

The Sid Klein Comment
1001 BOUL. DE MAISONNEUVE O., BUREAU 950, MONTREAL, CANADA H3A 3C8
TEL: (514) 939-2221 FAX: (309) 417-0942
e-mail: sidklein@sidklein.com
www.sidklein.com

Shanghai, Nikkei, Dow Jones, Precious Metals Explosions in 2009



December 7, 2008

US DOLLAR

It has been a banner year for forecasting the Yen, wherein SKC has identified 20% moves on more than one occasion. This included a sizeable intervening 15% rally. And now, the Yen is ending the year on a high note. The 10-year weekly and 2-year daily Dollar/Yen charts follow on page 13.

Please scroll down.



I recommend that hedge managers read the following excerpt from the **September 7, 2008** report carefully. It discussed the “down and dirty trade” that indeed followed, as well as the intra-Asia play that is unfolding now:

“In any event, compelling research has indicated that the Korean market and currency are desperately dependent on the Fannie and Freddie bailouts that are unfolding, due to Korea’s insanely overweight positions in their securities; I wish to do more of my own work on this.

“This much I can say for now: Firstly, the daily AND weekly moving averages converge just over 1000, leaving room for a down and dirty trade right now, by going long the Won.

“Without getting into it this month, we may be approaching a special Japan/Korea trade. It has been on my mind as a play for a while, and the circumstances now seem to be unfolding.”

This spectacular rise in the Korean Won is coming to an end and this spells all manner of opportunity, directly and indirectly related to the currency.



The 10-year weekly and 2-year daily Dollar Index charts follow on page 15. There is a slight divergence in the weekly stochastic, having turned negative too.



The rally in the Dollar index, which is above, is coming to an end very soon. The theme to always remember is that the Empire has a vested interest in trashing its currency, due to "trade agreements" and the effects of foreign property ownership on the rulers' balance sheets.

Never fight the authorities. The currency is trash. Gold is king.

ASSET ALLOCATION

There is no change from the November 9, 2008 monthly report.

Sid Klein

LEGAL NOTICE: This market letter is the work product and intellectual property of Mr. Sidney Klein. It arises out of his training and profession as an international expert on financial equities. It is a private correspondence from Mr. Klein to his subscribers. Any person who copies or otherwise disseminates this letter becomes subject to international criminal and/or civil prosecution under the Universal Copyright Convention and the Berne Convention for the Protection of Literary and Artistic Works. Nearly all countries in the world have signed both of these Conventions and have pledged to enforce them through their own legal systems. In addition, Interpol may be called upon to assist in the international enforcement of these Conventions through its processes of arrest and extradition. If you are the *recipient* of a copy of this market letter, whether through the internet or by facsimile, you should immediately report to Mr. Klein the name of the person or entity who sent it to you. Send your email to sidklein@sidklein.com.

DISCLAIMER: This market letter is intended to assist in the dissemination of information to private subscribers. The information contained herein represents Mr. Klein's best efforts in good faith to advance knowledge to his clientele, but there can be no implied guarantee as to its accuracy or completeness. The information is given as of the date appearing on this market letter, and Mr. Klein assumes no obligation to update the information or advise on further developments relating to the information provided herein. No solicitation to buy or sell securities is intended, and none should be inferred. Investments are inherently risky, but investment risk itself is a function of individual preferences. Thus any opinions, recommendations, or judgments expressed in this market letter are of necessity abstract and general. They must be modified, accepted, or rejected by individual subscriber/investors whose risk averseness cannot be known to Mr. Klein.