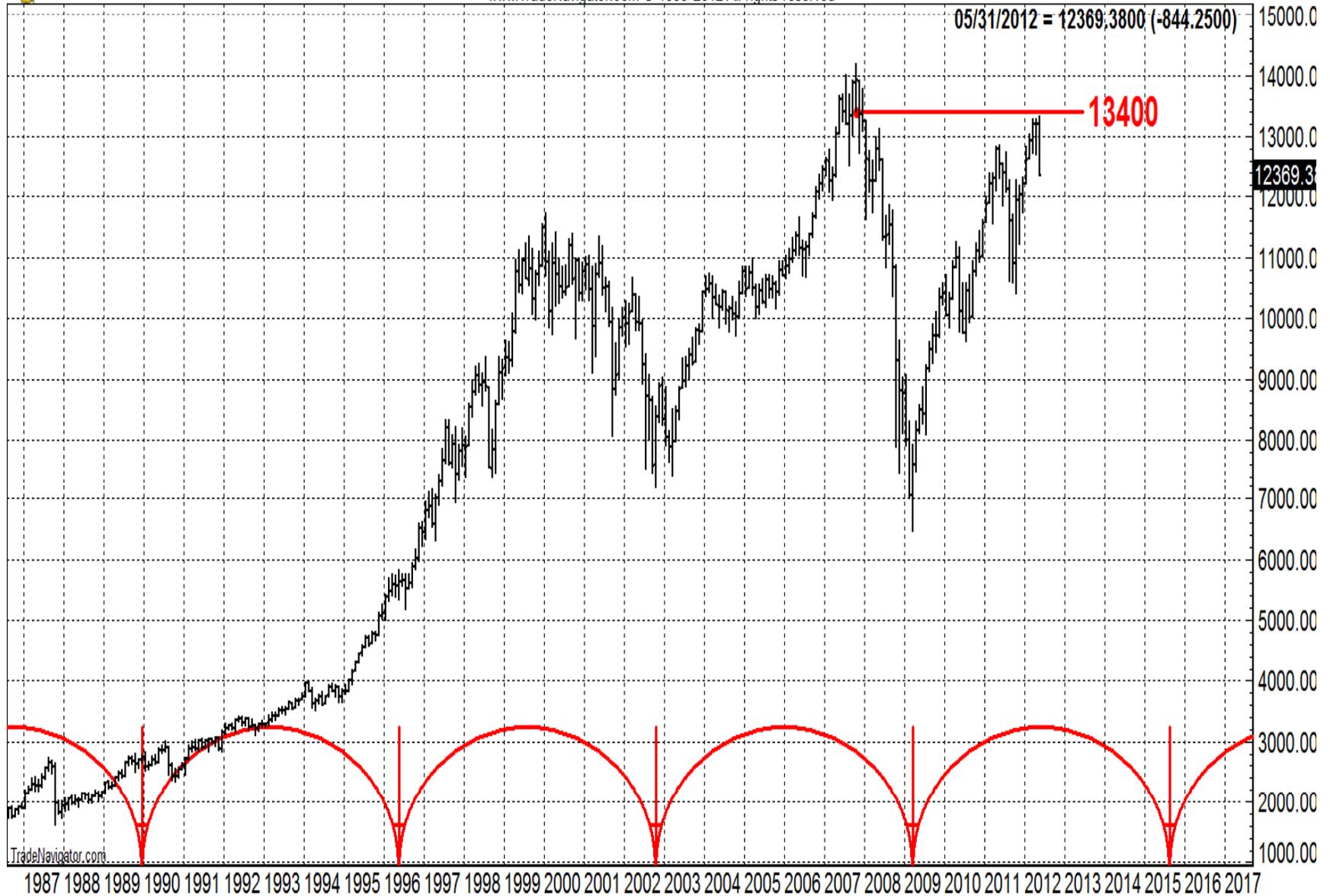
1907 1909 1911 1913 1915 1917 1919 1921 1923 1925 1927 1929 1931 1933 1935 1937 1939 1941 1943 1945 1947





# \$DJIA: Dow Jones Industrials Index (Monthly bars)

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# Status Report

- US dollar surges as predicted many months ago – what does it mean and why? Last decline was seen as a correction. STATUS?
- There were literally hundreds of outstanding buys as well as HIGH dividend plays and there still are
- This is an inflection point where panic meets opportunity and a transition occurs as strong hands take investments from weak hands
- This transition continues
- Is DEFLATION imminent or is INFLATION certain? I am more certain of inflation than ever before... why and what to do about it

