



# Double Your Money In the Commodities B-O-O-M 2011-2012

**W**hat's this you say? You're not aware there is a worldwide commodities boom going on right now? Well, let me assure you there IS, and you would be wise to ride the wave—and earn some serious money along the way!

What are commodities? They are precious metals like

silver, gold and platinum... industrial metals like copper, nickel and aluminum... oil... and then all of the soft commodities like farm products.

Commodity prices tend to rise for a number of reasons, including increased demand from China, India and other emerging countries. They need oil... steel... and other commodities to manufacture goods and develop their country's infrastructure.

And consider this—commodities are one of the few types of assets that tend to benefit from rising inflation. As demand for goods and services increases... the price of those goods and services also goes up. This means the prices of the commodities used to produce them also RISES. Because commodity prices usually increase when inflation is accelerating—commodity investments are a great way to protect your

portfolio against inflation!

In the last 100 years, there have been three commodity bull markets: 1932-1951, 1968-1980 and 2001 to present. The first bull market resulted in a cumulative rise of 689 percent; the second, a rise of 215 percent.

It is very important to understand that long-term (or “secular”) equity BEAR markets (in real terms measured in gold) have, in the last 120 years, always occurred during commodity super-cycles. The exceptions, of course, are gold, silver and commodity stocks.

Likewise, secular long-term equity stock BULL markets have always occurred during secular commodity BEAR markets.

## The Market Crash of 2008

I told my wife a few years ago that there is no way to invest in today's

### INSIDE THIS ISSUE:

<b>The Market</b>	
<b>Crash of 2008</b> . . . . .	<b>1</b>
<b>Earn TRIPLE-DIGIT Profits With This Red-Hot Stock!</b> . . . . .	<b>3</b>
<b>All That Glitters Really IS Gold!</b> . . . . .	<b>4</b>
<b>Bob's Top Stocks</b> . . . . .	<b>5</b>
<b>Swiss Annuities: A Safe Haven</b> . . . . .	<b>6</b>
<b>Here's What to Do Before "Uncle Sam" Puts the Kibosh on Offshore Investments!</b> . . . . .	<b>7</b>

world without some losses here and there along the way. We definitely had to test our resolve in October 2008.

Until October, we had excellent luck. But then, a real washout in commodities occurred—down 40 percent to 50 percent or more. This reminded me of 1973-74, when there was blood in the streets. Even so, I have not sold anything. Why?

I strongly believe that this long-term commodity bull market is still intact. The bleeding correction we experienced beginning in October 2008 had very positive implications:

First, it extended the bull market.

Second, it provided another opportunity to accumulate commodity stocks as well as physical gold, silver and platinum.

Yes, we experienced a down interlude, but some terrific fire sale opportunities resulted. Now commodities are rising again and I strongly believe that this bull commodity cycle will be the biggest in history. So please do not take your attention off this. A collapsing dollar guarantees it, and involvement in this commodity super-cycle is the only way to survive and prosper.

## **Everyone is Calling For a Government Bailout, Which Simply Means... Print More Money**

There are enough credit, real estate and other financial crises still to come that could trigger an economic tsunami like the world has never seen.

The total equity/debt ratio for American homes is the lowest ever recorded. Real estate sales remain sluggish, housing prices remain low, and the national foreclosure rate is the highest since the Great Depression. And this is only the result of subprime mortgages. As another round of the creative adjustable rate mortgages (ARMs) start to “readjust” their interest rates upward, we could easily see a second, more devastating wave of foreclosures.

As taxpayers continue to shoulder the burden for all the bad mortgage debt and poor business decisions of the top Wall Street firms, the auto industry and other companies that are “too big to fail,” more of those who are on the edge of being able to make their mortgage payments will be forced over the edge, causing even more missed mortgage payments and foreclosures.

But as bad as it seems, I do not believe this current

collapse will culminate in the great financial collapse, as many writers expect. Why?

Because, my friends, our government will do the only possible thing that they can do, and that is “create” more fiat currency out of thin air, as it did with QE2 in the fall of 2010. The creation of new money seems like magic, but there is a price to pay in the form of reduced purchasing power, which you may think of as higher prices at the grocery store.

