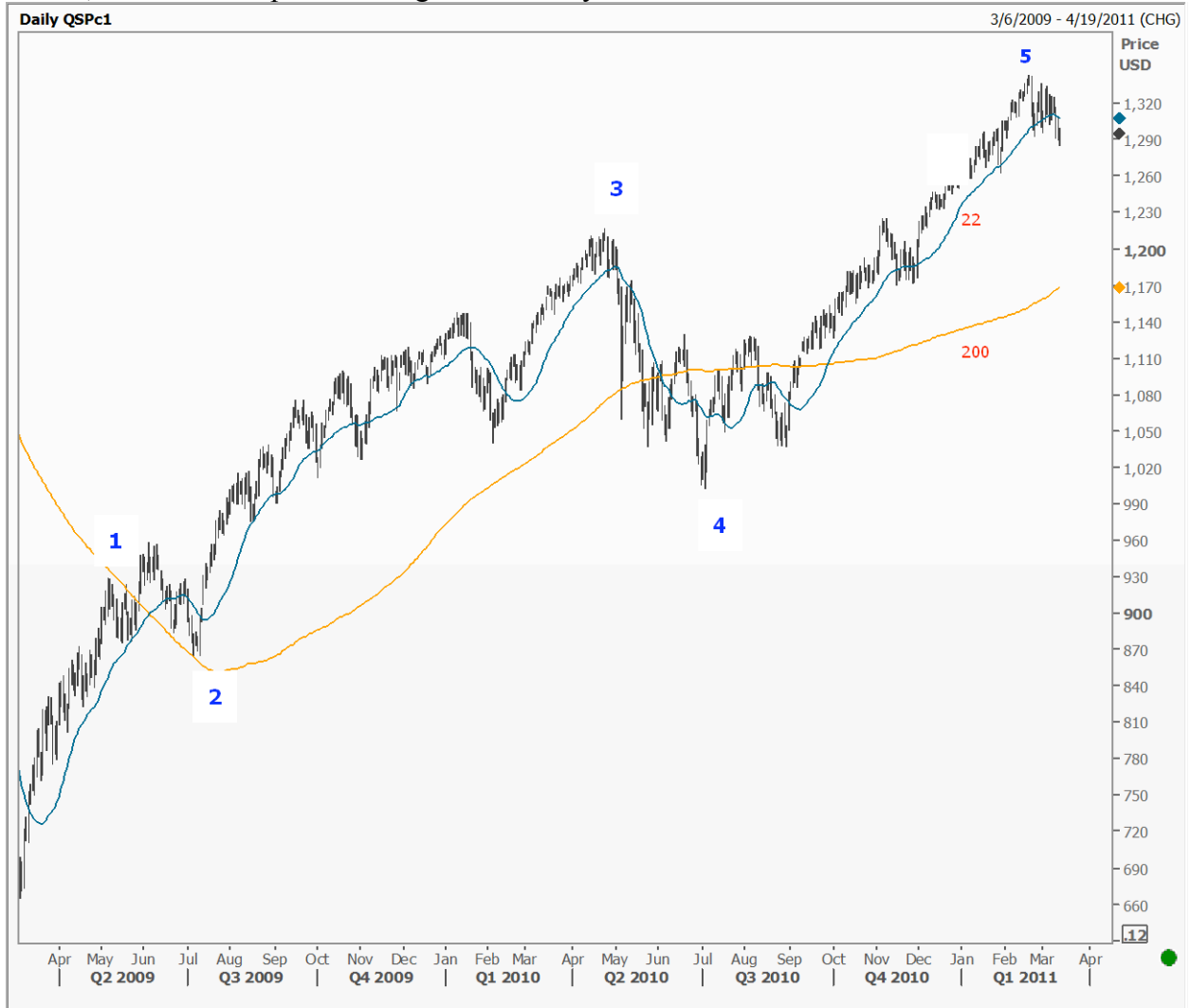


- Eurozone politics

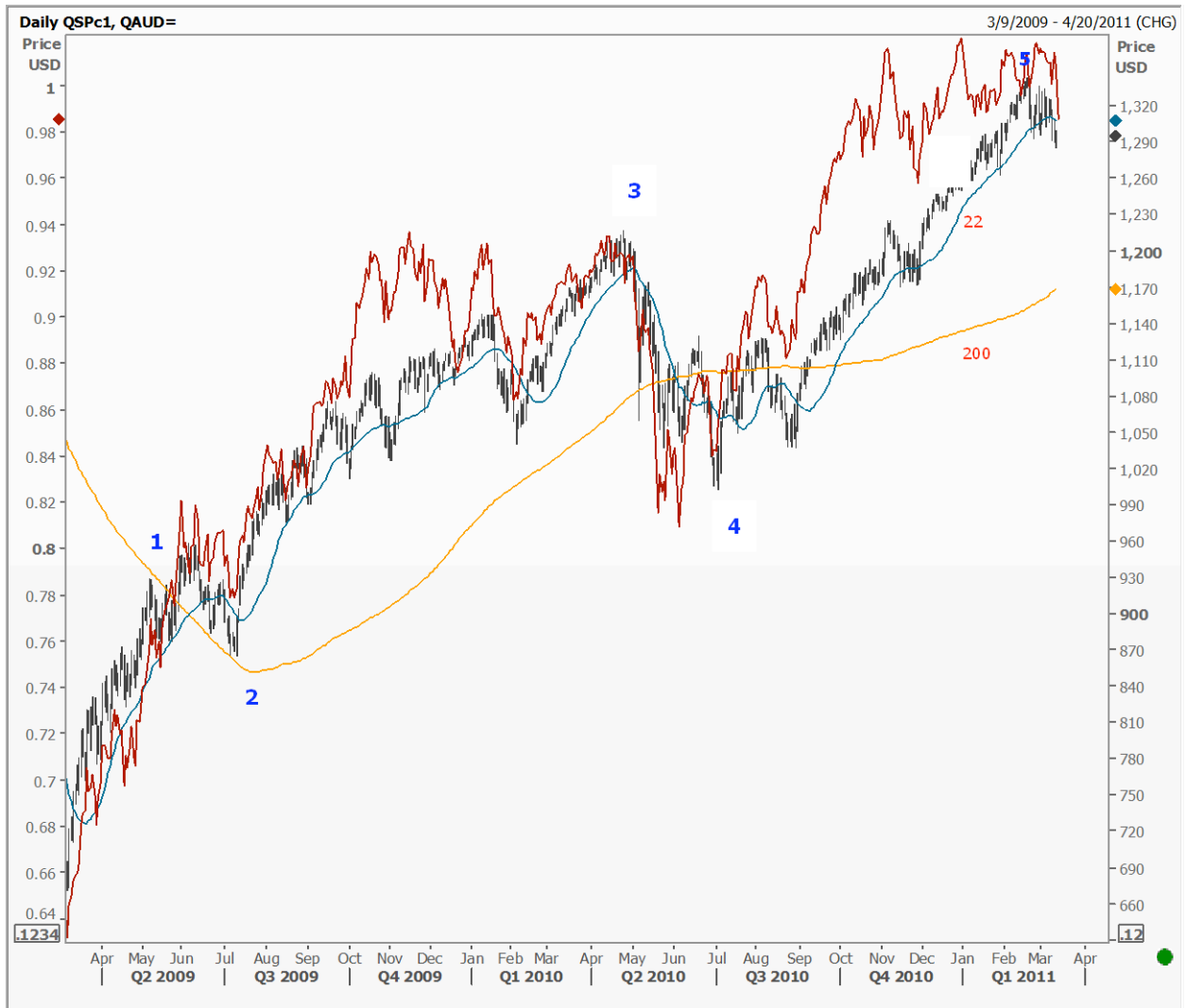
...so far that discounting process this morning is leading to a marking down of prices...across the board...

S&P 500 Futures Daily: Now below the 22-day moving average; the 200-day moving average is all the way back at 1170. A case can be made that some type of intermediate-term top may be in place. But then again, that case has been being made for many moons, as the market plows through those worry walls.



In the next chart, we kept the S&P 500 Futures and overlaid the premiere risk appetite currency—the Australian dollar (AUDUSD) – the maroon line:

Black Swan Capital's Currency Currents is strictly an informational publication and does not provide personalized or individualized investment or trading advice. Commodity futures and forex trading involves substantial risk of loss and may not be suitable for you. The money you allocate to futures or forex trading should be money that you can afford to lose. Please carefully read Black Swan's full disclaimer, which is available at <http://www.blackswantrading.com/disclaimer>



If you think Mr. Market will continue to react negatively to the “known unknowns” to come, and looking for a currency that will likely fall on risk aversion spreading in some type of multi-day or multi-week affair, Aussie is likely the one among the majors.