# Comment on Current Pressing Issues

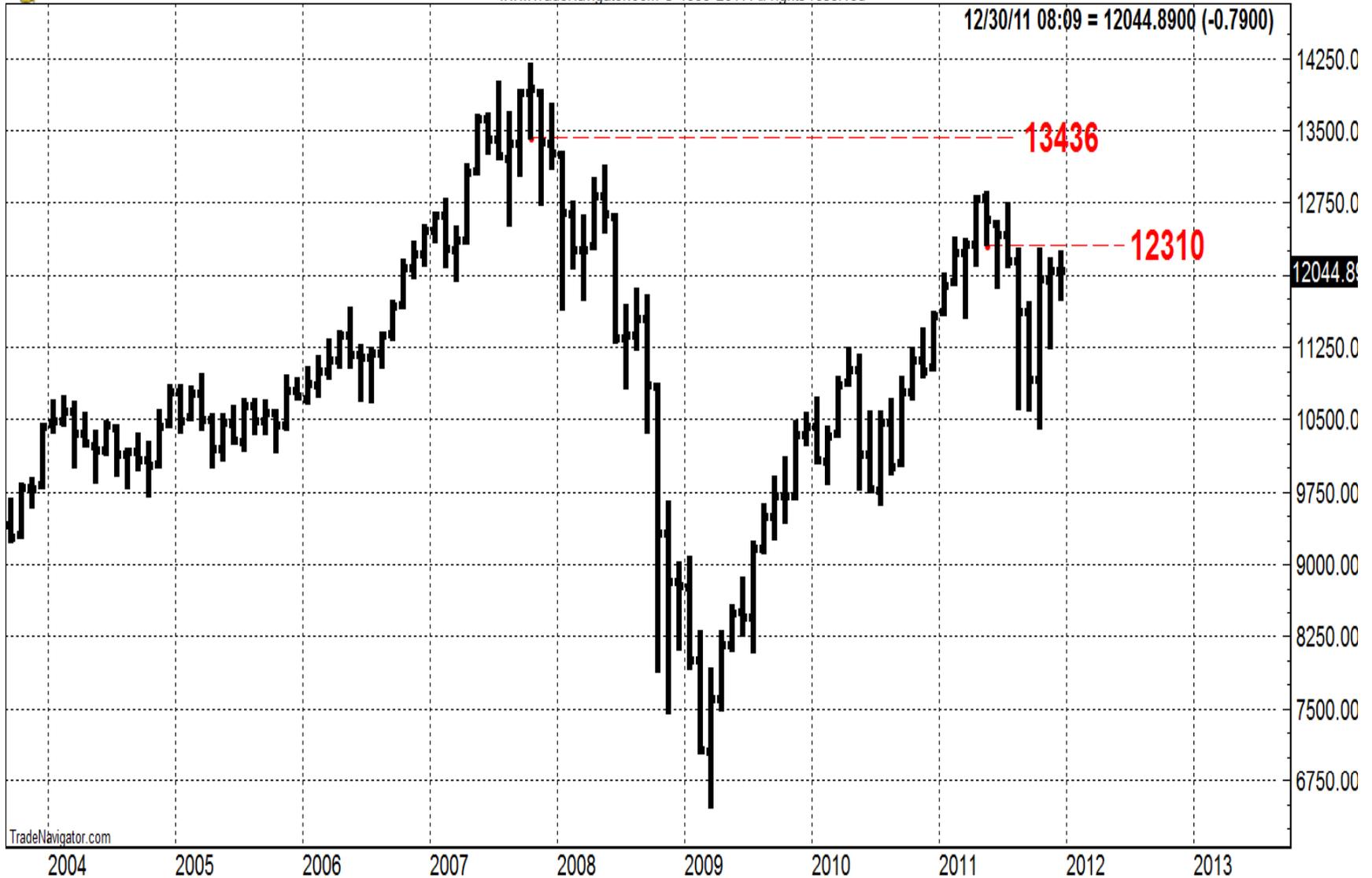
- US dollar strength: what's next? Correction is over – resistance hit – seasonal down
- European Union status and opportunity
- European bank stability: opportunities + timing (charts)
- “Collapse” in energy prices was seen as a buy
- Commodity price decline - where is support?
- Runaway bull market in gold – it is over? No
- Interest rate plunge – does it mean depression?
- Stock market HUGE YEAR END RALLY watch the January effect.
- My forecast was for all time stock highs in 2012. Status and WHY

# DJ Spike levels



\$DJIA: Dow Jones Industrial Index (Monthly bars)