If it is possible to save the system for a time with dilution (more fiat currency), they intend to do so. They are afraid out of their minds of losing the whole system on the downside. I don’t think they will this time, but keep in mind that after this financial season comes the deluge—INFLATION.

How bad will the inflation be? At the rate they are already “creating” fiat currency, could we experience HYPERINFLATION? It’s possible. And that’s when you had better have your ducks in a row.

What are the implications? Well, it’s your U.S. dollar assets: Your savings, your retirement and any U.S. dollar-denominated instruments that you own.

It is good that most of you readers are not in the big non-gold stock market, but

your cash savings are also at a high risk. Oh yes, you still will have the same numbers in your accounts, but your purchasing power will be greatly reduced when the Fed “bailout” is done.

**“Bull markets are born on pessimism, grow on skepticism, mature on optimism and die on euphoria.”**

—Sir John Templeton

### Getting Your Ducks in a Row

What can you do to preserve your assets—and double your money at the same time? Buy commodity stocks and all commodities when it makes no sense to buy, as now.

For example, I bought 10 junior gold stocks that had been shorted and hammered into the dirt in September 2008. They were Andina Minerals (ADMNF), Kodiak Exploration (KXLAF), Vista Gold (VGZ), Keegan Resources (KGN), Gold Resource Groupe (GORO), Osisko Exploration (OSKFF), Oromin Exploration (OLEPF), Graystar Resources (GYSLF), Detour Gold (DRGDF) and Timmins Gold (TMGOF).

I bought a few shares of each, reasoning that they had the potential to explode. Most astute investors would

scoff at this dart-throwing, and I do caution you not to invest your grocery money in these junior stocks. This means that you can stay with the trend until it tops out three or four years from now.

My expectation is to profit by outrunning depreciating paper money before a major change or complete collapse of our monetary system occurs.

### Earn TRIPLE-DIGIT Profits With This Red-Hot Stock!

There are plenty of reasons to be excited about uranium. The dawn of the 21st century reveals a world running low on fossil fuels—and the main source in the Middle East is at high risk. Uranium generates the heat in nuclear energy plants. It is poised to become a sizzling hot stock as the world is forced to explore alternative energy sources.

In 1979, the partial meltdown of a unit at the Three Mile Island nuclear power plant in Pennsylvania raised fears about the use of nuclear power. Seven years later, the Chernobyl nuclear reactor exploded in the Ukraine—and caused more uncertainty and fear.

But the reasons for those accidents are now clear—

### Food Storage Makes a Lot of Sense

For many years, I have written about the wisdom of food storage to avoid scarcity as well as higher prices. It will be even more important in the future. Food prices will go higher, so I encourage everyone to buy ahead. Buy things that store well, and rotate your stock. Food can be worth many times more than depreciating paper money.

and nuclear power is a far less risky business. Plus, more people are aware of how fossil fuels, which release hydrocarbons, are suffocating the planet! Nuclear is clean! Nuclear power may be the best way to cleanly and efficiently generate hydrogen for auto fuel. This, in turn, could end our national addiction to gasoline and diesel fuels!

Believe it or not, a coal-fired plant releases 100 times more radioactive material than an equivalently powerful nuclear reactor. And these emissions are going right into the air and into your lungs—not into some carefully guarded storage site.

And consider this—in China alone, more than 50,000 miners perished in accidents during the 10-year

period from 2000-2009. This is yet another danger associated with dependence on fossil fuels. Even groups that have been violently opposed to nuclear energy are starting to change their tune.

With the number of nuclear reactors on drawing boards worldwide—it appears that nuclear energy is here to stay! There’s just one problem: There isn’t any new uranium that is ready to go!

There are three leading producers:

- Cameco Corporation (CCJ or CCO.TO)
- Denison Mines (DNN or DEN.TO)
- BHP Billiton Ltd. (BHP)

If you’d bought these stocks a couple years ago—by now you’d know that Cameco first doubled and then SPLIT 3 FOR 1!

After bottoming out in November 2008, these stocks could still be available at great prices, provided you hurry.

The world is only producing about half as much uranium as it uses. As new contracts start to come in, uranium prices will skyrocket and boost stock prices to new heights!

