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T-Minus 36 Hours for Greece

We'll address Europe later in this issue. First I want to focus on a seismic shift in Fed policy that has kicked off the next round of deflation.

For months, stock bulls have been spreading rumors that QE 3 was just around the corner. This started as far back as July 2011 soon after QE 2 ended.

Since that time, every Fed FOMC meeting and every Fed announcement was scanned with an eye for something, *anything* that would indicate the Fed was about to launch QE 3.

However, for those of us who took an unbiased look at the Fed's public statements, it was clear as far back as May 2011 that the Fed was not only aware of the inflationary damage QE 2 caused, but that QE was becoming less and less attractive as a monetary tool (for political reasons I'll explain in a moment):

> Q. Since both housing and unemployment have not recovered sufficiently, why are you not instantly embarking on QE3? — Michael A. Kamperman, Waco, Tex.
>
> **Mr. Bernanke:** "Going forward, we'll have to continue to make judgments about whether additional steps are warranted, but as we do so, **we have to keep in mind that we do have a dual mandate, that we do have to worry about both the rate of growth but also the inflation rate…**
>
> "**The trade-offs are getting — are getting less attractive at this point**. Inflation has gotten higher. Inflation expectations are a bit higher. It's not clear that we can get substantial improvements in payrolls without some additional inflation risk. **And in my view, if we're going to have success in creating a long-run, sustainable recovery with lots of job growth, we've got to keep**

Short-Term Trends
-T-minus two days until the Greek deal *must* be made.
-Bernanke plugs the liquidity spigot.
-Deflation is back
-Spain tells the EU to "shove it."

Intermediate Trends
-The EU will break-up within six months if not sooner.
-Either the US or Israel attack Iran.
-The US economy continues to weaken and economic data is massaged to look better.
-Increased civil unrest and potential riots.

Long-Term Trends
-Global debt implosion.
-New alignment of politico-economic powers.
-Trade wars and very likely REAL warfare.
-China plays out like the USSR: a totalitarian regime that collapses to become an oligarchy.

inflation under control. So we've got to look at both of those — both parts of the mandate as we — as we choose policy"

http://economix.blogs.nytimes.com/2011/04/28/how-bernanke-answered-your-questions/

Pessimistic Bernanke Fed Admits QE Has Failed In FOMC Statement

In its latest FOMC statement, the Bernanke Fed has admitted the economy continues to remain depressed, essentially admitting that both programs of long-term asset purchases, or quantitative easing, have failed to prop up output after what has been the worst recession since the Great Depression.

http://www.forbes.com/sites/afontevecchia/2011/08/09/pessimistic-bernanke-and-fomc-practically-admit-qe-has-failed/

"Monetary policy can do a lot, but monetary policy is not a panacea." -- Ben Bernanke 9/29/11

U.S. "close to faltering," Fed ready to act: Bernanke

Asked whether another round of bond purchases, known as quantitative easing, was in store, Bernanke was noncommittal.

"We never take anything off the table because we don't know where the economy is going to go. **We have no immediate plans to do anything like that,"** he said.

http://www.reuters.com/article/2011/10/04/us-usa-fed-bernanke-idUSTRE79337C20111004

Central banks may need to burst bubbles: Bernanke

Federal Reserve Chairman Ben Bernanke said on Tuesday that central banks may need to resort to monetary policy to combat asset bubbles, although regulation should be a first line of defense.

http://www.reuters.com/article/2011/10/18/us-usa-fed-bernanke-idUSTRE79H5IR20111018

Look at the progression there. As far back as May 2011, Bernanke admitted the benefits of QE were less attractive. He's since not only admitted that "bubbles" *do* exist (something his predecessor Alan Greenspan never did) but that the Fed may be called upon to burst them.

This "bursting" reference is critical as it indicates that the Fed is well aware that it has let the inflationary genie out of the bottle (though its careful never to say this in public). Taken in the context of Bernanke's views of the world (that he can control the economy via monetary policy), his notion of "bursting bubbles" is very closely tied to the idea that he has the tools to stop inflation from getting out of hand.

Of course, this is nonsense. The Fed cannot possibly ever unload the trillions of Dollars' worth of toxic debts it acquired during the bailouts. However, Bernanke's statement *does* show that he is growing more and more concerned about *slowing* things down rather than printing more money.

