

Addicted to Profits

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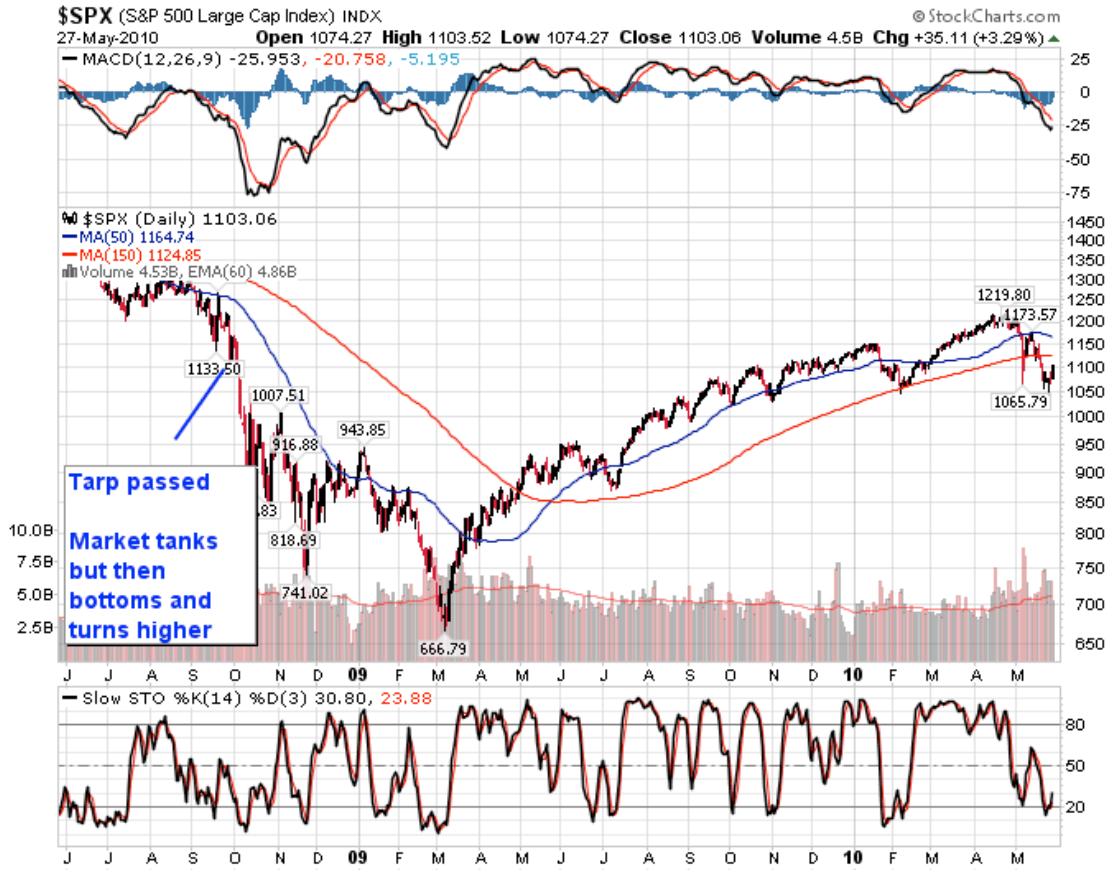
2008 in financial markets equals 2010 Crisis in the Euro?

History repeats itself or so they say. Not exactly but it rhymes. Right now, I see a lot of similarities to the Euro currency crisis to the financial crisis of 2008 in the United States.

The crisis slowly began to brew. The market began to drop in August and September 2008. Then in mid September, the credit markets seized up and Lehman went under. The U.S. government passed the financial bailout 700 billion dollar fund known as TARP. However, I am not going to get into the bailout details. I will focus more on what the market did during the bailout. After the announcement of the bailout, the market kept dropping for weeks. There was an initial bottom in October 2008, a secondary bottom in November 2008 and then the final bottom in March 2009. Basically the market kept dropping even though TARP did help to firm up financial balance sheets. Eventually the market did bottom (we should note that the monetary stimulus and the Fed taking on a lot of the bad assets is probably what really freed up capital) and then turned up.

However, the initial reaction to the bailout was very negative: the market tanked and the bailout was bashed etc... I am not getting into a philosophical debate about whether to let

companies fail or bail them out with public funds. However, we can say that all of the stimulus money did help the market turn the corner even if it was a temporary turn.



