

2009 ACCELERATIONS



January 27, 2009

NIKKEI

The forecasted pre-inauguration "pull in the wrong direction" (down) was unfolding, as reported on the 15th of this month. Domestics are buyers for the first time in ages, while the foreigner is nowhere. The Yen explains it all. Today's almost 400-point lift off may be the signal that the countertrend blast-off of a few thousand points may have begun.

Maybe. Maybe not. But either way, as so often reported, the other Japanese indices have been accelerating since 15 months against major world indices, including the Nikkei....and especially in Yen terms! So this take-off would be a grand accelerant.

DOW

"In the most recent reports, I have written that the 2009 bull moves approach, with an all-likely pull in the opposite direction, pre-inauguration of the new US president.

"Call it bear-concluding movements or fake-outs or whatever you like, but I seem to have been well-reasoned in postulating that the world's greatest insider traders would milk this bailout thing for all that they could, just as they always do with major news that "they" get to write."

The above excerpt from the [January 15, 2009](#) interim report says it all, as I wish to reiterate that a multi-thousand point countertrend 2009 intermediate term bull move gets underway at any time. Take advantage of it. I can't maintain perfection forever.

Don't worry about arrogance. As long as I'm not in the media, it's all good.

VIX:

From the January 11, 2009 interim report:

"The VIX closed under 40 and we are therefore out of our position, with the all but promised windfall gains, as we were short from 75. A true "gimme." It is possible that a spike lower in the market, albeit to a higher low, could provide us with another shorting opportunity, as theorized in the yearend report."

Yes, the VIX rallied toward 60 and provided another shorting opportunity as anticipated, but I abstained, only because I use the indicator as just that – an indicator, not a trading vehicle.

A "gimme", by definition, is just not something that one is allowed to pass up, though. So, we shorted it in the 75 – 80 range and closed out the position on the first close under 40, representing a [100%](#) return on capital.

The action – or relative inaction on certain down days – is entirely consistent with the approaching rally. It's a feel-good period. Kick back. It's Obama time. Drift away, and feel the summer breeze.

GOLD

From the January 15, 2008 letter (gold: \$818):

"Our exit from a full 100% position in gold came around \$950, and I advised traders and wealth managers a bit differently. So, one might be 50% invested (those using gold to invest half of all liquid wealth), or one might not be invested at all if one is a trader.

"One should now (in the morning) be 100% long. If gold goes to \$750, who cares? It will not matter at \$3000. More importantly, better cautious."

And "better cautious" meant, "own it...the world of politicians and bankers is freaky, and their well-thought-out and long-since planned motives cannot be trusted or even understood by the non-demonic (what does this say about me?).

SILVER

We're 200% long silver from \$9.21. As I wrote at the bottom of the respective markets, the VIX and silver trades will have been "gimme's." However, this isn't a trade. This a long term investment that "you can take to the bank." You may need to when you find your Deutschemarks worth barely more than the paper they were printed on.

ASSET ALLOCATION

- Gold: 50%*
- Swiss Franc: 25%
- Yen: 25%

* - As always, 50% gold may also be 40% gold + 10% silver. However, with a 200% silver position, this translates into 40% gold + 20% silver.

2009 HEDGE PLAYS

Japan, New York, precious metals, currencies and, by the way, long term treasuries (US, England) have all made their forecasted reversals of fortune against other indices or asset classes, as the case may be.

Those so prepared are invested at key lows, preparing to print profits, as the **2009 Accelerations** perhaps get underway imminently, in earnest.

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