

Market Thoughts

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“It is not the certainties that make life interesting; it’s the uncertainties. There are known knows. These things we know that we know. There are known unknowns. That is to say, there are things we know that we don’t know. But there are also unknown unknowns – the things we don’t know we don’t know.”

Donald Rumsfeld, NATO Conference 2002

Looking Backwards

The Debt Crisis of 2008 is not solved or resolved

As households de-leverage government over leverages to compensate

Jobs and Unemployment in structural crisis

Geometric rise in complexity now gives negative returns on new debt

Triffin's Dilemma has run it's logical course

QE 1 Did not work

QE 2 Will not work

The Currency War

\$USD (US Dollar Index (EOD)) INDX

29-Oct-2010

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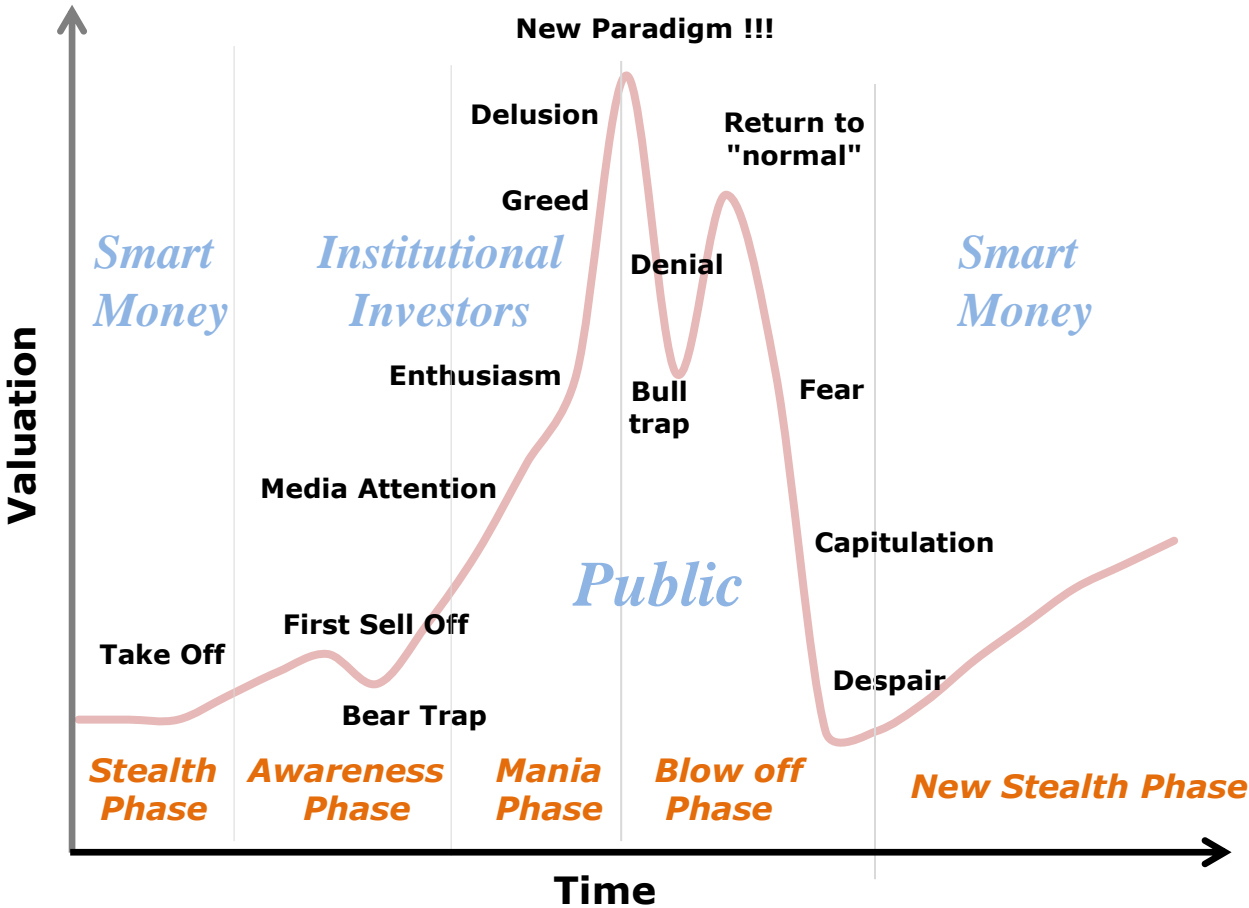
Open 78.09 High 78.78 Low 76.14 Close 77.04 Chg -1.68 (-2.14%)