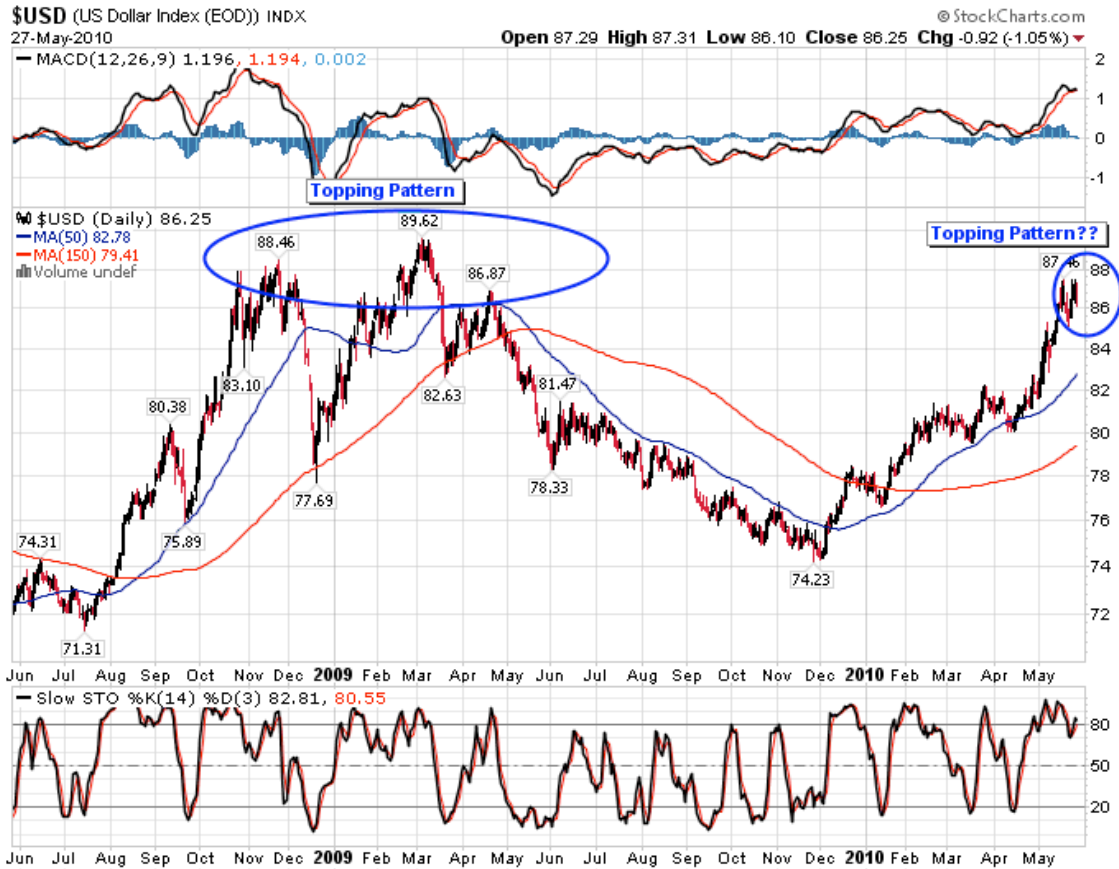


So now we have the Euro crisis. Greece is kind of like their Lehman. Remember, Lehman was a smaller firm nowhere near the size of Goldman Sachs or Meryl etc... The initial fear caused the Euro to quickly drop from \$1.51 last November to \$1.33. There was a bottom forming at around \$1.33 and the market again dropped quickly to \$1.26. The Europeans then put together the bailout for Greece, combined with an IMF bailout and put \$1 trillion behind the Euro. The Germans banned naked short selling. The initial reaction was extremely negative: the Euro saw a very quick bounce to \$1.30 (just like U.S. stocks rallied very quickly on the passage of the TARP Bill) but then tanked to \$1.22.



Just like in the fall of 2008 and early 2009 the sentiment is now horrible in Europe. Everyone is bearish on the Euro. At a recent CLSA conference they asked attendees if the Euro would be at \$1.24, \$1.00, \$0.83, zero or \$1.50 in the coming year. 97 percent of people responded \$1.24 or lower, with 51 percent saying \$1.00. So, (due to the perverse nature of the markets), if only 3 percent of people think something is going to go up, it usually goes up.

However, now we are in the liquidation panic mode just like the stock market was in 2008. The Europeans have come up with a solution you may not like it but it will probably put a buffer under the market in the intermediate term. However, people are in panic mode, just like they were in 2008 in stocks. So they are going to use any piece of news to sell that market. So they are selling the Euro.

