

PRIVATE WEALTH ADVISORY

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Sell UUP

Dear Subscribers

When I recommended buying the US Dollar back in late December, the buck was almost universally hated, trading slight higher than its 9 month low and with roughly 3-5% of investors being bullish on its future.

Today, the Dollar is at a nine month high and we now see a record number of bears and shorts for the Euro.

Put in plain terms, the Dollar trade has gotten crowded. I'm also noticing that the buck is having serious difficulty breaking above 80 despite the Fed raising its discount rate. I would have thought, given the circumstances (interest rate hike, trouble in Europe and the UK) that we'd have cleared 81 and stayed there by now.

Thus, I think the Dollar rally is on thin ice and we are due for a correction.

For that reason we are selling:
the PowerShares DB US Dollar Index Bullish (UUP).

As I write we're up 3% on this trade. It's not a huge gain but I never expected us to get a huge gain from this trade. And we DID make 3X what we would have made had we simply kept our capital in cash (interest on money market accounts or bank accounts is less than 1%).

Action to take: SELL PowerShares DB US Dollar Index Bullish (UUP) immediately.

Good Investing!
Graham Summers