

Precious Metals & Equities: Turning Points, Accelerations



October 1, 2011

YEN

As can be seen from the **1-year charts of the Yen and Dollar on pages 14 and 15**, respectively, the Japanese currency has been scraping along its bottom, while the Dollar has broken out on an intermediate term basis, after having tested neckline support at 76.

It is noteworthy that the FXV (Yen ETF), as well as the futures rallied to levels 4-5 points above the March peak, even though the cash market has just been scraping along its bottom all year without confirming.

When the Yen breaks out for real, it will have done so in style.

As regards the Dollar being a safe haven, well, just how stupid are people, anyway?

S&P just downgraded US debt, but it's a safe haven? Really? Those guys only want 2% to hold paper not backed by gold?

I'll contentedly stick to my view that SOMEWHERE over the next 18 months, the precious metals will have made new highs, despite lower lows in the stock market.

Please scroll to P.14.



The Dollar chart (next page) clearly reflects neckline support at 76, along with a 200-day moving average that is *bowling* and trying to turn positive (in much the same way that the Dow's 200-day moving average is rolling over and trying to point downward from 12,000).

Please scroll down to next page.



ASSET ALLOCATION

No change. As a percent of all liquid wealth, the best overall mix remains:

50% gold
 25% Swiss Franc
 25% Dollar

My reports have, since 2001, enjoyed the best risk adjusted asset allocation mixes that I am aware of anywhere, while requiring the fewest shifts in those allocations. The returns have been spectacular, while assuming little risk.

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