

The Principal-Protected Play of the Year

**How to Buy Four Currencies
Right Now Without
Risking a Dime**



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By Ashish Advani, Sean Hyman and the World Currency Watch Research Team

As exotic Forex traders, we are constantly searching the globe for opportunities in the world's smallest, most overlooked economies.

It's our job to find these countries and identify their trends so we can either buy or short their currencies in the Forex market. These emerging market or "exotic" currencies tend to have less volume, so their currencies have the potential to move a lot faster than the major currencies.

Frankly, we don't care if these smaller currencies are rising or falling. We can make money either way as long as we can find a sustained trend.

So where can you find sustained exotic trends right now?

As you probably know, most exotic currencies sank right along with the majors for the better part of the last year. In fact, some of our fellow Forex traders made a killing just going long the dollar versus most exotic currencies.

But that looks like it's all about to change. The "strong dollar story" has already started to fall apart since March. And it looks like the dollar is going to continue to weaken overall for at least several months.

Short the Buck, and Buy FOUR Exotic Currencies... Without Risking a Dime

The easiest way to play the falling dollar is to buy the few exotic currencies that promise to recover first from this global recession.

The good news: We're starting to see major signs of recovery for a few specific exotic currencies – including the Brazilian real, the Chinese renminbi, Indian rupee, and to a lesser extent, the Russian ruble.

In other words, currencies from the "BRIC" countries.

Here's the only problem with BRIC currencies: There has NOT been any way to buy all four currencies at once.

That is...until now.

Our friends at EverBank have been cooking up a new "market-safe BRIC CD" that allows you to buy all four BRIC currencies at once.

Here's the interesting part: this CD guarantees you'll receive 100% of your investment capital back no matter what happens to the global economy. That means if you buy today, and the markets completely turn against you, you still won't risk a single dime.

In other words, this investment is principal-protected...one of the first principal - protected investments to be offered in months (especially in foreign currencies!).

I'll tell you how to buy this new EverBank MarketSafe BRIC CD in just a moment. First, why are BRIC currencies worth buying right now?

Let's start with "B" of the BRICs...

Currency Traders Send Cash Rushing for Brazil

So why Brazil?

For starters, let's look at Brazil's cashflows. The Central Bank of Brazil (BACEN) just reported net FX flows into Brazil through June 12. The figures show that net FX inflows declined to \$110.9 million in the second week of June, from \$550 million in the first week.

Now this may not sound like good news. But if you take a step back you'll see a very different picture...

In the first half of June, commercial surplus was driving the net FX flows. That surplus actually amounted to \$866 million, which was four times larger than the net financial outflow right now (or \$205 million).

On top of that, the net inflow of \$661 million in the first half of June 2009 was better than the net outflow of \$143 million a year ago.



In other words, more money is flowing into the country this year than in June of 2008. This means Forex traders around the world are starting to recognize the promise coming out of Latin America's largest economy.

More capital flowing into Brazil is VERY good news for the Brazilian real going forward.

China – Brazil’s Quiet Benefactor

China looks like it’s going to be the first country out of this global recession. Indeed, China is one of the few countries where we’re seeing true signs of “green shoots” right now.

And fortunately for Brazil, as China recovers, it has been buying up goods from countries around the world. China started ordering more goods from Brazil in February of this year. Ever since, Brazil’s economy has been improving.

In fact, in our opinion, China is the biggest contributor to Brazil’s recent increase in cashflow this month. Specifically, China is buying Brazil’s iron ore, airplanes, and even raw materials and agricultural products.



In short, Brazil is benefiting from China’s growth. And this is only the beginning. In the months to come, we see China buying even more of Brazil’s goods.

On top of that, Brazil also boasts a very wise central bank that has behaved prudently for the most part. With a strong central bank at the helm to control inflation and manage these cashflows, we expect great growth stories to come out of Brazil in the next few quarters.

This Brazilian real story should continue to play out for several months, as the dollar continues to sink.

There is very little on the horizon that will put a dent in Brazil’s growth story. Even if the Chinese growth story stalls a little and the Brazilian orders slow down a bit, the long-term growth prospects in Brazil are tremendously strong.