I realize all the talk is rightly focused on Japan. In fact, I would expect you are becoming bleary from the simple and consensus analysis that reiterates all the stocks that will benefit from the rebuilding. In addition to the mantra of repatriation driving the yen higher in value is the only game in town.

It’s not what we see right in front of us that matters most in markets, it is the stuff we glimpse out of the corner of our eye. And though the following “unknown knows” have drawn more than just a glimpse, I don’t think Mr. Market has quite yet discounted the depth of the danger...

In fact, I heard an analyst confidently say (as they do), “...there is no way the Saudi’s will let an Egypt happen.” Hmm....

- The Bahrain - Saudi Arabian – Iran Connection

Black Swan Capital’s Currency Currents is strictly an informational publication and does not provide personalized or individualized investment or trading advice. Commodity futures and forex trading involves substantial risk of loss and may not be suitable for you. The money you allocate to futures or forex trading should be money that you can afford to lose. Please carefully read Black Swan’s full disclaimer, which is available at <http://www.blackswantrading.com/disclaimer>

[From Stratfor.com today](#), in an article titled, “*History Repeats Itself in Eastern Arabia*“ [our emphasis]:

For the second time in less than two years, Saudi Arabia deployed troops beyond its borders to contain Shiite unrest in its immediate neighborhood. In late 2009, Saudi forces fought to suppress Houthi rebels in the country’s Shiite borderland to the south in Yemen. This time around, a Saudi-led force, operating under the umbrella of the Gulf Cooperation Council’s (GCC) Peninsula Shield Force, deployed forces to the Sunni-ruled island kingdom of Bahrain to suppress Shiite unrest.

The Saudi royals, highly dependent on the United States for the security of their regime, do not deploy their forces without good reason — especially when they already have their own simmering Shiite unrest to deal with in the country’s oil-rich eastern region and are looking at the potential for instability in Yemen to spill into the kingdom from the south.

From the Saudi perspective, the threat of an Iranian-backed destabilization campaign to reshape the balance of power in favor of the Shia is more than enough reason to justify a deployment of forces to Bahrain. The United States, Saudi Arabia and its GCC allies have been carefully monitoring Iran’s heavy involvement in fueling Shiite protests in their Sunni sheikhdoms and understand the historic opportunity that Iran is pursuing.

From the Saudi perspective, the threat of an Iranian-backed destabilization campaign to reshape the balance of power in favor of the Shia is more than enough reason to justify a deployment of forces to Bahrain.

The historical attraction of Bahrain lies in its geography. Bahrain is a tiny island nestled between the Arabian and Qatar peninsulas. It is vulnerable to external interference and valuable to whomever can lay claim to its lands, whether that be the Shia, the Sunni or any outside power capable of projecting authority to the Persian Gulf. **Control of the island together with the Strait of Hormuz allowed for domination of the Indian Ocean trade along the Silk Road and the Arabian trade route from Mecca to the Red Sea.**

The isles of Bahrain, along with the oases of al Qatif and al Hasa (both located in the modern-day Eastern province of Saudi Arabia), have been the three key economic hubs of the eastern Arabia region since antiquity. Bahrain sat atop a wealth of natural pearls while all three of these areas traded dates and spices and later on, oil, with buyers abroad. Critically, Bahrain, al Qatif and al Hasa have also been heavily populated with Shiite peoples throughout their history.

... It remains to be seen how this latest chapter unfolds, but if history is to serve as a guide, the question of whether Bahrain remains in Sunni hands or flips to the Shiite majority (currently the less likely option) will serve as the pivot to the broader Sunni-Shiite balance of power in the Persian Gulf.