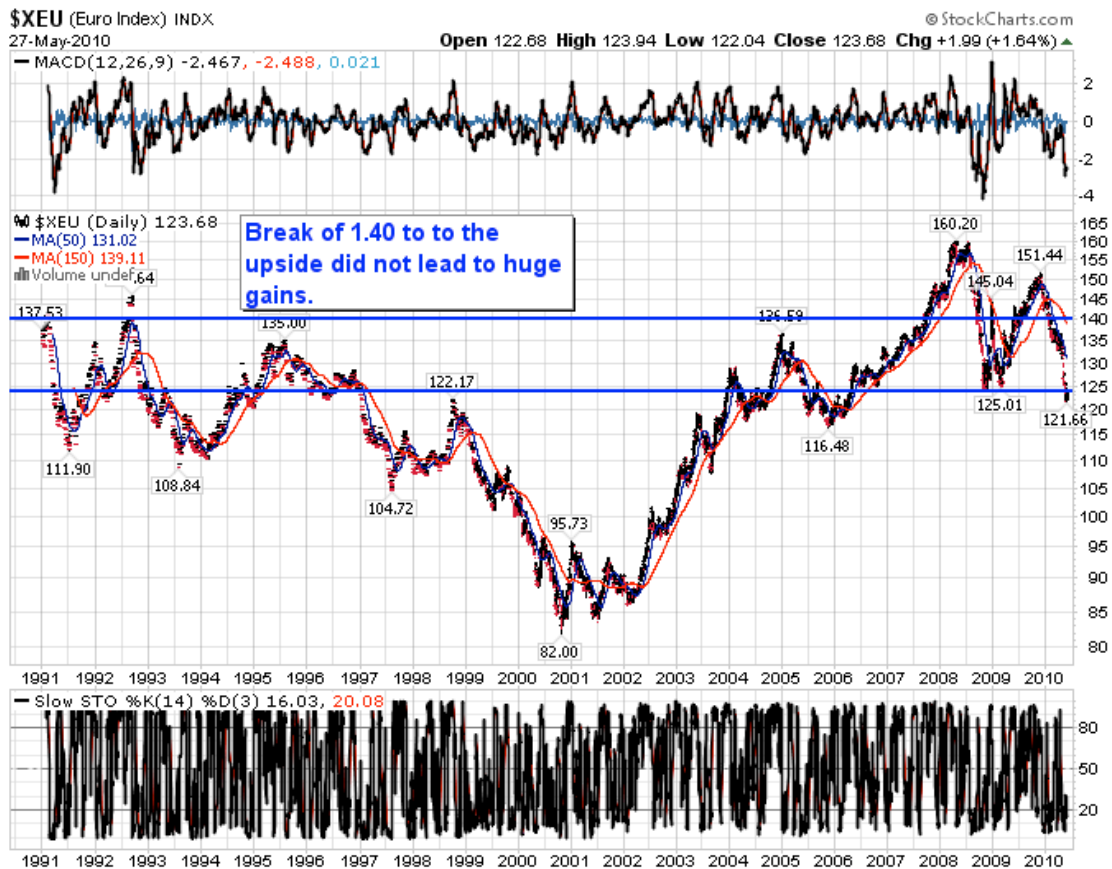


Then we get to currency trading. While there is a ton of speculation in stocks, currencies are under even worse pressures. Most currency and forex traders trade the squiggles. Nothing is based on fundamentals. It is all momentum and technical trading. Things always go further than you think because of this. For example, in the middle of last year when the U.S. dollar went from 88 to 78, I thought a rally would occur. However, the U.S. dollar kept falling to 74 as the momentum guys jumped on board.

When the Euro began to drop, I thought it could drop to \$1.35; when it went to \$1.33, I thought it was bottoming. However, there was another smash down to \$1.22. The momentum guys jumped on and pounded it. There is now a record short position on the Euro.

I have enclosed a 15 year chart of the Euro. This is the problem with trading just on technicals. As you can see, the Euro had some pretty good support around \$1.24. Now that \$1.24 has been breached, everyone is calling for \$1.00. However, the Euro did the exact same thing on the opposite side of the trade. The Euro hit \$1.40 in the early

nineties, and then again in the mid nineties. When it broke \$1.40 in 2007, everyone thought it was the start of a massive breakout. Well the Euro went .20 higher to \$1.60 but then topped and fell down. The same thing will happen on this breakdown. Everyone thinks the break below \$1.24 will cause a huge breakdown. Probably we will go to \$1.20, maybe \$1.15 at the bottom and then turn up.