The Currency War

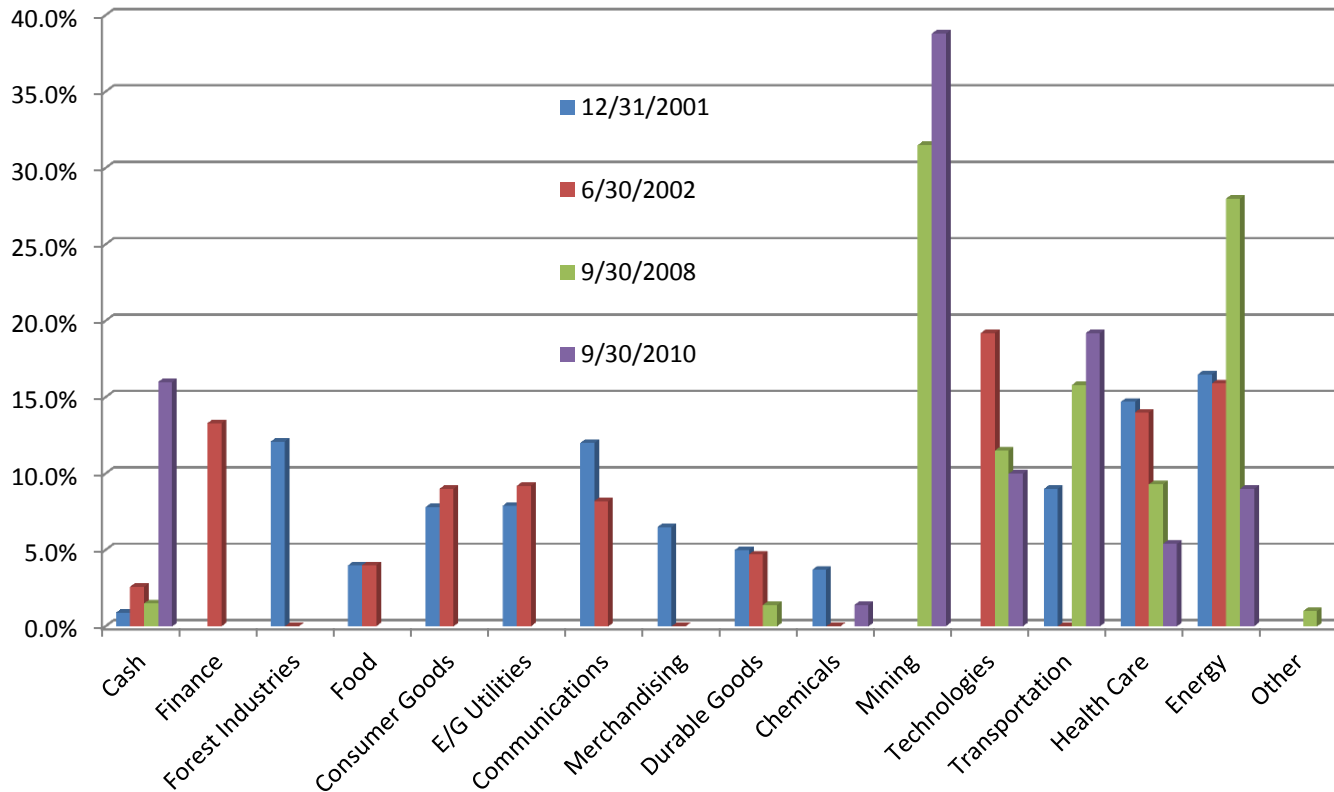


Will There Be Gold Mania?



Your Asset Allocation

THE CIRI FOUNDATION



HUI The Large Cap Gold Stock Index



Gold Stocks Lag Gold Price Appreciation



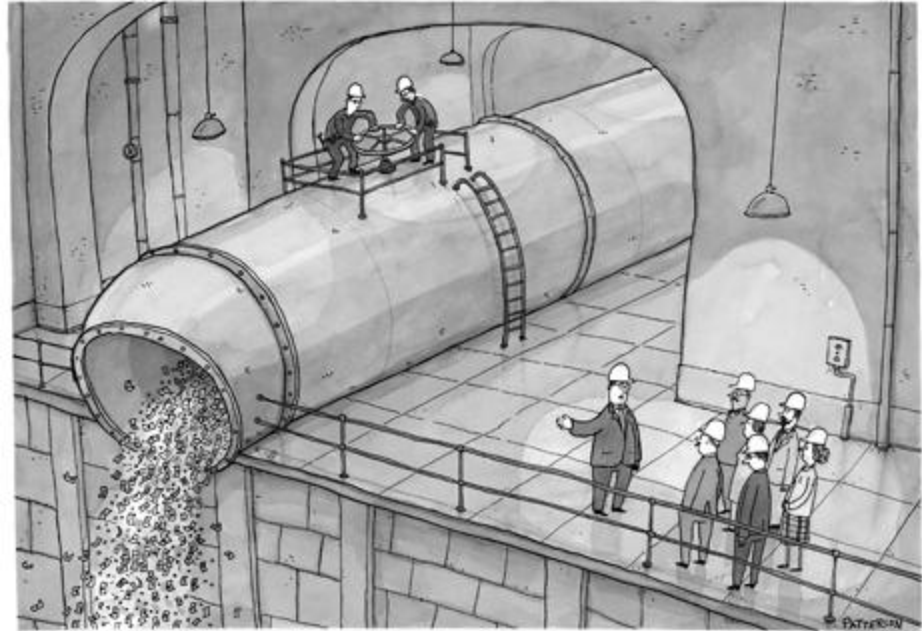
Looking Forward

Fed money creation is not creating jobs or new bank lending. New money is flowing overseas creating currency chaos.

Foreign Central Banks are buying US Treasuries to prop us \$US. Only beneficiaries are Fx desks of major banks.

Pressing the Chinese to revalue the Yuan will help only Wall Street currency speculators and hurt everyone else.

The world's monetary system is in the process of melting down. The transition to the next monetary regime will be in all likelihood volatile and non-linear. While the \$US will continue to be the major transaction currency, it is fast losing its value as a storehouse of wealth.



"And this is where we adjust the interest rate."