Bottom line: stay long Brazilian real and short U.S. dollar.

Russia: The Next Wave of Oil Revenue

As you may recall, 2008 was one of the best years for the dollar and conversely was one of the worst years for the ruble. At the time, oil also fell from \$147 all the way down to \$33.

However, in mere months, the tone has changed once again. The U.S. Dollar Index has broken its long term uptrend line and oil has bounced swiftly from its \$33 lows up to \$73 recently. The impressive thing is that it appears to be holding towards its highs too.

What does this spell out for the Russian ruble? It means the ruble will soon get a much-needed break in 2009 as the ruble soars against the falling buck once again.

This will push the USD/RUB pair below its 200 small-moving day average. As you can see below, the USD/RUB has already broken its uptrend line. See the chart below.

The Ailing Ruble Comes Back to Life!



Watch for the Ruble to Climb for the Next 6-12 Months, Easy!

Commodities always fuel currencies from oil-producing nations like Russia. And any kind of recovery anywhere in the world will be good news for oil, and oil currencies like the ruble.

So just wait until the global economy is back (fully) in expansionary mode once again! This new downtrend in USD/RUB is just getting started as commodities get ready to roar once again on a renewed inflationary environment.

And don't forget about all of that money printing that the Fed and other central banks have done around the world. They've been pumping hundreds of billions (in some case trillions) into the global economy. All that "quantitative easing" will eventually lead to an inflationary cycle again. Their "easing" days will be good for the ruble!

Just as soon as the USD/RUB pair closes below its 200 SMA (black line), then we'll see the next wave of selling begin in this pair as the ruble prospers against the dollar, yet again.

India: Strong Banks, Good Growth and Poised to Soar!

Like the rest of the world, India has been hit by the global slowdown.

That's why the GDP growth forecast recently dipped from 8.5% to 5.5%. But still, compare that to the 0-1% growth in the U.S. and you can see that India is NOT experiencing the same recession we're seeing here.

Indeed, nobody is panicking in India about the recent slowdown. We're not seeing the same knee-jerk reactions in the markets or in the financial sector. In fact, banks are still lending conservatively (even for real estate) and the overall health of the banking sector remains solid.

The Banking Sector: No Skeletons in the Closet

So why are Indian banks still so strong? We can thank the strict management laws from the Reserve Bank of India (RBI). According to RBI laws, most banks are simply not allowed to buy collateralized debt obligations (CDOs) and other toxic assets that sank the major banks in the U.S. and U.K.

In fact, even overseas branches of Indian banks had limited participation in buying up this toxic debt because of RBI risk policies. As a result, we don't expect to see any skeletons in their closets either.

The RBI has cut interest rates in the recent months. The Indian government has also only announced a limited amount of stimulus.

Most this stimulus involves building up key sectors of the economy rather than simply pumping money into the system. Unlike other central banks, they're not throwing everything but the kitchen sink at their problems.

And Away We Go!

One of the popular misconceptions relating to India's growth is that with exports to the west virtually closed and IT outsourcing in decline, India will not be able to grow during this global recession.



Let's look at some key economic stats to see why this idea is complete hogwash.

GDP growth for the last quarter was 5.8%. And in the quarter prior, there was an upward revision from 5.3% to 5.8%. Importantly, a major source of this growth has been agriculture (2.7%). This shows that India's economy

is still heavily influenced by agriculture despite the hype of IT services. When you compare this to the U.S. economy's decline 6.3%, we see a stark difference in potential over the next few quarters.

What is amazing is that India achieved this growth despite declining exports. Because of the recession in much of the rest of the world, Indian exports fell by 33% over the last two months. So the 5.8% growth is due to strong internal consumption. This is an aspect of the economy that has been strongly promoted by the Indian government for some time now.

Also the latest PMI (Purchasing Manager's Index) rose to 55.7 from 55.3. Any reading over 50 indicates growth in an economy while a number below 50 indicates contraction.