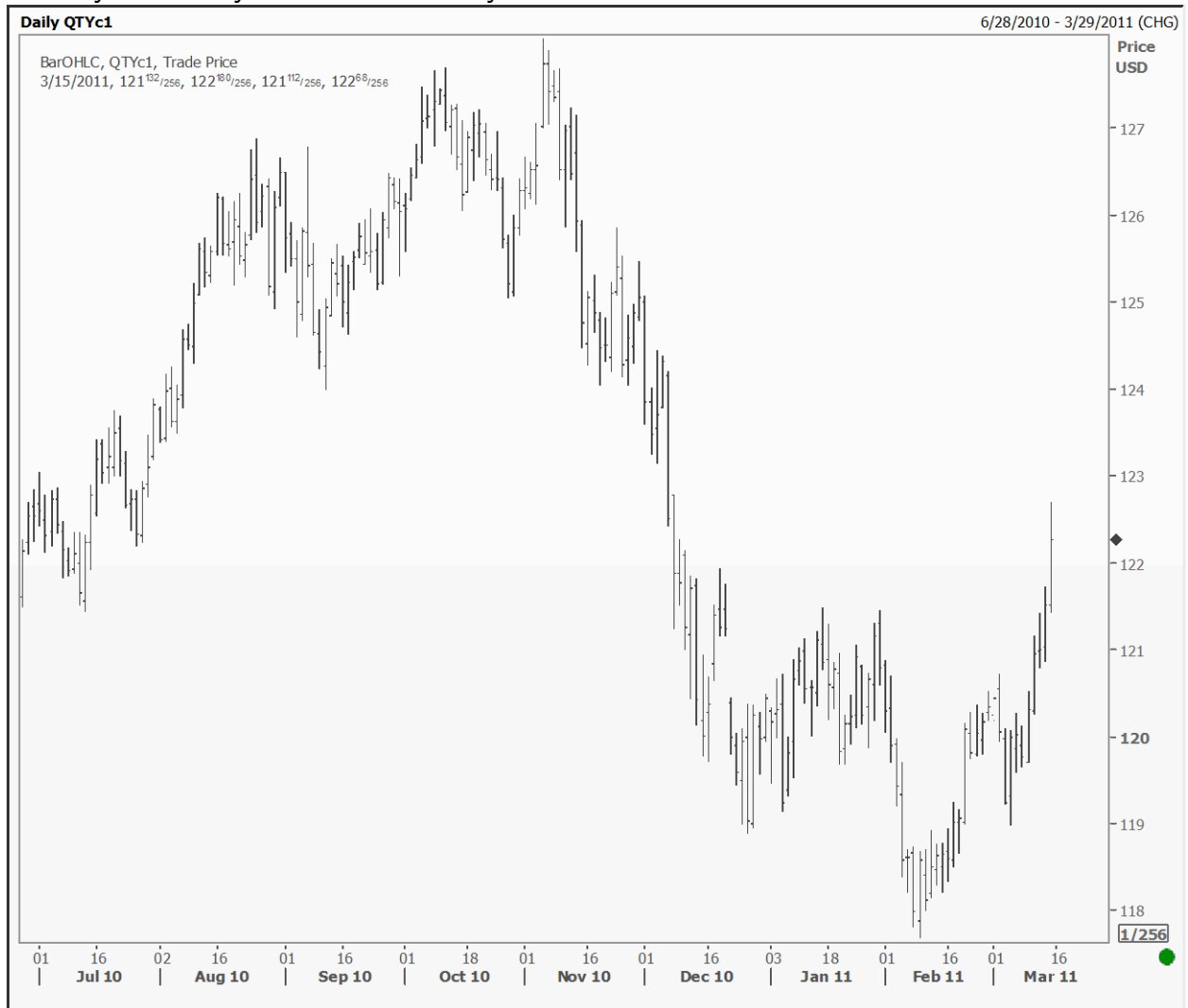
And back to Mr. Chu:

The market does not simply wait for news and then react to it. Rightly or wrongly, it tries to anticipate events using rumor, reason, and emotion. In the process, investors often either get seduced into chasing rising prices or get trapped selling in unjustified panics.

I emailed my friend John this morning and asked him if he had any comments to the events so far today, he wrote back; “Sell everything.”

Well, maybe everything except what Mr. Bill Gross so publicly sold the other day—US Treasuries—they are soaring in price and playing their normal role as safe haven:

### US 10-yr Treasury Note Futures Daily: Zoom-zoom!



Black Swan Capital's Currency Currents is strictly an informational publication and does not provide personalized or individualized investment or trading advice. Commodity futures and forex trading involves substantial risk of loss and may not be suitable for you. The money you allocate to futures or forex trading should be money that you can afford to lose. Please carefully read Black Swan's full disclaimer, which is available at <http://www.blackswantrading.com/disclaimer>

Interesting how everyone's perceived safe haven—gold—is reacting today...tank!



