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The Sovereign Society Offshore *A* Letter

Feel the Freedom of Total Wealth

Uncovering Profitable Investment Ideas in Volatile Markets

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In Today's Letter:

Comment : Uncovering Profitable Investment Ideas in Volatile Markets

Currencies : Is Ben Bernanke Boxed-In Between a Falling Dollar and Recession?

Privacy : Opening a Bank Account with No SSN Required

Dear A-Letter Reader,

During the past few weeks, investors have witnessed firsthand a harsh reality in the markets: Once volatility sets in there are very few places you can hide.

Just look at precious metals. Since February 27, a weak stock market has been coupled with a weak U.S. dollar. You would think this type of environment should push precious metals higher. Instead we saw weakness in these markets, too. That was a surprise.

So of course, you are probably asking yourself the same question that's also on everyone else's mind: Is the current rebound in the world stock market signaling the end of the correction, or is this just an intermission with more volatility on the way?

Either way, it's a good time to get defensive. You don't have to run for the exits in the stock market, but it's a good idea to create a healthy cash position. Keep precious metals in your portfolio as part of your core-holding, because I still expect precious metals to rally on long-term dollar weakness.

Then it's a waiting game. Now let me tell you the key factors for you to watch closely. I'm personally waiting to see how the U.S. market does, because that will affect my area - Europe. I'm waiting to see if the U.S. housing market will be able to get back on its feet. Like all asset managers and traders, I'm watching the Fed's behavior and I'm waiting to see if company profits can live up to analysts' expectations. I'm monitoring all this because although Europe is growing at peak rates, any slowdown in U.S. consumer spending will definitely impact growth in Europe, too.

So where are the most potential profitable investment ideas in this type of market?

First, the Turkish Lira (TRY) is an interesting way to play this worldwide market volatility. You might think the Turkish lira has always been a loser's game. But with inflation dropping from notorious double digits to 6%-8%, and strong monetary and fiscal policies, any weakness in the Turkish lira should only be temporary.

Also, AAA-rated Turkish bonds look appealing right now. Interest rates on AAA Turkish bonds are now as high as 18%-20%. Short term AAA bonds, 1-2 year maturities, currently offer an interest rate of between 17%-18%. That makes Turkey look like a feast for fixed-income investors in my mind.

It's my strong belief that Turkey offers great value in fixed income securities. The high nominal and especially real yields will compensate investors for entering a more volatile currency market.

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P.S. I hope to meet you in person during The Sovereign Society's European Advantage Tour June 21-29. After Geneva and the mountain resort Zermatt, I'm delighted we'll be visiting my hometown, Zurich. Along the way, I and the other on-site financial experts will give you our latest and most original European investment and asset protection ideas that you can implement yourself while touring Switzerland. Click here to learn more about this tour. And once again, I look forward to seeing you in Switzerland!

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