Indeed, going back to July 2011, the Fed has largely resorted to *verbal* or symbolic intervention rather actual *monetary* action. In terms of actual actions, since that time the Fed has:

1) Promised to extend its Zero Interest Rate Policy (ZIRP) through late 2014.
2) Had various Fed officials promise that the Fed was ready to "act" anytime the market took a dive.

#1 is largely meaningless and amounts to nothing more than the Fed promising to give the large banks access to near free money. ZIRP is a trap. The Fed can *never raise interest* rates because:

1) US commercial banks are sitting on over $200 TRILLION in interest rate based derivatives.

2) In 2011, the US made $454 BILLION in interest payments. And that's with *interest rates at or near 0%.* According to the Congressional Budget Office, the estimated interest that will be due on the US's debt load by 2015 will be $533 billion: an amount equal to 1/3 of all federal income taxes collected that year (assuming the economy grows). Imagine what happens if rates rise.

3) US Corporations currently owe $7.3 trillion in debt (an amount equal to roughly half of the US's GDP). Any rise in interest rates means corporate payouts increasing dramatically and corporate profits shrinking.

So promising to extend ZIRP is ultimately pointless. It's the same thing as saying "I promise to keep breathing until I die." The Fed has to and will maintain ZIRP until the financial system implodes and interest rates soar as investors demand reasonable rates of return in exchange for the risk they take for investing in various bonds.

As for the Fed's secondary policy (verbal intervention whenever the markets roll over) it is Chicago Fed President Charles Evans who clamors most for more easing.

Is QE3 Right Around The Corner?
(August 30 2011)

So much for no QE3, at least if Charles Evans gets his way.
Chicago Federal Reserve President Charles Evans was on CNBC just a few minutes ago, and comments from Evans made it sure seem like an additional round of quantitative easing is on its way.

http://www.benzinga.com/media/cnbc/11/08/1890663/is-qe3-right-around-the-corner#ixzz1oHCdaaE2

Bernanke Managed Expectations Like A Champ: QE3 Is Around The Corner
(November 2 2011)

Dissent, though, jumped from hawks to doves as Chicago Fed President **Charles Evans wanted more accommodation; along with a reference to lower inflation, these two suggest Bernanke has managed to save his last bullet, and will probably bring out the quantitative easing in coming months.**

http://www.forbes.com/sites/afontevecchia/2011/11/02/bernanke-managed-expectations-like-a-champ-qe3-is-around-the-corner/

Federal Reserve Could be Laying the Groundwork for QE3
(December 6 2011)

Chicago Fed President Charles Evans gave a speech at Ball State on December 5, and within it he detailed some of the actions that the Fed could take to support its dual mandate of promoting maximum employment and fostering price stability. Although Evans did not specifically mention asset purchases, **he said that without action the Fed could fail both parts of its dual mandate.**

http://www.totalmortgage.com/blog/mortgage-rates/federal-reserve-could-be-laying-the-groundwork-for-qe3/14934

Evans is the President for the Chicago Fed. Chicago is the second largest financial center in the US (after NY). So this guy is simply pushing for his "constituents" in calling for more monetary accommodations from the Fed. He is, in a sense, playing "good cop" for his cronies in the financial industry while other more rural based Fed Presidents (Kansas, Dallas) play "bad cop" saying there should be no more easing and that the Fed might even need to *raise* rates.

Indeed, compare Evans' statements with those of Dallas Fed President Ken Fisher from a recent speech in Texas.

> **I am personally perplexed by the continued preoccupation, bordering upon fetish, that Wall Street exhibits regarding the potential for further monetary accommodation—the so-called QE3, or third round of quantitative easing.** The Federal Reserve has over $1.6 trillion of U.S. Treasury securities and almost $848 billion in mortgage-backed securities on its balance sheet. When we purchased those securities, we injected money into the system. Most of that money and more has accumulated on the sidelines: More than $1.5 trillion in excess reserves sit on deposit at the 12 Federal Reserve banks, including the Dallas Fed, for which we pay private banks a measly 25 basis points in interest. A copious amount is being harbored by nondepository financial institutions, and another $2 trillion is sitting in the cash coffers of nonfinancial businesses.
>
> Trillions of dollars are lying fallow, not being employed in the real economy. Yet financial market operators keep looking and hoping for more. Why? I think it may be because they have become hooked on the monetary morphine we provided when we performed massive reconstructive surgery, rescuing the economy from the Financial Panic of 2008–09, and then kept the medication in the financial bloodstream to ensure recovery. **I personally see no need to administer additional doses unless the patient goes into postoperative decline. I would suggest to you that, if the data continue to improve, however gradually, the markets should begin preparing themselves for the good Dr. Fed to wean them from their dependency rather than administer further dosage.**
>
> http://www.dallasfed.org/news/speeches/fisher/2012/fs120305.cfm

