

PRIVATE WEALTH ADVISORY

AN OMNISANS RESEARCH PUBLICATION

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SELL TBT and BDD

Dear Subscriber,

Stocks are getting tired. Very tired. And we are likely to see a serious roll over in the next day or so.



As you can see, the S&P 500 failed to break above its 200-exponential moving average (a common metric for technical analysis). The fact that we've failed to break above this despite numerous tests indicates that stocks are tired. It's also worth noting that earlier this week the dollar fell but stocks failed to rally. Again, that indicates this rally has seriously run out of steam.

Commodities lead stocks on this rally. To date, virtually any commodity you can name is up 30+%. That's a heck of a rally during an economic contraction. And it's stemmed largely from inflationary concerns. However, nothing goes straight up and it's highly likely we'll see commodities roll over with stocks. And oil has been showing serious signs of weakness this week too.

So we're closing out two of our positions. They are:

UltraShort 20+ Year Treasury ProShares (TBT): we're up 15%

PowerShares DB Base Metals Dble Long ETN (BDD): we're up 36%

Will inflation be a problem going forward? Yes. Will these investments trend higher in the coming months? Yes. Am I willing to give up these profits while stocks and commodities correct?

NO.

Take these profits today. We can always revisit these positions in the future. But right now commodities are overextended. And Treasuries have fallen TOO far TOO fast.

Action to take: SELL UltraShort 20+ Year Treasury ProShares (TBT).

Action to take: PowerShares DB Base Metals Dble Long ETN (BDD).

I'll be using this morning's open prices for our official sell prices.

Good Investing!

Graham Summers