For those who don’t mind a little more risk, there are several junior exploration uranium stocks.

My bet is that some of these will EXPLODE down the road. But don’t bet the family farm! They include:

- UEX Corp. (UEX.TO)
- JNR Resources (JNN.V)
- Uranium One (UUU.TO)
- Mega Uranium (MGA.TO)
- Pinetree Capital (PNP.TO)

### All That Glitters Really IS Gold!

Gold’s best days are ahead. Everything you can think of guarantees it, and the Fed printing press bailout machine is at the top of the list. Take heart! You could be a part of the crowd that doesn’t know which end is up or wouldn’t dare exchange their paper money for gold.

Ben Davies, co-manager of Hinde Capital’s gold hedge fund, says he “strongly believes the authorities, in trying to shore up the financial system, have implemented every means possible at their disposal to subvert (hide) the realities of the dire situation the world is in.” [From Gold Charts R Us Advisory, 1-866-725-3724].

Davies also says, “If you intervene in free markets, through price fixing (price suppression) in the commodity market, eventually fundamentals will reassert



themselves. In fact, by suppressing the paper market (commodity exchange) you are sowing the seeds for great shortages. Production falls as commodity prices fall below the marginal cost of production. When you push reality exponentially from the mean, the correction is never back to fair value; it overcorrects to an extreme the other way. Prices always snap back like a rubber band.”

Gold has been on a steady climb over the last five years, rising more than 177 percent over that period. Still, gold bugs say the top is much higher and there is still

time to get on board for the ride.

Seasoned market students always look for market reversals at market extremes. Just when the public gets most pessimistic, contrarians are thinking this very negative sentiment is a definite sign of the bottom and time to buy. This is the proverbial blood-in-the-streets syndrome. It is called contrary opinion, and it is a very real and valuable system of market timing.

You don't even have to watch this market. Just believe it! Explosions upward are coming, and you have to be in to win. Don't wait for the crowd—they're always too late!

Our real bet on gold is not to exchange it for paper money, but as wealth... asset protection... and survival of the disastrous actions of paper-money makers!

Now that the Fed has destroyed the purchasing value of U.S. currency, there are signs that the reign of the Fed may be ending. The Republican-controlled House of Representatives has put the Fed's arch-villain Ron Paul in charge of the Domestic Monetary Policy Subcommittee. As chairman, Paul expects to hold regular hearings with Federal

Reserve Bank officials, including Federal Reserve Chairman Ben Bernanke. He also plans to solicit testimony from prominent economists concerning both monetary policy generally and Fed actions in particular.

This is another buy signal for gold.

Almost anybody can see that absolute values in America are virtually obsolete! Financial imbalances and debt creation have grown to impossible proportions. Social breakdown is just beneath the surface—waiting for a trigger.

We are living on the edge of the abyss, staring into the jaws of a monstrous financial crisis. And the worst part of it is: Most Americans don't understand that this crisis is going to cause them to lose their life savings in dollar paper assets!

It's little more than a hallucination to believe the government can control any crisis. In time, the government response will involve exchange controls, travel restrictions and wage, price and credit controls.

And the American people are likely to surrender all these freedoms for what they imagine will bring more security!

## Bob's Top Stocks

- Goldcorp, Inc. (GG)
- Silver Wheaton (SLW)
- Suncor Energy (SU)
- Guinness Atkinson Energy Fund (GAGEX)
- Teck Resources Limited (TCK)
- ConocoPhillips (COP)
- Royal Gold (RGLD)

**NOTE:** This summary is presented for informational and educational purposes only and should not be construed in any way to be a solicitation of any kind.

## My Gold Stock Recommendations

I am still advising my family members to buy the Tocqueville Gold Fund (TGLDX). The manager, John Hathaway, is one of the best there is in the gold market. In my opinion, this fund will be heading up for a long time. In fact, we've already made substantial gains with this fund. It's a veritable "gold mine!"

You might want to consider adding some of the stocks listed below to your portfolio. Just be patient with these stocks, as they have big potential, two to three years out.