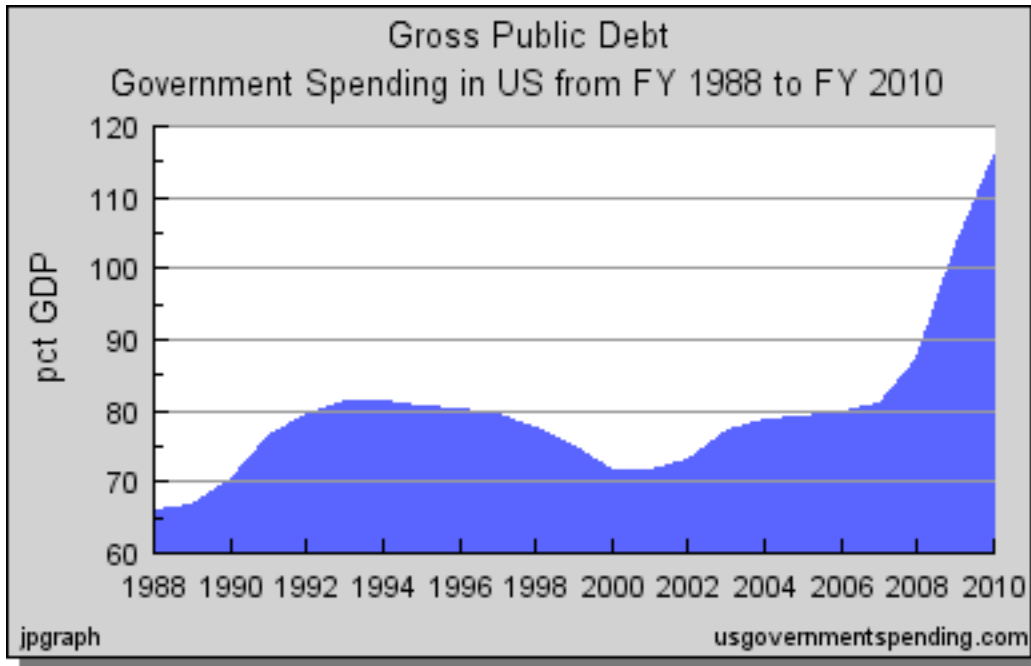


Also, we must remember that the Euro's low was \$0.83 back in 2001. Therefore, despite all this panic, it still nearly 50 percent above this low!

Just like the financial crisis in 2008, I think that what will stave off the debt crisis is not the one trillion dollar bailout money but rather that countries can basically sell debt to the European central bank. This is just like the Fed buying mortgage backed securities.

I do not like the Euro. It has many of the same problems as the U.S. economy: bad demographics, too much government, taxes and over regulation. Accordingly the U.S. has the SAME problems but with one disturbing and striking difference. At least the European nations are now starting to tackle their debt problems. Spain, Portugal, Greece,

Italy, England, you name them, are all talking about cutting debt and spending. There is ONE country in the world that is NOT – that country is the United States.



Source: www.usgovernmentspending.com

We must remember the big problem with this debt crisis is not so much the country. Countries can default and move on. Spain did it in the 19th century. Argentina has done it in the 20th.

In 2009, you could predict that countries like Greece and Spain would have problems in the near future. Similarly, you can now see what is going to cause the turn in the Euro and Dollar. In about 3, 6, 12 months time (I don't know exactly when) you will see Spain, Greece etc.. all of these places will cut their deficits. So then the tone will change towards the U.S. and the fact that the Americans are doing nothing to cut their deficits. Just like the Euro turned lower in the face of the Greece crisis, the Dollar will turn lower. However, this Euro-Dollar trade will hide the truth. The reality is that both are in bad shape and both are printing money like crazy to take care of their problems.

What you will see is that the Euro and Dollar will fluctuate in long term ranges against each other (probably this \$1.20 to \$1.60 range), while they will lose value against everything else. Both will drop against the Canadian Dollar, Indian Rupee, Brazilian real and Yuan longer term. This currency crisis in the world's two largest currencies (these two economies represent about 50 percent of global GDP) will lead to higher gold prices.





We must remember that the prevailing wisdom was that gold would go up and Dollar down. However, during this most recent decline the Dollar rallied and gold rallied. Why? Because the Euro decline was seen as a Euro Crisis! When there is a currency crisis, people run to gold. Therefore, I see very little downside in gold as we flip from the Euro crisis to the Dollar crisis.

