



What's New?

Feddern Financial Consulting Group Newsletter

November 5, 2009

KEYS TO THE BEGINNING OF A RECOVERY:

- 1. The Real Estate market must stabilize. If not reversing, at least not continuing to fall. *NEW HOUSING STARTS UP this past Spring and Summer because of seasonal factors but inventory still huge! The Nationwide COMMERCIAL COLLAPSE IS JUST BEGINNING!***
- 2. Unemployment must stabilize. If not reversing, at least not continuing to rise. Last report was lower! *IT'S ACTUALLY WORSE as a "%," Back to near 10% - BUT IT CONTINUES TO MOUNT @ OVER 500,000+ weekly.***
- 3. Corporate Earnings (profits) must stabilize. If not reversing, at least not continuing to fall. *SOME POSITIVE SIGNS but mainly in TECHNOLOGY.***
- 4. Banks must begin to make loans again (especially to small businesses and potential home owners...albeit under ancient premises of buyers being qualified and of all things, a down-payment! Lots of "hoopla" from the mega banks, but it appears that there's no real progress. They're "hoarding" any cash they can get their hands on. And now here comes the Regional problems compounded by PRIME loan and Alt-A resets!**
- 5. The DOLLAR has to decline. *It's started for REAL!***
- 6. Auto sales must stabilize at some NEW level. *Maybe started!***
- 7. The consumer must get "back in the game of consumin'" *NO WAY!***

ANALYSIS OF THE ABOVE: No Real Hope YET! -11/5/2009

The US' Answer to "Peak Oil"!

The U. S. Geological Service issued a report in April ('08) that only scientists and oil men knew was coming, but man was it big. It was a revised report (hadn't been updated since '95) on how much oil was in this area of the western 2/3 of North Dakota; western South Dakota; and extreme eastern Montana ... check THIS out:

The Bakken is the largest domestic oil discovery since Alaska's Prudhoe Bay, and has the potential to eliminate all American dependence on foreign oil. The

Energy Information Administration (EIA) estimates it at 503 billion barrels. Even if just 10% of the oil is recoverable... at \$107 a barrel, we're looking at a resource base worth more than \$5.3 trillion.

'When I first briefed legislators on this, you could practically see their jaws hit the floor. They had no idea' says Terry Johnson, the Montana Legislature's financial analyst.

'This sizable find is now the highest-producing onshore oil field found in the past 56 years' reports, The Pittsburgh Post Gazette. It's a formation known as the Williston Basin, but is more commonly referred to as the 'Bakken.' We've written about it in these FFCG Newsletters many times. And it stretches from Northern Montana, through North Dakota and into Canada .

For years, U. S. oil exploration has been considered a dead end. Even the 'Big Oil' companies gave up searching for major oil wells decades ago. However, a recent technological breakthrough has opened up the Bakken's massive reserves.... and we now have access of up to 500 billion barrels; and because this is light, sweet oil, those billions of barrels will cost Americans just \$16 PER BARREL!

That's enough crude to fully fuel the American economy for 2041 years straight.

And if THAT didn't throw you on the floor, then this next one should - because it's from TWO YEARS AGO!

**U. S. Oil Discovery- Largest Reserve in the World!
Stansberry Report Online - 4/20/2006**

Hidden 1,000 feet beneath the surface of the Rocky Mountains lies the largest untapped oil reserve in the world. It is more than 2 TRILLION barrels. On August 8, 2005 President Bush mandated its extraction. In three and a half years of high oil prices none has been extracted. With this mother load of oil why are we still fighting over off-shore drilling?

They reported this stunning news: We have more oil inside our borders, than all the other proven reserves on earth. Here are the official estimates:

- 8-times as much oil as Saudi Arabia**
- 18-times as much oil as Iraq**
- 21-times as much oil as Kuwait**
- 22-times as much oil as Iran**
- 500-times as much oil as Yemen**
- and it's all right here in the Western United States ..**

HOW can this BE? HOW can we NOT BE extracting this? Because the environmentalists and others have blocked all efforts to help America become independent of foreign oil! Again, we are letting a small group of people dictate our lives and our economy...WHY?

James Bartis, lead researcher with the study says we've got more oil in this very compact area than the entire Middle East -more than 2 TRILLION barrels untapped. That's more than all the proven oil reserves of crude oil in the world today, reports The Denver Post.

Don't think 'OPEC' will drop its price - even with this find? Think again! It's all about the competitive marketplace, - it has to. Think OPEC just might be funding the environmentalists?

<http://www.usgs.gov/newsroom/article.asp?ID=1911>

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All of our past Newsletters are available on our Website at:

www.federngroup.com

We continue to receive more and more inquiries about our Down-side Risk Management disciplines along with our group of recommended money managers. We appreciate your "referrals." It's the main way we continue to build our business.

Call us anytime: 502.442-0363 Direct 800/258-1502 Toll Free 502/442-0365 Fax 502/552-2049 Cell

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