It's clear here that Evans, a financial center Fed President is the Wall Street "good cop" while Fisher, a Dallas based Fed President is the "bad cop." One pushes for the market to rally, the other tries to cool inflationary expectations.

Regardless, the market has become so addicted for monetary "morphine" as Fisher puts it, that *any and all* Fed communications are seen as hinting that QE 3 is just around the corner. In fact, Evans' verbal interventions alone have produced even <u>more market gains than QE 2 did.</u>

Here's the effect of QE 2 ($600 billion) from start to finish.

And here's the impact of Evans' pro-QE 3 comments starting with his August 30 2011 CNBC interview until today.

Put another way, Evans has prepped market participants for another round of stimulus for over six straight months. Yet, during this time, the political landscape in the US changed dramatically with the Fed becoming more and more politically toxic: GOP Presidential candidates began taking swipes at the Fed early on in the candidacy race and it became increasingly clear that the Fed would be one of the primary political issues for the 2012 Presidential election.

As a result of this, the Fed (with the exception of those Presidents who represent financial centers, namely Evans for Chicago and Dudley for New York) began to shift into damage control mode.

This included:

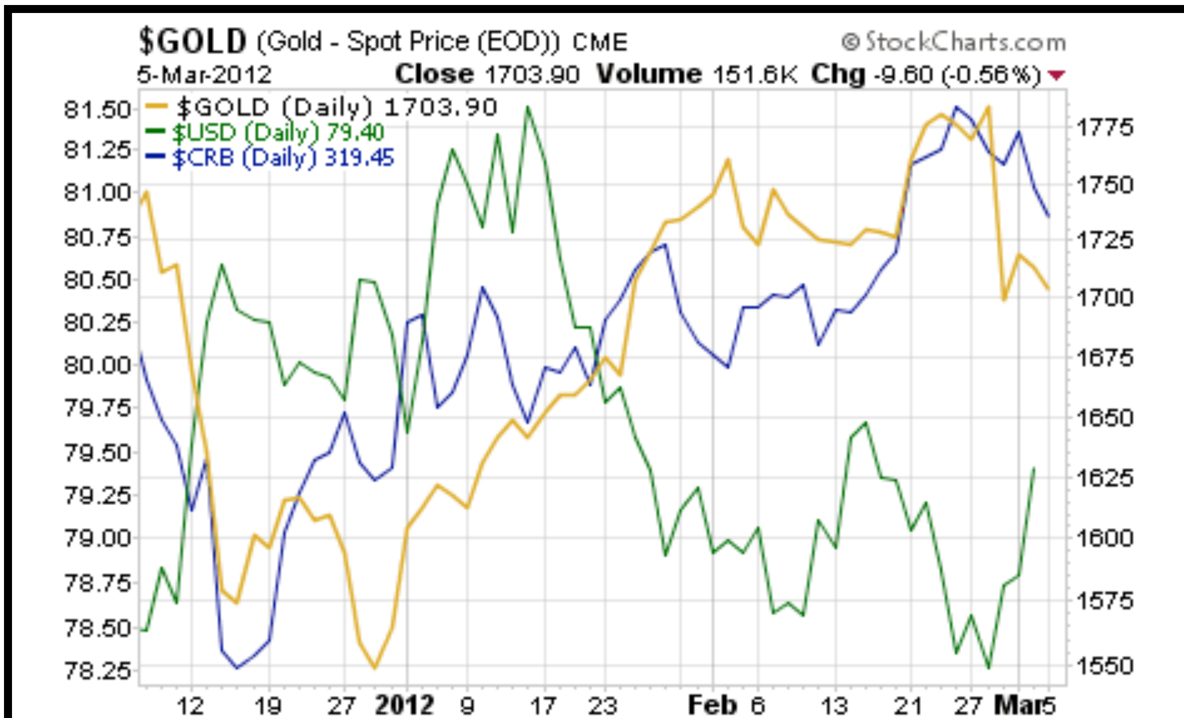
1) Suing Goldman Sachs (the firm considered to have the closest ties to the Fed) so as to distance itself from its Wall Street darlings
2) Shifting the blame for the Financial Crisis as well as the terrible state of the US's finances onto Congress's shoulders
3) Launching a PR campaign to portray Ben Bernanke as an all around good guy (opening the Fed to Q&A sessions with the press, staging town hall meetings with the public, and getting editorials written in the *Wall Street Journal* on how Bernanke is just an ordinary guy like the rest of us).