The IMF has predicted a global growth rate in 2009 of negative 1.3%. And the Western world is supposed to post lower than that. This would be the slowest since WWII. Yet India is still forecasted to grow by 5 to 6%. With exports all but dead, the growth will primarily come from internal consumption.

This makes that growth less vulnerable to any financial shocks coming from Wall Street.

New India Government Ensures Higher Indian Returns Going Forward

If that wasn't enough, India recently took steps to ensure more prosperity in the future...

On May 19th, India broke free from her long, self-imposed economic shackles. India's Congress party finally achieved majority rule, thanks to the cooperation of just a couple of micro parties [Rashtriya Janata Dal and Janata Dal Secular] & Independents.

This tiny group gets some measure of influence but it clearly understands that it will not have much of a say in economic policies. Now, with the Congress Party and Prime Minister Manmohan Singh (the former reformist finance minister) firmly in charge, we expect we will see significant growth coming out of India.

Given the setup of events of the past six months, we strongly believe that the next six months and longer will produce a strong and sustained growth story out of India. We expect we'll see that growth echoed in the Indian rupee's higher price.

China: Out for Recovery...and the Next World's Reserve Currency

We already mentioned that China looks to be the first to exit this economic malaise. We also mentioned that China is currently bolstering Brazil with its ever-growing demand for goods.

But what we should tell you is China is actually using this global recession to their advantage.

China is already using their stimulus packages to grow their infrastructure sector. The fiscal stimulus will assist in the current growth targets. The stimulus is focused on public infrastructure. This will help growth rates. The stimulus is also spurring sales of manufactured goods and offers internal subsidies.

Chinese officials have also publicly denounced the dollar to give their currency, the renminbi more dominance on the economic stage. They're accomplishing this in a variety of ways...

1. Chinese Monetary Officials made a rather public appeal to have the IMF-based SDR (Special Drawing Rights) replace the U.S. dollar as a reserve currency.

2. China announced their reserves had 75% more gold than had been previously announced.

3. China has quietly made bi-lateral currency swap agreements with seven different countries over the last six months. Most recently, China has made a bi-lateral swap agreement with Argentina and Brazil.



Green Shoots “Made in China”

That's not even the half of it. The truth is China has continued to grow straight through the worst of the global recession.

Indeed, media pundits from here to Japan are commenting on China's constant growth rate and continued export rates. We believe if you're looking for “green shoots” of recovery, the first place you should look is China.

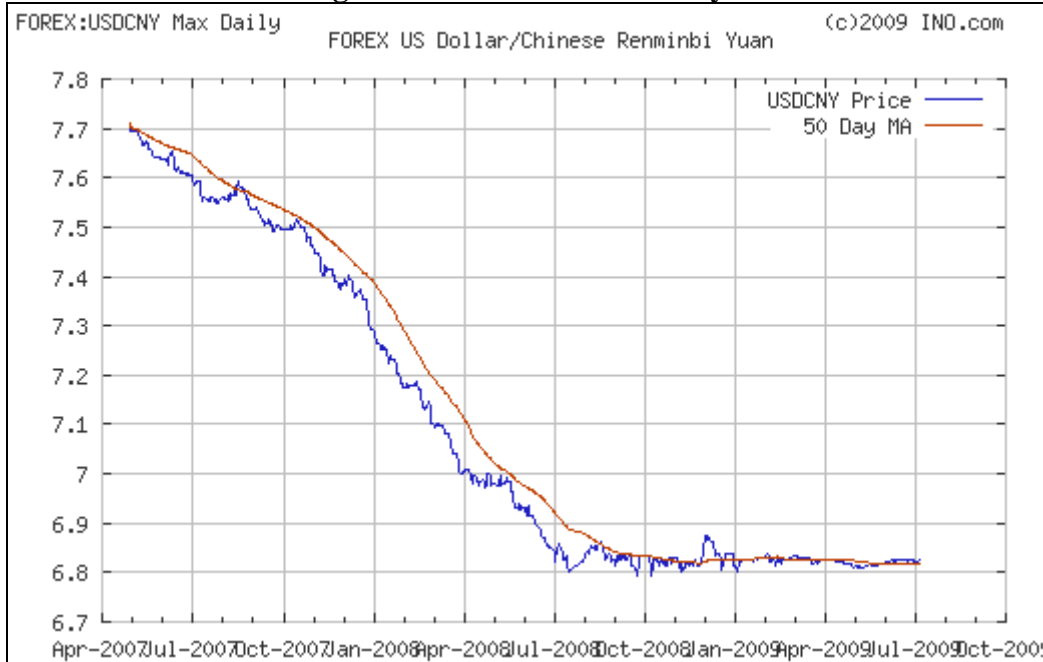
Just take a look at these recent statistics...