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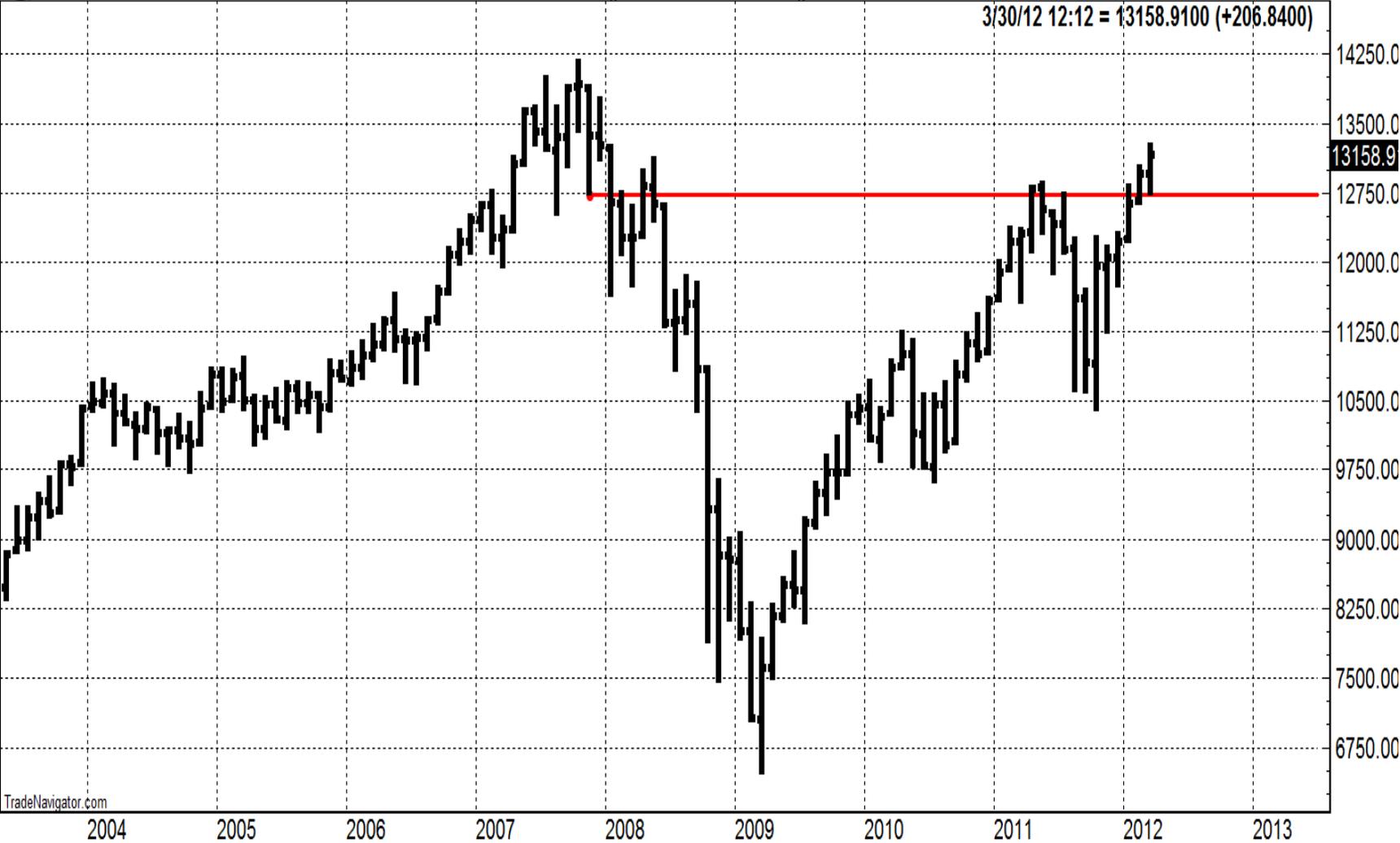
# Updating DJ Resistance



\$DJIA: Dow Jones Industrials Index (Monthly bars)

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3/30/12 12:12 = 13158.9100 (+206.8400)



# CONFLUENCE CONTINUES

- Secular low in real estate
- Secular low in interest rates
- Cycles in bullish or bottoming mode
- Crisis in Europe and USA ending
- It all adds up to generational opportunities