In light of this, it is clear that that the bar for QE 3 had been raised dramatically. As a result, since early autumn 2011, I've been writing that the Fed would NOT unleash QE 3 without a Crisis hitting first.

Well, Ben Bernanke just confirmed this view:

> **Hopes for QE3 dashed after Bernanke's speech**
> (March 5 2012)
>
> Speaking at the Semiannual Monetary Policy Report to Congress, Ben Bernanke said he was slightly more encouraged by the run of stronger economic data in the US, and **offered no hint that the Fed was considering another quantitative easing package, known as QE3.**
>
> http://www.ftadviser.com/2012/03/05/investments/north-america/hopes-for-qe-dashed-after-bernanke-s-speech-8mcS53XwmR4nNAhO4BfXxN/article.html

The effects of this were immediate: Gold (Gold) and commodities (Blue) collapsed while the US Dollar (Green) exploded higher.



Bernanke's statement was soon followed by the UK stating it would not be engaging in any more QE either.

> **UK to avert recession, no more QE needed**
> (March 5 2012)
>
> Britain will avoid a recession this year and the Bank of England will not need to inject any more stimulus, but the recovery will be weak and the government should step up its efforts to boost growth, the British Chambers of Commerce said on Monday.
>
> http://www.euronews.com/business-newswires/1421246-uk-to-avert-recession-no-more-qe-needed-bcc/

As a result of this, the technical damage to the commodities markets has been severe. Indeed, the commodities index as a whole has just broken below its 200-day moving average (DMA) and is now moving towards forming a bearish cross: when the 200-DMA breaks below the 50-DMA:

If we take out the 50-DMA here then we're heading into a sharp deflationary collapse: one in which even the precious metals get dragged down.

Speaking of which, Gold has been definitively rejected by the trendline that previously supported its latest rally. This indicates that former support is now resistance. This is *very* bearish.

As you can see, we're now sitting on support at $1700. If we take out the 50-DMA and 200-DMA we could very well see a Crash with the precious metal falling to $1600 if not $1500.

I'm watching this situation closely. If we definitively take out the 200-DMA we'll be adding to our **UltraShort Gold (GLL) position.**

The Silver chart is equally ugly:

Having been rejected at the descending trendline (see above), we're likely going to the 50-DMA in short order:

Let's play for this with the **UltraShort Silver ETF (ZSL).**

Action to take: Buy the UltraShort Silver ETF (ZSL).

As for stocks, the technical picture continues to worsen dramatically. Indeed, by the look of things, we've just broken the rising bearish wedge I warned about last issue:

This sets the stage for a move to 1,300 if not 1,275. We may see a small snapback rally before the REAL fireworks begin, but **get ready** as most signs are pointing towards a nasty, sharp correction if not a Crash (more on this later).

For one thing, the divergence between the Dow Industrials and the Dow Transports has widened. By the look of things, the Industrials are about to play "catch up."

We also see the Russell 2000 beginning to roll over in a big way:

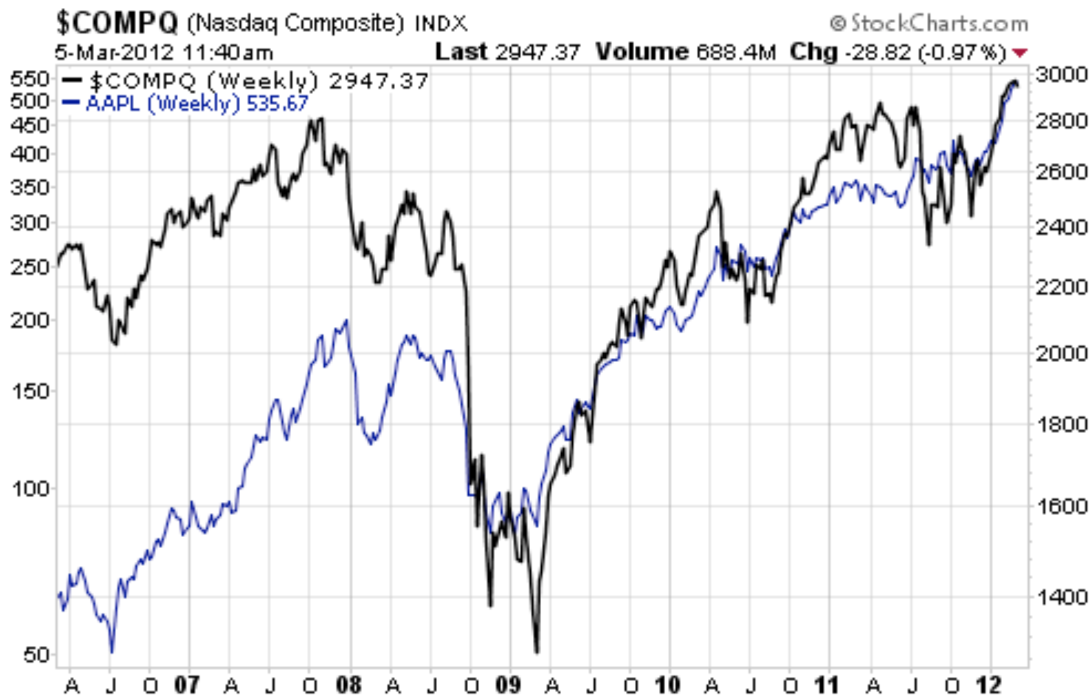
This point is *extremely* important as the Russell 2000 is widely considered the "risk" index of the US. What I mean by this is that the Russell 2000 tends to anticipate both good fortune *and* trouble before the other indexes.

Indeed, the Russell 2000 tanked long before the S&P 500 going into the 2008 Crash:

As I said before, **get ready as most signs are pointing towards a nasty, sharp correction if not a Crash**. With that in mind, we are putting a number of our Crisis trades on our watch list for when the market decline begins in earnest:

UltraShort Emerging Markets ETF	EEV
UltraShort Brazil ETF	BZQ
UltraShort Russell 2000	TWM
UltraShort Nasdaq	QQQ
UltraShort Real Estate	SRS
UltraShort Financial	SKF

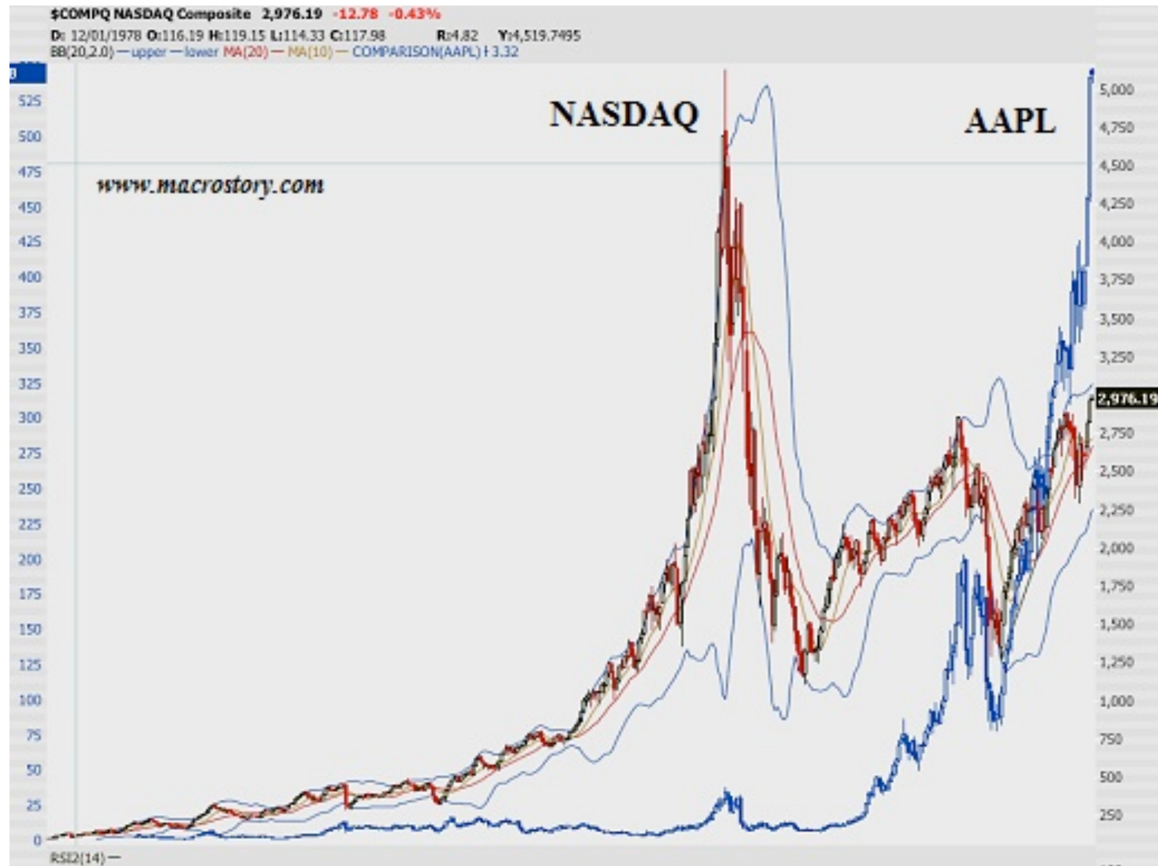
Regarding Tech stocks specifically, we see signs of a mini Tech Bubble 2 or Tech Bubble 2.0 forming in the NASDAQ, specifically its largest holding: Apple (AAPL). Indeed, not only has the NASDAQ broken above its 2007 highs, but it's done so largely due to Apple.



