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**Today's Stock Traders' and Investors' Free Wrap is based on  
EXTRACTS from Edition 396 of our Mentoring style  
'Investing & Online Trading' Newsletter**



**DISCOVER**  
Step-By-Step

**How To Outrun The Bull in 2013**

**An Evening With Jim Berg**  
March 2013

**SYDNEY | BRISBANE | MELBOURNE**

## Sydney and Brisbane: Only 1 week to go .....

In last week's Edition 395 of [our Newsletter](#), Daryl Guppy wrote; 'We are at the beginning of a new secular bull market and this calls for a change in trading tactics. ...

*Money is going into equities. This is retail investors who are coming back into the market. These are new traders and they will learn some lessons the hard way. This market will pull back and those who thought they were excellent traders will discover the hardest rule of the market.'*

There is **now only 1 week** before Jim Berg commences his first of 3 evening seminars on '[How to Outrun the Bull in 2013](#)' at which he will show you, step-by-step, how he trades and invests in the current market.

A Member asked us this week; "Will Jim's talk this year be like his evening seminar on his latest '[Show Me The Money DVD](#)'?"

Our answer was that the way Jim trades and invests does not change so yes, that part of the evening will be the same. However, we also explained that we find it doesn't matter how many times you hear Jim speak, you always learn something.

Why? Because at each seminar Jim pours out valuable content on how he trades and invests his own trading and SMSF capital, without holding anything back. He also encourages interaction with his audience, which usually reminds Jim of other details to share which could help you even more.

In addition, at the end of each seminar this year, Jim will show how to apply what you learn, to many stocks selected by the audience and himself. Past attendees have found this ability to follow Jim's thinking on current price action and market patterns to be priceless education.

Dates for Jim Berg's upcoming seminars are:

✚ **Sydney:** Tuesday 5 March

✚ **Brisbane:** Wednesday 6 March

✚ **Melbourne:** Wednesday 13 March

They have also been described by attendees at some of his previous evenings as being like '[Mini-Boot Camps](#)', all in one night.

There are many ways available to **save \$40**.

To discover more on '[How to Outrun the Bull in 2013](#)', [Click Here >>>](#)

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# Market Update

By James Gerrish

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## James Gerrish on Gold and Bullish Drivers for this Market



In Edition 391 of our '[Investing & Online Trading](#)' Newsletter, James Gerrish, Portfolio Manager at Novus Capital Ltd in Sydney gave his view for the market for 2013. We thank James for the following updates which he wrote at [www.mymarketview.com.au](http://www.mymarketview.com.au) last week:

### 1. Gold:

Another sign of the markets strength that I think is fairly obvious has been *the total under performance of Gold and Gold stocks*. There is clearly a lack of appetite to buy safety and the run in Gold really does seem to be coming to an end.



Source; IRESS

It's been bid up for the last few years on;

1. Money printing
2. A perceived store of value
3. Inflation concerns
4. Safety
5. Momentum
6. Reported Government buying
7. Well known investors spruiking its merits.

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We've now seen the safety trade (unless there is a yield behind it) start to unravel (look at US Treasuries), the store of value argument has lost some relevance as most investors are looking for some type of return on their cash in an environment of low interest rates, Inflation concerns are yet to materialize globally (they may do in the future), Upside momentum is no longer, and we're actually seeing downside momentum dominate, Government buying is still there but reports have become less prevalent and well known Gold bulls (George Soros & Louis Moore Bacon) have been cutting back their holdings.

The big question mark over Gold comes around the *longer term impacts of QE programs globally*. We don't really know what the impacts of these will be over time because we haven't been here before - and I think that's probably the one saving grace that will keep Gold from pulling back sharply. That said, momentum seems to be firmly on the downside. Around the \$1530 region is the key level for GOLD's longer term trend.