“In the past one hundred years, every major asset class that experienced a sharp, dramatic rise in valuation in a short period of time eventually lost all its gains. This statistical reversion to the historical norm includes stocks, bonds, commodities, and currencies. There have been no exceptions,” according to FJ Chu.

This is not to say this market is done. This is not to say it won't look past all and rally again. But it is to say we don't know. And it seems we are at a level in which most analysts think they *do* in fact know. Every bad rationale is justification for a good one, just a few examples of late that I have heard:

- Slow growth in Japan—buy emerging market because inflation will recede
- Japan funding needs—sell US bonds
- No nuclear—oil must go higher

In short, “it's all good.”

Jack Crooks, Black Swan Capital

Black Swan Capital's Currency Currents is strictly an informational publication and does not provide personalized or individualized investment or trading advice. Commodity futures and forex trading involves substantial risk of loss and may not be suitable for you. The money you allocate to futures or forex trading should be money that you can afford to lose. Please carefully read Black Swan's full disclaimer, which is available at <http://www.blackswantrading.com/disclaimer>

## Were you prepared for the Crash of 2008?

We're you able to secure your portfolio before much of your wealth evaporated?

Are you confident in your understanding of economics and markets?

Do you want a fresh and unique look into the world of investing?

The time is now to take action. You need:

- \* To arm yourself with valuable and complete information.
- \* To build an understanding and awareness of the markets.
- \* To become confident in making timely investment decisions.

Regardless of how and where you prefer to invest, listen up:

**YOUR MONEY IS CURRENTLY HANGING IN THE BALANCE; BE PREPARED.**

What do you make of it?

If you're smart, if you're a savvy investor, then you might already have a plan and an approach. You might be ready to react to whatever the market throws at you.

If so, then I probably don't need to tell you it isn't easy establishing an effective analytical foundation and an accurate perception of the markets ... is it?

That's why, even if you are smart, you still may not be realizing your investing potential.

There's a chance you keep finding yourself, and your portfolio, ill prepared to take the heat or ride the wave.

I can't blame you – getting your mind around everything that goes into prudent investing is tough. And it doesn't help that...

**These times are unlike those anyone has ever seen. Don't leave yourself ill-equipped to handle what might come your way.**

If you don't have a sufficient understanding of markets, you could end up being misled by the pundits ... or you could easily make the wrong decisions ... or you could be left behind watching the market zoom away, without you... just because you didn't quite have sufficient time, an adequate understanding or the requisite tools at your disposal.

And just to be sure, a daily dose of CNBC isn't going to cut it.

The nature of business news TV is such that you're left with too much cheerleading and self-promoting to feel comfortable about acting on their advice.

Black Swan Capital's Currency Currents is strictly an informational publication and does not provide personalized or individualized investment or trading advice. Commodity futures and forex trading involves substantial risk of loss and may not be suitable for you. The money you allocate to futures or forex trading should be money that you can afford to lose. Please carefully read Black Swan's full disclaimer, which is available at <http://www.blackswantrading.com/disclaimer>

I mean, those analysts will say anything to deliver a tasty sound bite that turns heads, regardless of whether they're steering viewers in the absolute wrong direction.

But you don't dare doubt the "experts," do you?

The *Wall Street Journal*, the *Financial Times* and other top-of-the-line market-based publications have quality content, yes; but do you have time to sift through it all and be left with the news that matters?

The same goes for the abundance of information you can find online – there's good stuff, plenty of it... but there's bad stuff too.

It's a full-time job determining what's going to impact the market and what's just going to cloud the big picture. It's a full-time job that you probably don't have time for.

So let me ask again:

Do you have time to sift through it all and be left with what matters most to your success in the markets?

If you do, more power to you.

If you don't, **consider Black Swan Capital's Currency Investor advisory newsletter.**

It boils down major market themes, important intermediate- and long-term drivers, and packages it all into a comprehensible message. Each and every month, in doing so, we also incorporate educational tidbits so you can be sure to keep pace and not find yourself struggling to comprehend.

To top it off is clear, finely-filtered advice on how you can expect markets to behave... and how you might best be able to profit.

Let me put it this way...