The buzz surrounding Apple has begun to sound a lot like the chatter heard during the Tech Bubble. Understand, I am talking merely about *sentiment* here: Apple has a great track record of producing blockbuster products and generating enormous cash flows. It *is* in many ways a solid business.

However, from a sentiment perspective, the bullishness surrounding this company is outright incredible. Apple is *the* hedge fund darling with 90% of *all* hedge funds owning the stock.

Put another way, this has become a very, very crowded trade. In fact, the trade has become so crowded and so popular that Apple's chart is an almost perfect mirror of the Tech Bubble:



Source: *The Macro Story*

This will end as all bubbles do, with a sharp collapse. The technical picture is already predicting this: if we take out support at $520, we're going to $420 in a hurry.

This level ($420) also happens to coincide with Apple's long-term trendline.

So if Apple breaks below $520 I'd look to open a short position there. For now, we're simply adding this position to our watchlist.

Now that we've established that the liquidity spigot is being slowed in the US and another round of deflation is about to hit, let us now turn our attention to Europe where Spain just announced a "game changer" move.

> **Spain's sovereign thunderclap and the end of Merkel's Europe**
>
> As many readers will already have seen, **Premier Mariano Rajoy has refused point blank to comply with the austerity demands of the European Commission and the European Council (hijacked by Merkozy).**
>
> **Taking what he called a "sovereign decision", he simply announced that he intends to ignore the EU deficit target of 4.4pc of GDP for this year, setting his own target of 5.8pc instead (down from 8.5pc in 2011).**
>
> In the twenty years or so that I have been following EU affairs closely, I cannot remember such a bold and open act of defiance by any state. Usually such matters are fudged. Countries stretch the line, but do not actually cross it.
>
> With condign symbolism, **Mr Rajoy dropped his bombshell in Brussels after the EU summit, without first notifying the commission or fellow EU leaders.** Indeed, he seemed to relish the fact that he was tearing up the rule book and disavowing the whole EU machinery of budgetary control.
>
> http://blogs.telegraph.co.uk/finance/ambroseevans-pritchard/100015432/spains-sovereign-thunderclap-and-the-end-of-merkels-europe/

As noted in last issue, this was one of my biggest concerns regarding the EU. As I wrote then…

> Meanwhile, on the other side of EU equation, **Spain and Italy must be watching what's happening in Greece and asking themselves whether they want to go through this whole process of negotiating for bailouts via austerity measures**.
>
> Both countries have already had a small sampling of the austerity measure medicine. Spain recently implemented a meager 19€ billion in austerity measures while Italy passed 30€ billion in austerity measures in 2011… hardly a drop out of their respective 1.06€ trillion and 1.5€ trillion economies.
>
> Yet, even these tiny moves resulted in protests and riots. One can only imagine what Spanish and Italian politicians are thinking as they witness the widespread civil unrest, country-wide strikes, and economic depression that

