

December 2011

Key: Greece seems to be solved, Portugal next? Us economy is improving

Outlook: Contagion to other weak (European) countries?

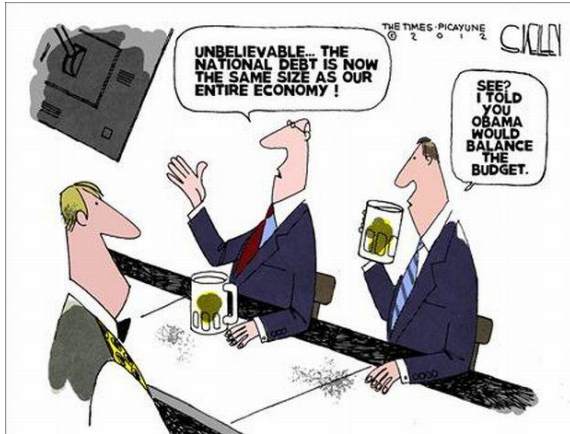
I would be grateful if you would subscribe to my site <http://goedbeleggen.wordpress.com/>, on the right hand side below the picture.

Have a look at my stockpicks; <http://home.tiscali.nl/victorgoossens.nl//>

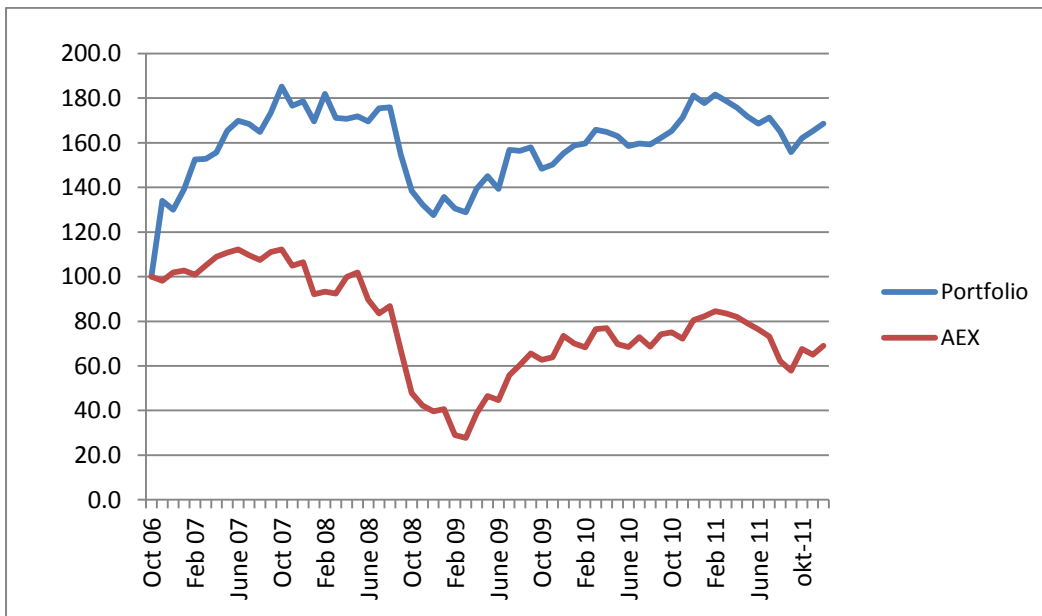
Any comments or ideas are welcome.



MATT



'One bulb goes out and the whole thing is useless. It's like the euro'



Portfolio:

Increased with 3.2 % (Underperforming the AEX with -0.8%) 2011: -13.6% AEX -12.1% Since inception Oct 2006 +65% (a 102% outperformance to the AEX -36%) or 12.4 % per annum on a weighted average basis.

Cash: 34% of the portfolio. Note these above mentioned performances were made with an average cash position of 28% (so average market exposure has been 72% since Oct 2006)

Winners: Eternel energy +50%, AND +40%, Rampart +33%, Bam +27%, Grange res +23%

Losers: Goldsource -47%, Nautilus -18%, Xemplar -18%, UNG etf -15%, Duluth metals -13%

Exits: Grontmij (part) & Hathor (taken over)

Trades:

Hedging the portfolio with FTI's result: 1.1% on the portfolio

Initial position taken in:

Increased position in:

Largest positions (in size):, 1.Probe mines, 2.Noront 3.Boskalis, 4.CFE, 5.Amerisur 6.Grange resources 7.Redstar gold, 8.Kendrion 9.Rainy River, 10.Exact, Imtech, Nautilus, Fission Energy, Victoria Gold, VMS Ventures, AMG, Octoplus, BAM, Great Basin Gold, Rockhopper exploration, RPT, AND, UNG ETF, Brasil ETF, Fairstar, Regal Petroleum, Duluth metals, Goldsource mines, Fancamp, Prodigy gold, Crescent point, Fairstar, Celtic minerals, North American Gem

Good money was made on Grange res, Amerisur & Boskalis.