- ✓ The World Bank just upgraded its growth forecasts for China in 2009 at the end of June. The World Bank now sees China growing at 7.2% this year.
- ✓ The Purchasing Manager's Index in China has been growing continuously. This rise provides more evidence that the economy has stabilized and that recover will gain momentum in the later half of 2009. Inventory levels remain low which is a strong indication that growth is rather wide spread and not just a build up of inventory.
- ✓ As of July 2009, China's GDP just grew from 6.1% from a year prior.

Any good news for the Chinese economy will eventually bolster the Chinese renminbi vs. the dollar. Even though at this point China still has a managed currency, Chinese Monetary officials can let the renminbi increase in value slowly.

Over the next several years, the Chinese renminbi has the potential to climb against the dollar on the heels of their recovery...just as it's done for the last five years...

The Dollar Has Sunk Against the Renminbi Steadily for the Last Five Years



How to Buy all Four Currencies...without Risking a Dime

As we said, the easiest way to take advantage of these first signs of recovery is to buy “stock” in these countries. In other words, buy their currencies up now, while they’re still cheap. Then just hold on, while the dollar continues to sink...

In response to this huge demand for BRIC currencies, EverBank just created their new MarketSafe BRIC CD.

This one certificate of deposit (CD) gives you full exposure to all four BRIC currencies for the next three years.

Here’s the best part: let’s say after three years, the dollar rallies hard and all these currencies drop significantly in value versus the buck. Should that happen, you would still get 100% of your investment back. Guaranteed.

However, if these emerging market currencies soar over the next few years, as we expect them to, you will receive 100% unlimited upside potential on your investment.

The funding minimum for this CD is only \$1,500. And should the markets turn against you, you would get you entire initial investment back after three years.

But as we've said, there's a limited timeframe on this investment. **In fact, you ONLY have until August 18, 2009 to buy this new MarketSafe CD.** After that, the doors close on this incredible opportunity.

To buy now, here's what you need to do...

1. You need an EverBank bank account to fund a MarketSafe CD. If you do not already have an account at EverBank, simply call the bank and ask to sign up for a bank account similar to how you would any other bank.
2. You need to call BEFORE August 18th so you can fund your CD.

Exclusive Offer to Just Our Readers!

The word is already out on this incredible MarketSafe CD. As such, EverBank is expecting a lot of orders on this CD.

But they don't want to make you wait. So as an **exclusive** offer to our readers, EverBank is offering you a designated concierge to assist you in buying this CD.

EverBank has their top five customer service representatives standing by to just take your calls between now and July 17th. This way you don't have to go through the normal channels and 1-800 numbers to buy this investment.

To access this special concierge, call John Ryan at EverBank at 1-866-343-0560 before July 17th. Either John Ryan or one of his four elite team members will walk you through the application process to sign up for an EverBank account.

John Ryan's team will arrange for FedEx to come to your house and pick up your application personally. They will also take you through the funding process – either instruct you on how to address the check or wire instructions for them.

Bottom line: your personal concierge will walk you through the application process step-by-step, so you don't miss out on this incredible new, 100% principal -protected CD.

To get on the waiting list for this CD, simply call your personalized concierge number at 1-866-343-0560.

Remember you **ONLY** have until July 17th to get your name on the special waiting list designed for our readers.

After this Friday, your special concierge service will end, and you'll have to go through the regular channels at EverBank to secure your funding for this CD. Call today to make sure you don't miss out - 1-866-343-0560.

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