> have occurred in Greece as a result of that country's full commitment to the EU's austerity measure demands.
>
> Spain's official Debt to GDP is only 64%, but its private sector debt is at an astounding 227% of GDP. And the Spanish banking system is leveraged at 19 to 1 (worse than Greece).
>
> Moreover, the country is already experiencing an economic Crisis with an unemployment rate of 20+% and an economy that has been contracting since mid-2011 (in fact Spain's GDP just actually went negative in the first quarter of 2012)…
>
> So… **we must consider that it is highly likely the option of simply defaulting is being discussed at the highest levels of the Spanish and Italian government. Should either country decide that austerity measures don't work and it's simply easier to opt for a default, then we are heading into a Crisis that will make 2008 look like a joke**.

Spain has not yet opted to default, but it *has* decided to tell the EU to "shove it." This is a *huge* development as it represents the first time an EU member has openly told the EU council that it's not taking orders.

It also represents an open rejection of the EU's budgetary demands, which indicates that for Spain the option of imposing austerity measures and handing over fiscal sovereignty in exchange for bailout funds is *completely* off the table.

This is HUGE. According to the *Bank of International Settlements* worldwide exposure to Spain is north of $1 TRILLION with Great Britain on the hook for $51 billion, the US on the hook for $187 billion, France on the hook for $224 billion and Germany on the hook for a whopping $244 billion.

However, as I have proven in previous issues, the *Bank of International Settlements*' estimates actually **under**estimate the *true* exposure EU nations pose to the financial system (for instance, the *Bank of International Settlements* claims German exposure to Greece is only $3.9 billion… when Germany's Deutsche Bank alone has over **2.8 BILLION Euros' worth of exposure to Greek debt and businesses).** And Germany has TENS of other banks with exposure to Greece besides Deutsche Bank.

So it is safe to assume that global exposure to Spain is well north of $1 trillion. So if Spain continues to play hardball, then a default/ messy debt restructuring is definitely on the table. This would entail:

1) A systemic crisis that would make Lehman look like a joke
2) The breaking up of the EU
3) A bear market in bonds (which we have not seen in roughly 30 years)

Spain is not the only country rocking the boat in the EU. As I've noted in several previous issues, Germany is growing increasingly unhappy with the ECB's actions.

> **Rift Grows Between Germany's Bundesbank and ECB**
>
> There is a rift among top-ranking officials at the ECB, and it also extends between the majority of the ECB's Governing Council and the Bundesbank. **First, two leading German ECB officials -- chief economist Jürgen Stark and Bundesbank President Axel Weber -- resigned because the monetary authority was buying up sovereign bonds from Greece and Portugal**. Then Weber's successor Weidmann objected to the ECB's purchase of government bonds from heavily indebted Italy.
>
> Now, Weidmann is rebelling against the manner in which Draghi is giving European banks one new cash injection after another. Although Weidmann admits that the measures are basically correct, their conditions are "very generous," he complains -- and expresses his total opposition to this policy in the jargon of the central bankers: "This can particularly become a problem if banks are discouraged from taking action to restructure their balance sheets and strengthen their capital base."
>
> Last week, the conflict escalated to a new level. **Weidmann complained in a letter to ECB President Draghi that the central bank was accepting increasingly lower-grade collateral in exchange for its cash injections**. This poses a danger, he warned, as the central banks in the north of the euro zone are owed ever growing amounts of money by their counterparts in the south. If the euro zone broke apart, the Bundesbank would be left holding a good deal of its bad debt from so-called TARGET2 loans, which currently amount to some €500 billion ($660 billion), he warned.
>
> This may sound somewhat technical to most laypeople, but among leading ECB officials the letter was seen as violating a taboo. TARGET2 refers to the central banks' internal payment system, which has accumulated massive imbalances during the course of the euro crisis. These inequalities aren't problematic as long as the monetary union remains intact. So far, the Bundesbank has always played down this risk. **But Weidmann's about-face is a "disastrous signal," say ECB executives because, for the first time ever, the Bundesbank "is no longer ruling out a break-up of the euro zone."**
>
> http://www.spiegel.de/international/germany/0,1518,819255,00.html