### Top Gold Stocks:

- Franco-Nevada (FVN.To)

- Gold Corp (GG)
- Royal Gold (RGLD)
- Freeport-McMoRan (FCX)
- BHP Billiton (BHP)

**Top Silver Stocks:**

- Silver Wheaton (SLW)
- Pan American Silver (PAAS)
- Silver Standard (SSRI)

**Top Oil Stock:**

- Suncor Energy (SU)

I like these stocks so much, I have purchased positions in all of them.

And don't forget: Even though the oil markets have taken a recent hiatus, they are in an UP trend that started in 2001 and will last several years.

**Swiss Annuities:  
A Safe Haven**

**“The financial policy of the welfare state requires that there be no way for the owners of wealth to protect themselves.”**

—Alan Greenspan, 1966

**Why Switzerland?**

Switzerland has the lowest debt ratio per capita of any nation, and is the third-largest financial center in the world. Swiss currency in circulation has over 200 percent gold backing. Switzerland has a disciplined banking and insurance

industry and is considered the worlds' banker. They are the bankers' banker. Swiss annuities are the simplest way to invest in Swiss francs. A Swiss annuity is better than a Swiss bank account.

**Safe:** Assets placed in a Swiss annuity are out of reach of lawsuits, creditors and tax collectors. Nobody can lien, sue in court, confiscate, attack or steal Swiss annuity savings, provided fraud is not involved in the investment.

**Private:** Swiss insurance companies do not disclose information to foreign authorities.

**No Taxation:** Cash buildup is not taxed by the Swiss government, nor is the annuity or its profit (earnings) taxed in Switzerland. In the United States, there is now an ongoing debate about passing laws to tax annuity and life insurance earnings. This has already happened in Canada.

**No IRS Reporting:** There is no requirement to report Swiss annuities on a U.S. tax return. Swiss insurance companies do not ask for your Social Security number.

**Not Involved in War Since 1815:** Switzerland is neutral and politically stable.

**Easy to Deal With:** Business people in

Switzerland are easy to deal with. They speak excellent English.

**Communications:**

The mystique of overseas investing for Americans is gone. One can phone, fax, or e-mail to Switzerland as easily as going next door. Your annuity account is accessible. You can borrow against it if you need to.

**Liquidity:** Swiss annuities are 100 percent liquid, except for a 500 franc penalty if withdrawn within the first year. Swiss annuities pay a guaranteed interest, plus earnings, plus possible ongoing capital appreciation of the Swiss franc against the U.S. dollar. Swiss annuities pay a guaranteed interest rate of 2.5 percent plus profit sharing, which gets the return up to a total of about 4.5 percent (assuming a 10-year accumulation period). This is more than one percentage point than the return paid on U.S. Treasury Bills—and a much more stable investment.

**Methods of Purchase:**

Direct purchase, transfer of IRAs and transfer of U.S. annuities. Your Swiss annuity can be denominated in Swiss francs, U.S. dollars or German marks. When you receive your annuity payments, they are con-

verted back into U.S. dollars (unless you desire otherwise).

**Diversification:** The Swiss annuity is the quick way to privately diversify some of your assets out of the U.S. For FREE Information, write to: BFI Consulting AG, P.O. Box 158, CH-8123, Ebmatingen, Switzerland.

If you're looking into foreign investment strategies to protect some of your wealth from the greedy government—you might want to act soon. Read on to find out how the government may soon make it ILLEGAL for you to move your hard-earned money offshore...

### Here's What to Do Before "Uncle Sam" Puts the Kibosh on Offshore Investments!

Perhaps you've read the advice of knowledgeable investment analysts who say you'd be wise to get your money out of the U.S. before exchange controls take effect. As of now, it's perfectly legal to have offshore investments. After exchange controls, it won't be...

Right now you can send any amount of money out of the U.S. and avoid currency reporting. This includes a transfer of funds by means

of bank check, bank draft, wire transfer or other instrument payable to a specific person or company. Please note that currency, money orders or any kind of bearer note or instrument is reportable to U.S. taxing authorities.

You can write a private check (but no second-party checks) for a minimum of \$20,000 directly to Swiss insurance companies for a Swiss annuity. The great thing about this is...