Young Again Products, INC

Health Is Your REAL Wealth

Roger Mason
May 4th, 2010



Susie Buffett, Warren Buffett's wife, fell over dead of a stroke at the tender age of 72 and left 2.5 billion (that's with a "B") dollars to charity. The average white woman in America now generally lives to be at least 80 years (if she makes it to 40). Susie didn't, and she was literally a billionaire. That's concrete proof money doesn't buy health- or happiness. (It will buy freedom if you have enough character though.) Have you looked at Warren? He says his favorite meal is, "a good hamburger and a cherry Coke". He's on several medications, is overweight, out of shape, and has high cholesterol, high blood pressure, blood sugar problems and God-only-knows what other conditions he'd rather not talk about. It's

obvious his mental capacity has fallen badly since his investments have been failing for years now. Old Warren is senile. The same is true of Donald Trump (his favorite meal is filet mignon), George Soros, Bill Gates, and the rest of the mega-rich crowd

So many people somehow equate money, health insurance, and lots of expensive medical care with good health. This is obviously not correct at all. People like Susie and Warren prove this in the real world. She had the best medical care money can buy, and still fell over dead prematurely. Susie ate lots of fat and sugar, took toxic pharmaceutical drugs, was overweight, didn't get the exercise she needed, had a poor quality of life, a short life, and premature death.

MONEY DOESN'T BUY HEALTH! Isn't that obvious? Americans are the most affluent people on earth, with the highest material standard of living. We buy the most health insurance, too. We are the most obese, unhealthiest people of all, and generally have the highest rates of any disease or condition you can name. (Europeans have two-thirds the standard of living we do even in Germany, Sweden, and Switzerland, and simply can't afford to overeat like we do.)

Your author has no health insurance, as it would be an almost total waste of money. We "insure" our health by eating whole, healthy foods, taking proven supplements, balancing our natural hormones, getting daily exercise, avoiding Rx drugs, walking three miles a day, fasting every week, and limiting any bad habits. That is REAL world health insurance folks. Health insurance is a waste of money folks. An ounce of prevention is worth ten pounds of cure here. Read the article Don't Buy Health Insurance

Have you noticed that no one is ever happy with their medical plan, no matter how much they pay for it? Have you once ever heard anyone say what a good medical plan they had? Quite the contrary. You no longer have a choice of doctors, and you are limited by endless rules and regulations to the point you just never get what you want. Nothing is free in this world but air and sunshine- and the air is polluted. Health insurance is a waste of money. Your diet and lifestyle should be your health insurance.

The worst thing is depending on the government for your medical care. The government should not be in the Medicare or Medicaid business at all for any reason. You get a dime back for every dollar you spend with the government. All of these socialistic programs are pyramid schemes which eventually go broke. Back to wanting something for nothing from the government. Social Insecurity was broke decades ago. National Health Care is the ultimate in bad health care and countries around the world prove that.

Does anyone stop to realize that when the company you work for offers you a subsidized health plan that this really cuts your

salary severely? You get less salary, and you still end up paying for the "free" plan. If you pay, say, \$200 a month for your company health plan, and your boss pays the other \$200, that really means \$400 a month is coming out of your salary. It doesn't grow on trees folks. Nothing is free in this world, no matter what the politicians promise you. Believe it or not, you have to earn what you get in life. That's the last thing most people want to hear. Anyone under 40 are proven to lose money on any health care insurance overall.

Natural, unrefined whole foods cost no more than refined chemicalized foods. Exercise costs nothing, especially walking. Eat two meals a day, not three. You can take the 20 basic supplements recommended in my books if you're over the age of 40 (plus the hormones you need- except GH) for about \$100 a month. Fasting one day a week actually *saves you money*. Fasting two days a month on the [Young Again International Fast](#) saves you even more.

If you have a medical plan of some kind please look at the true cost you're paying and consider dumping it. **You don't need health insurance.** Pay for any medical attention you need and you'll be better off. Nothing is free. Eat two healthy meals a day, put \$100 a month into supplements and hormones, get regular exercise, don't take Rx drugs, fast regularly, limit your sins, and put the rest of the money in the bank or increase your lifestyle. An ounce of prevention is worth ten pounds of cure here. *Read the article Seven Steps to Natural Health.*

Do NOT buy the HSUS humane society stamps the post office is selling. The Humane Society of the United States is a scam. Donate your money to a local animal shelter you like. Google "HSUS stamp scam" for proof of this.

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