## Sectors I Like Now

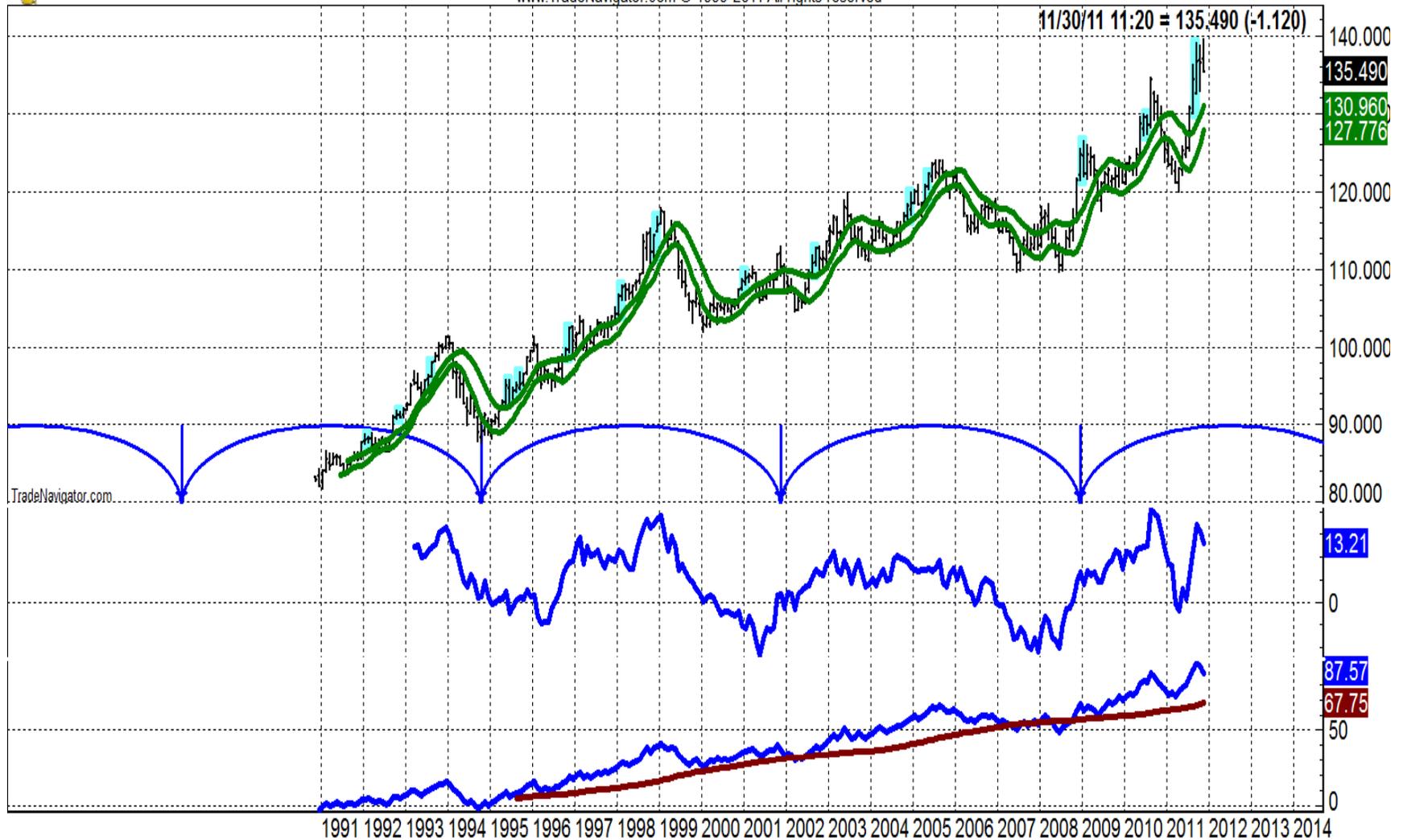
- Home builders on declines to daily/weekly support: PHM MTH KBH XHB RYL BZH
- Gas and/or oil: XOM ANAD COG OXY LNG COG SD KOG PDO
- Biotech (next slide)
- Commodity and related : NIB ADM ANDE BG AGRO MTW
- Dividend stocks: 4% or higher how to find them
- VZ A BMY PFE NLY many even better ones
- Coal: JRCC PCX
- Metals and mining
- Banks on declines to weekly / daily support
- Interest rate related: TBT
- Meats: cattle and hogs – caution – why?

# Interest Rates - Europe



EBI-055: German Bund EURX Cont 1st (Monthly bars)

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# Interest rates

- Generational lows across the board
- Real estate and % rate lows: double opportunity
- It's not an easy forecast to make and it's not a popular forecast but I believe it will be correct

## What the interest rate cycles mean

- Low rates for the next 1-2 years
- Fed forcing money to yield near zero to discourage saving and encourage spending and investing
- Where can you get yield these days?
- Growth: commodities
- This strongly suggests inflation and continued rallies / high prices in commodities and a rally in stocks

- Mentoring appointment interview
  - <http://www.comtrade1.com/letter/>
  - CHARTS: [www.trade-setup.com](http://www.trade-setup.com)
  
- I can be reached at:
  - 800-678-5253 or 831-430-0600
- Email me if you have questions:
  - [jake@trade-futures.com](mailto:jake@trade-futures.com)

Best of trading,  
Jake Bernstein