Lost money on Probe mines & Nautilus.

The month:

The threat of a hard landing in China subdued, it looks like a controlled soft landing. Air is also eroding from the real estate bubble, giving investors confidence we won't see a sharp slowdown. Weaker European countries showed declining interest rates, inducing risk on investing in stocks and commodities. The ECB saved the day by using a big bazooka to offer basically limitless lending for 3 years at very attractive rates (1%) for the European banks. In the meanwhile politicians are still arguing what are the best solutions to solve the European debt problem without triggering a chain reaction and inducing a (hard) recession over the whole world. A positive sign is emerging that it will not only be austerity and fines, but also growth stimulation ideas in Europe. The big question is, is going Europe for the full Monty (ie more integration, fiscally and politically etc) or will it remain in dead lock by just words no action? Overall investors see it as promising, the glass is half full.

The US is seeing signs of life, macro numbers are improving. Inflation (food & energy specially) is on its way down, giving room for (monetary) stimuli measures around the world. The engine of Europe, Germany is doing ok, numbers are coming in slightly better than estimates.

Things are not as bad, as a lot of pessimists have proclaimed over the last couple of months.

Risks:

Greece and other weak countries aren't going to pay up, risking a deep recession and dragging the world along with it if an adequate solution isn't found

Resurrection of US debt problems

Upsides:

New plans for Quantative easing in Europe and USA (now inflation is under control)?

A real solution to stem the PIGS contagion, 1 Huge European Bond market(not likely at the moment), substantial increase of EFSF?

Outlook:

We are getting close to another Top of Tops meeting between European politicians, will this one be the real thing with real and detailed solutions? Regarding their track record, don't expect lot's of fireworks. The situation is very likely to be dragged on again, disappointing investors once again.

One way or another the Europeans are going to pay the bill for the Greek and maybe other bills as well. Banks will take haircuts, but the ECB has to go to the barber as well, the Greek simply can't pay for the banquet they were having for the last 10 years or so. Contagion will be the key word for the months to come. Bank recapitulations will also be the story of the day,

Unicredit saw it's share price plummet to 10 year low's to 2.28 on share issues. More banks will follow the coming months, asset sales will be at depressed prices. A rebound of bank stocks happened on banks lobbying for relaxed Basel terms.

We are going to see recession or near recession numbers for European countries, inducing further downgrades of numbers and company estimates. This will not be good for equity markets. At the moment markets are in a top forming process and I expect markets to head lower the coming month. Window dressing is nearly finished in the equity markets.

On a 5 to 10 year view we could see very sluggish growth for the developed countries (like the 70's) and a more moderate growth for developing nations. Commodities can play a good hedge in this scenario. Social unrest in Europe is increasing, see the recent migration of unemployed in Spain for instance, other weak countries will show the same the coming months. Capital preservation remains the play in the markets. Growth, which growth? is out for the moment.

Strategy; I have sold holdings recently and covered part of my portfolio with futures and looking to hedge more.

Technical Analysis; Gann <http://goedbeleggen.wordpress.com/gann-trader-technische-analyse/>

Last leg of top forming seems near, a close below the 1263 in the SPX (now 1309) will bring markets lower, a bottom is expected in the beginning of March. Ask for a free report via this email: vgoossens@ziggo.nl

Key points to follow: US & Pigg's debt problems, Unemployment (& Consumers spending), House prices & sales, Commercial real estate, Debt, ISM producers index, Health of the banks & Real growth of companies sales & earnings. And of course QE or money expansion in Europe.

I would be very helpful if you can send me your comments, Ideas and Investment proposals. Stock picks are of course very welcome ;-)

Good luck,
Kind regards,

Victor Goossens
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Interesting stories and advice what to do, in Dutch; <http://goedbeleggen.wordpress.com/> or <http://www.1beleggen.blogspot.com/>

Interesting links and Portfolio stories: www.victorgoossens.nl

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