

PRIVATE WEALTH ADVISORY

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Sell EUO

Dear Subscribers

Something very fishy is occurring in the currency markets. Greece is imploding and has become so hostile with Germany that it has not only brought up Nazi war crimes from WWII but is now calling for a ban of German products. I wish I was making this up, but both have happened in the last two weeks.

In addition, Spain and Italy's debt problems are coming to surface. And yet, the Euro is holding up relatively well. This is extraordinary. And it gives us a clue that the easy money has been made shorting the Euro. Indeed, the fact the Dollar is falling indicates we might see a bounce in the Euro in the next week.

As I write, we're up 7% on our UltraShort Euro ETF (EUO). Let's close this trade and lock in these gains.

Action to take: Sell the UltraShort Euro ETF (EUO) now.

After all, 7% in one month is nothing to sneer at, especially given the market's volatility.

I'm also looking into our UltraShort Gold ETF (GLL) trade. Gold continues to struggle back and forth and at this point it's not clear if the bulls or bears have control. However one thing is clear is that the precious metal is clearly trading in a downtrend channel. Until the channel breaks, the general momentum is down (in Dollar terms), so I'm willing to sit on this trade a bit longer. However, if the channel breaks to the upside then it's time to close out this trade.

Good Investing!

Graham Summers