



What's New?

December 7, 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 11% - AND IT CONTINUES TO MOUNT @ OVER 250,000+ 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! -12/7/2009

The Global Warming Swindle REVISITED

by Alexander Green, Chief Investment Strategist

Some day in the future, human beings will likely colonize Mars. But if we suggested you invest in its colonization now, you'd rightly think we were a few cards short of a full deck.

The same is true of much-ballyhooed “alternative energy” according to a recent report by Alexander Green, Chief Investment Strategist at Investment U. We will quote him extensively in this piece.

He begins by saying, someday, nano-engineered solar panels and T. Boone Pickins’ wind turbines may power the nation and the rest of the world. But it won’t be anytime soon. This is interesting: today, wind and solar combined make up just one-sixth of 1% of American energy consumption.

As for the Cassandras-type projectionists who insist we simply don’t have any choice but to look elsewhere and that our planet is running out of oil and natural gas... well, you may want to take it with a whole shaker full of salt.

Here’s why – and how we can play the current oil and natural gas investment situation...How to “Run Out of Oil” Multiple Times from Pulitzer Prize-winning columnist, George Will:

“In 1914, the Bureau of Mines said U.S. oil reserves would be exhausted by 1924. In 1939, the Interior Department said the world had 13 years worth of petroleum reserves.

In 1970, the world’s proven oil reserves were an estimated 612 billion barrels. By 2006, more than 767 billion barrels had been pumped and proven reserves were 1.2 trillion barrels. In 1977, Scold-in-Chief Jimmy Carter predicted that mankind ‘could use up all the proven reserves of oil in the entire world by the end of the next decade.’ Since then, the world has consumed three times more oil than was then in the world’s proven reserves.”

The world’s population is rapidly rising, of course. And so is discretionary income. Nearly 2 billion of the world’s 6.2 billion population don’t have electricity and have never flipped a light switch.

So surely that means nuclear power is likely to play a major role in meeting future energy demand? Well, we tend to doubt it, or at least question the new timetable.

Forget Nuclear? Certainly not, but it just won’t get there for a long time. The environmentalists need to take heart, that they are no longer “in charge.” Oil and Natural Gas will still rule the energy world for a long time to come.

Get this, by 2050, there will be more than 10 billion energy consumers worldwide. If nuclear power is to supply even 10% of our carbon-free energy, the world would have to build more than 50 large nuclear power plants a year. That translates into 2000 plants. Currently, five a year are being built. That translates into 200! The math is obvious, seems a bit short to us. At this rate, the proponents had better hurry!

Get use to it, our primary energy source for the rest of our lifetimes will be the same one that has dominated for the past 150 years: oil and gas. And now especially with the obvious expose concerning the conspiracy over “man-made” global warming...or now the newest phrase “climate change.” Those of you who have been with us on the pages and attending our various seminars have heard us expound ever since 2007 about our take on “The Global Warming Swindle.”

Despite all the naysayers and finger-waggers, oil and gas are not insurmountable problems at all. The world’s deep-water oil and natural gas reserves are significantly larger than was thought just a decade ago. And the key to the solution has been higher oil prices that have spurred the development of technologies for extracting them.

That means the cost of developing Canada’s oil sands, for example, are quickly declining. Projects that weren’t viable in the past now are, with oil over \$70 a barrel. And this price level is the key!

This should give you some real comfort (unless, of course unless you’re in the millionaire-global warming camp of Al Gore and other mis-informers.) Consider this: the natural gas U.S. known reserves – including the Marcellus Shale, – which contains more natural gas than the North Field in Qatar, the largest field ever discovered – exceed 100 years of supply at the current rate of consumption. And those reserves are sure to become larger.

In our opinion, we’ll let the speculators chase the high-risk venture capital investments in alternative energy sources. Oil and gas are here to stay. Bank on it.

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