Weidmann has every reason to be nervous about the ECB's actions. Thanks to the ECB's LTRO 1 and LTRO 2 schemes, the ECB's balance sheet is now over €3 trillion in size (larger than Germany's economy and roughly 1/3 the size of the ENTIRE EU's GDP). Aside from the inflationary and systemic risks this poses (the ECB is now

leveraged at over 36 to 1), Germany has a very specific concern regarding the ECB's actions:

> **ECB Balance Sheet Jumps Above €3 Trillion**
>
> The mix of bond purchases and loans has exposed the ECB and the 17 national central banks that make up the euro to losses in the event of defaults or bank failures. Last month, the ECB was forced to swap its €50 billion Greek bond portfolio for new bonds to shield the banks from potential losses in the event of any forced write-downs.
>
> If banks that have borrowed from the ECB can't pay the money back and the collateral they have posted falls in value or becomes worthless, the ECB would be on the hook for losses. **Most of these losses would be spread across national central banks according to their size, meaning Germany's Bundesbank would face the largest exposure.**
>
> http://online.wsj.com/article/SB10001424052970203458604577265373668388122.html?mod=googlenews_wsj

I've noted before that Germany is preparing to leave the Euro. With Spain now openly defying the EU and the ECB shifting the potential losses from its actions onto Germany's shoulders, the likelihood of Germany walking has rapidly risen.

And Germany is ready to go if it needs to. Remember as I've noted in previous issues, Germany has just put a firewall around its banking system by re-instating its SoFFIN emergency bailout fund. As a quick refresher, the SoFFIN has:

1) €400 billion in guarantees to prop up German banks
2) €80 billion to help German banks recapitalize themselves
3) The authority to let German banks *dump* their euro-zone government bonds.

   http://online.wsj.com/article/SB10001424052970204573704577184362262410868.html?mod=googlenews_wsj

These actions, taken in the context of the fact that Germany refuses to provide any additional capital to the EU's EFSF mega-bailout fund, make it clear just where Germany's priorities lie: with Germany NOT with Europe.

In plain terms, things are rapidly coming to a head in Europe. Private Greek bondholders have until Thursday to decide whether or not to go along with the bailout deal. So it is literally T-Minus 36 hours before the situation for Greece (and the EU) is decided.

I continue to monitor the markets closely and will issue updates as needed. If

anything changes you'll receive a real-time alert. And be on the look out for an alert about opening our Crisis trades in the coming days. Otherwise you'll next hear from me on Wednesday March 21 after the market closes.

Until then...

Best Regards

Graham Summers

Investment Watchlist

UltraShort Emerging Markets ETF	EEV
UltraShort Brazil ETF	BZQ
UltraShort Russell 2000	TWM
UltraShort Nasdaq	QQQ
UltraShort Real Estate	SRS
UltraShort Financial	SKF
Apple (short)	AAPL

OPEN POSITIONS

Inflation Portfolio (OPEN BUYS NOW)					
Company	**Symbol**	**Buy Date**	**Buy Price**	**Current Price**	**Gain/ Loss**
Gold bullion	N/A	3/17/10	$1,120	$1,675.00	50%
Silver bullion	N/A	3/17/10	$17.50	$32.94	88%
Centamin Mining	CEE.TO	5/25/11	$2.01	$1.22	-39%

Deflation Portfolio (OPEN BUYS NOW)					
Company	**Symbol**	**Buy Date**	**Buy Price**	**Current Price**	**Gain/ Loss**
Dollar ETF	UUP	5/23/11	$21.79	$22.22	2%
Rydex Strengthening Dollar	RYSDX	12/14/11	$14.39	$13.68	-7%
UltraShort Euro	EUO	9/21/11	$19.41	$19.67	-1%
UltraShort China	FXP	11/2/11	$27.93*	$24.95	-11%
UltraShort Materials	SMN	11/2/11	$17.48*	$16.22	-7%
Deutsche Bank	DB	12/14/11	$39.89**	$43.58	-8%
Santander	STD	12/14/11	$7.63 **	$7.80	-2%
HSBC	HBC	12/14/11	$39.83**	$43.16	-8%
Barclays	BCS	12/14/11	$12.37**	$14.82	-17%
UltraShort Gold	GLL	12/14/11	$19.76	$16.80	-15%

* Average price of 11/2/11 and 1/27/12
** Average price of 12/14/11 and 1/27/12

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