

Hot Topics: **ENERGY**

Information you can use

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Above you will see a weekly chart of Natural Gas, courtesy of eSignal. Notice the final peak of the upward trend which coincided with oil at \$147.27 a barrel in 2008, followed by a long decline into September of 2009. It looks like the multi-month "bounce" that followed the decline may be running out of steam, as it well might since numerous major discoveries have been made recently and consumer demand for natural gas remains below its previous highs.

There is a good possibility that natural gas will continue to decline, particularly as the deflationary aspect of our current deflationary crisis begins to assert itself. I don't own any natural gas investments at this moment, nor do I have any plans to purchase any.



The chart above is a weekly chart of Crude Oil, and though it began its rebound earlier than natural gas did it too looks like the rally might be running out of steam. In both cases the 10 and 20 week moving averages have been broken to the downside, though in the case of crude oil stochastics are becoming oversold and are showing signs of turning upward.

I am holding onto most of my energy trusts, but I'm carefully hedging by selling covered calls against those positions and by utilizing "inverse ETFs" which will rise as oil falls. The strategy is quite sophisticated and it may not be successful if oil declines significantly from here, but I am holding onto energy for the long-term in the belief that we are simply running out.

Please take a look at the *Current Investment Recommendations* and the *WCandP Portfolio*. You will see some strategy changes and some changes in holdings. I fully expect to make money for my clients in 2010 despite the declining markets, and I would be happy to show you how you can do it as well.

The *Wealth Creation and Preservation Portfolio* details the investments my clients are currently holding. We did some buying at the bottom, which has helped us overcome our losses in 2008 and rebuild our portfolios. There is one primary difference between the current *Wealth Creation and Preservation* strategy and a regular stock portfolio; much of what *WCandP* clients own pays a substantial dividend and/or is commodities-based. We also employ call options to hedge against risk and increase portfolio income. Perhaps you should do the same.

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