...No insurance policy, domestic or foreign, is reportable on any tax forms or any other forms. Accumulation can be in Swiss francs, and currencies can be switched as desired. You only need to complete a simple application.

Annuities enjoy the following preferential treatment under the Internal Revenue Code:

- All earnings accumulate free of taxes until withdrawn.
- The death benefit can pass to beneficiaries directly—completely separate of probate.
- Tax-free exchanges and loans are possible.
- Enhanced privacy, since it is an insurance policy and not a bank account.
- Freedom from foreign

exchange controls.

#### ■ Great safety.

You'll increase your protection by naming an irrevocable beneficiary. A spouse may be designated a revocable beneficiary under Swiss law and obtain this same protection. Switzerland's privacy affords insurance policies the same protection as bank accounts.

Most offshore insurance companies will not divulge details to any U.S. creditor or U.S. court. A life insurance policy is a contract and normally doesn't need to be recorded at any government agency or made a matter of public record. It is portable, and benefits may be paid wherever you or your beneficiaries live in the world.

Offshore insurance policies are effectively the only way a U.S. citizen can maintain a sizable foreign investment without triggering any annual reporting requirements. Earnings accumulating in a policy don't have to be reported until the funds are repatriated to the U.S. At that time, it's up to the policy holder to obey the current U.S. tax reporting rules.

What does a depreciating or crashing currency do? It extinguishes U.S. government debt while at the same

time reduces the value of the trillions of dollars held by countries around the world. Beware all who sleep!

Those holding Swiss annuities are reaping terrific currency gains, as the Swiss franc is strong against the U.S. dollar. Even with exchange controls in the U.S., funds can be withdrawn and transferred back to the U.S.

You might be wondering why I've devoted this much space to discussing Swiss annuities. This is because we're facing a crisis—and the Swiss annuity may be on the last train out for Americans, in my opinion. I've considered these to be

excellent investments for many years.

For more information, I would suggest you contact: BFI Consulting AG, P.O. Box 158, CH-8123, Ebmatingen, Switzerland.

BFI Consulting AG has a U.S. message number: 1-800-331-0996.

Speak clearly. Give your mailing address and phone number and request FREE information packet #158 by mail. This is a reputable firm that can answer any questions you may have on this type of foreign investment.

We hear a lot about Swiss bank accounts. Swiss annuities

are far better and more flexible, in my opinion. As of this writing, they are still legal for Americans—but the U.S. government could soon squash this freedom by imposing exchange controls.

I think the trigger could be at the point the U.S. dollar drops below 75 on the dollar index. It's getting close to that point now, and this is a major event that will be pressure for more controls. Watch closely!

So this is my best advice for now. By implementing some of these suggestions... you stand to reap ENORMOUS benefits as the commodities market soars ever HIGHER!

\*We are not investment advisors and are not in a position to recommend stocks for individual investors. Investing in particular stocks carries inherent risks and you should consult an investment advisor and do your own research before making any decisions. Be sure you are familiar with the risks involved.

***The Bob Livingston Letter* • P.O. Box 1105 • Cullman, AL 35056  
Special Financial Report • Copyright 2011**

The information contained in this SPECIAL FINANCIAL REPORT is meant to educate the reader, and is in no way intended to provide financial, legal, or any other services for individual problems or circumstances. We encourage readers to seek advice from competent professionals for personal and financial needs. The publisher and its affiliates, officers, directors, and owner actively trade in investments discussed in this publication. They have a position in the securities recommended and may increase or decrease such positions without notice.

This special report is published under the First Amendment of the Constitution of the United States, which guarantees the right to discuss openly and freely all matters of public concern and to express viewpoints, no matter how controversial or unaccepted they may be. Any references for additional information that we may provide are for the reader's benefit only and are not affiliated with *The Bob Livingston Letter* in any way unless otherwise stated. All information contained in this report is believed to be correct, but its accuracy cannot be guaranteed. The owner, publisher, and editor are not responsible for errors and omissions.

Bob Livingston, entities in which he has an interest, employees, officers, family, and associates may from time to time have positions in the securities or commodities covered in these publications. Corporate policies are in effect that attempt to avoid potential conflicts of interest, and resolve conflicts of interest that may arise in a timely fashion.