**It's my team's full-time job to sift through all the news... to pick through all the data... and evaluate all the price action to determine the direction of global markets.**

**But most importantly, we're here to help you build a foundation of knowledge and gain confidence to be in the markets, in good times or bad.**

We make it all available in the *Currency Investor* for anyone seeking well-researched ideas, investment pointers and actionable advice without the hassle of gathering, studying and deciphering it alone.

Think of this newsletter as your own sort of specialized, AFFORDABLE, helpful, impartial investment advisor.

## **A reliable approach to currency investing is achievable.**

Before I go into the details on what you can expect to receive with the *Currency Investor*, let me first be clear about investing in currencies.

For one reason or another, the majority of investors have put little thought into this investment arena:

**Black Swan Capital's Currency Currents** is strictly an informational publication and does not provide personalized or individualized investment or trading advice. Commodity futures and forex trading involves substantial risk of loss and may not be suitable for you. The money you allocate to futures or forex trading should be money that you can afford to lose. Please carefully read Black Swan's full disclaimer, which is available at <http://www.blackswantrading.com/disclaimer>

For those who have never considered currencies as an asset class, sticking simply to stocks and mutual funds – you're missing out.

For those who have only attempted to learn about currencies, turned off by the scandalously volatile, high-leverage, high-intimidation foreign exchange market – you've not looked deep enough. You, too, are missing out.

But for those who have made the jump into currency investing, well... they can probably tell you first-hand the myriad opportunities available in this unmatched market.

So if you're among the majority of investors that have not yet experienced the currency market to any degree, here is your opportunity...

To dip your toe in the water...

To stay within your comfort zone...

And to get acclimated to a market that's totally foreign to you... pun intended.

No doubt there's a stigma attached to the foreign exchange markets.

Slowly but surely, though, that stigma is being removed, as it's not only the world's largest banks and hedge funds that can access currency as an investment vehicle.

You can too! [Click here if you're ready to make the jump](#)... and let us help you uncover the depth of the markets and the appeal of currency investing.

You see, when it comes to currencies, long-term capital flow is in the driver's seat. In other words, long-term currency trends are established based on capital flowing between world economies.

That type of thing doesn't just flip-flop overnight.

You can monitor the shifts in capital if you know where to look... and if you know what you're looking at.

With that in mind there's an investment vehicle built specifically to capture these major trends, with an easy and conservative approach.

-- Never mind feeling too overleveraged to hold through near-term volatility.

-- Never mind being exposed to short-term supply and demand fluctuations.

-- Never mind being helpless to company-specific catastrophe.

You don't have these concerns with the currency ETFs.

Don't get me wrong: as is the case with any investment, there is a risk of loss; profits are never certain.

**Black Swan Capital's Currency Currents** is strictly an informational publication and does not provide personalized or individualized investment or trading advice. Commodity futures and forex trading involves substantial risk of loss and may not be suitable for you. The money you allocate to futures or forex trading should be money that you can afford to lose. Please carefully read Black Swan's full disclaimer, which is available at <http://www.blackswantrading.com/disclaimer>



That's why it's even more important you arm yourself with solid analysis and utilize a conservative, low-risk approach in managing capital over the long run. Your portfolio depends upon it.

The avenues vary based on your personal investment criteria, but if you're just getting started ...

## Currency ETFs are the perfect place to begin.

ETFs, or Exchange-Traded Funds, in most cases, offer an average investor easy exposure to certain assets that might otherwise be difficult to access if targeted directly or individually via the underlying asset.

To that point, ETFs can be traded in any brokerage account that allows trading on US equities exchanges. If you already trade stocks, you'll have no problem handling currency ETFs.

Most importantly, you'll be able to avoid the hassle and paperwork of switching brokers... or setting up additional accounts... or learning how to use unfamiliar trading software... or deciphering unusual nomenclature.

The mechanics of stocks and ETFs are the same.

But here's how we make currency ETFs work ... for you:

\* We analyze individual countries, their economies and their governments, seeking to identify hiccups, major shortfalls or overflowing potential – the stuff that's going to drive investors' capital decisively in one direction or the other.

\* If you want to make money, be ahead of the curve.

\* We decipher price action between not only major currencies but also other major asset classes – gold, oil, stocks, bonds, etc. – to help understand the shifts in investors' appetite for risk.