And here is a pretty relevant chart provided by a Client - which highlights the price of GOLD (blue) v the Gold sector on the ASX (red) since 2005

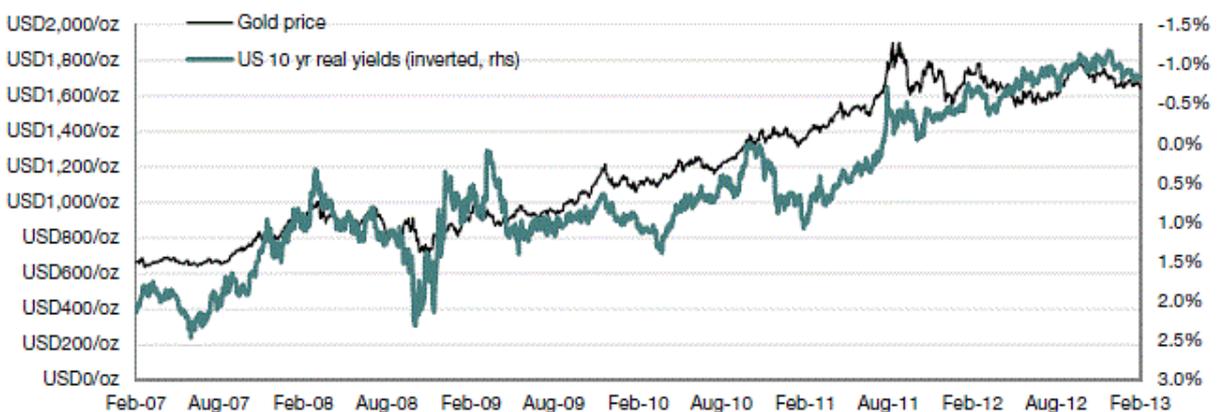


Source; Internet

Another interesting chart which shows the correlation between Gold Price and US Treasury Yields (**inverted**) - In essence this suggests GOLD tracks underlying Treasury prices so has an inverse correlation to yields.

It's the safety trade that seems to be unravelling in both Gold and the Bond market.

Gold price and US 10 year real yields



Source (Bloomberg, CBA Estimates) - from the AFR.

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## 2 Bullish Drivers for this Market

At the close yesterday (Tuesday 19 February), the S&P/ASX 200 added +18pts or +0.37% to close at 5081...another good session of decent volume with \$6.2b traded - which comes on the back of \$9.1b day on Monday - so there's certainly increasing participation in this market and we're starting to see that wall of cash start to filter in.

This theme is in its infancy and the big picture drivers for this market going higher over the next few years will be:

1. **Cash** levels at record highs relative to equity ownership
2. Household **equity ownership at record lows** relative to cash
3. The **deteriorating returns** that cash is achieving
4. The rise of the **self-funded - self-directed retiree** operating a SMSF - (910k of them now in Australia managing over 30% of the total Super Pool)
5. The **ageing demographic** needing to sustain lifestyle (need for yield)
6. **Legislated increase of the Super Pie** - to 12% by July 2019
7. The **lack of alternative investments** globally that compare favorably to equities
8. **Equity yields higher than cash rates** + banks becoming less aggressive on deposits as a result of cheaper wholesale funding + more aggressive on dividend payments
9. **Macro environment improving** - Chinese growth stabilising - US economy getting better
10. The **economic benefits of new technology around energy extraction** - the shale gas revolution in the States will filter to other countries reducing input costs for many industries - and be a big positive driver for growth and
11. If you've still got reservations around equity ownership, it's fairly cheap at the moment to buy protection or insurance through the purchase of Put Options over your shares or the index

So we can ponder all we want about whether or not this market is going to see a correction - but it's always going to be more profitable over time to concentrate on the bigger - wider ranging themes that will impact asset prices over time + and buy companies that give exposure to those themes. that's what we try to do. ....

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- ✓ **WHEN** to SELL

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Teach you how Jim Berg thinks and **how he trades his own money**, step-by-step and



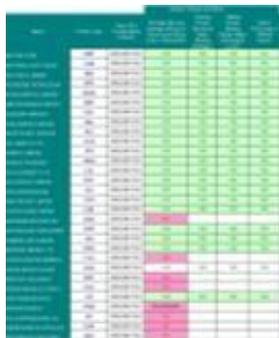
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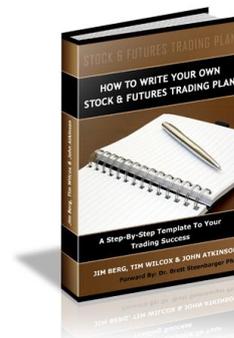
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## You are invited to Jim Berg's 2013 Boot Camp

Our biggest event this year will be Jim Berg's Boot Camp in May, **his first in 2 years.**

For more info on what you could gain from Jim Berg's 2013 Boot Camp, [Click Here Now >>](#)

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