\* Not all currencies are created equal; you need to know which are more equal than others and which are worth your money.

\* We utilize commonly accepted technical levels to make our trades as seamless and efficient as possible, minimizing drawdown and capitalizing on gains by hacking into the mind of the market.

\* As you must come to understand, markets are irrational but traders are creatures of habit.

That's a basic framework of the original analysis we consistently offer.

But if you're skeptical ... or if you're feeling reluctant to take up a whole new look at the markets, let me reassure you:

We will educate you all along the way and provide the tools that will allow you to go as far as you'd like with currency investments. So ...

Black Swan Capital's Currency Currents is strictly an informational publication and does not provide personalized or individualized investment or trading advice. Commodity futures and forex trading involves substantial risk of loss and may not be suitable for you. The money you allocate to futures or forex trading should be money that you can afford to lose. Please carefully read Black Swan's full disclaimer, which is available at <http://www.blackswantrading.com/disclaimer>

**If you're worried because you've never invested in ETFs ... don't be.**

**If you're concerned about the complexity of foreign exchange ... don't be.**

**If you're uncomfortable taking a different approach than mainstream investors ... don't be.**

Yes, these are not uncommon feelings; but they're all based on common misperceptions that come with inexperience. But we have the experience, and we're happy to share it with you. So ...

**If you're unfamiliar with inter-market analysis ... you won't be for long.**

**If you're struggling to understand growth or interest rate differentials ... you won't be for long.**

**If you're confused about the relationship between inflation and exchange rates ... you won't be for long.**

Now, putting your money on the line is no easy decision... even when you feel confident; we understand. But going at it blind, or with far less than perfect vision, is especially unnerving.

Let us help you by removing the blindfold and making the hard-to-see so much clearer.

**The next investment you make could be your most important... ever. Choose wisely.**

When you're out shopping for a car you're hopefully going to base your purchase on the one thing that suits every car buyer:

VALUE.

Value is about getting a product that best suits your overall needs.

Sure, the shiny new Cadillac you were looking at will be a reliable vehicle, but is it going to be several thousand dollars more reliable than the brand new Ford you were scoping out?

Only you can decide which car is best for you, but my bet is that either car will deliver the performance you demand.

Same goes for the *Currency Investor*.

If you want flashy algorithms and extravagant promises you'll need to go elsewhere. But if you want an honest approach, a realistic look at currencies, a manageable learning curve and affordable advice, you've come to the right place.

There are so many people out there who've limited their view of the markets and who've not discovered currency investing. We aim to change that by providing top-of-the-line analysis and communication at a bottom-of-the-line price.

For the same level of research and analysis we cram into the *Currency Investor*, you'll find other companies charging several hundred dollars.

Not us.

**Black Swan Capital's Currency Currents** is strictly an informational publication and does not provide personalized or individualized investment or trading advice. Commodity futures and forex trading involves substantial risk of loss and may not be suitable for you. The money you allocate to futures or forex trading should be money that you can afford to lose. Please carefully read Black Swan's full disclaimer, which is available at <http://www.blackswantrading.com/disclaimer>

We price this newsletter at a completely reasonable \$49 per year.

Now, I'm never going to promise we're always right about the markets, and I'm never going to promise that you'll forever and always make money following the advice you'll get in the *Currency Investor* -- the market just doesn't allow that.

I can tell you that we always strive to provide a unique perspective of the markets with the goal of staying a couple steps ahead of the consensus.

And there is one GUARANTEE I can comfortably make. It is this:

If, for any reason whatsoever, you try us out and are unsatisfied with the *Black Swan Currency Investor* within the first 30-days of your Membership, we'll issue a full refund and our thanks for giving us a try.

You can [click here to take Advantage of our 30-day Risk Free Offer!](#)

Are you ready to get ready? The time is now to expand your understanding of the markets and prepare your portfolio.

Give us a try – [Sign Up](#). We're looking forward to having you onboard with us!

Thanks for reading,

**Black Swan Capital's Currency Currents** is strictly an informational publication and does not provide personalized or individualized investment or trading advice. Commodity futures and forex trading involves substantial risk of loss and may not be suitable for you. The money you allocate to futures or forex trading should be money that you can afford to lose. Please carefully read Black Swan's full disclaimer, which is available at <http://www.blackswantrading.com/disclaimer>