

INFORMATION LINE

Vol. XVIII, Issue I

January 2000

Perspective

Y2K, OK? & Beyond!

Due to printing deadlines, this issue of Information Line was actually prepared in December, 1999, some weeks before the Big Event.

At this point, no one knows just how we'll weather the Millennium Bug. But about one thing we feel certain: the Y2K event is not just an isolated event confined to January 1, 2000. Rather, it is a complex series of highly interrelated events whose impact will be felt throughout the year.



Michael Checkan

We don't expect the world to end precisely at midnight, but there are real reasons for concern and prudent action. We hope that you've heeded our warnings and taken the necessary steps to weather the initial storm.



Glen O. Kirsch

Because of our frankly conservative economic philosophy, we are sometimes called the "boys of doom and gloom." That's because some people confuse sound economic principles and a fatalistic attitude. We are far from fatalists and we are certainly not gloomy. We believe in shaping one's own destiny through sensible preparation for an uncertain future. And we are convinced that if we choose to ignore the lessons of history, they will repeat themselves.

Nothing goes up forever and the stock market won't either. Everyone knows it will ultimately collapse, and no one knows just when. Prudence dictates a defensive attitude. We are in the midst of one of the longest economic booms ever seen in the U.S., yet the foundation is built on sand. The national debt is "officially" approaching 6 trillion dollars and is still growing. This has ...continued on p. 4

'Tis the Season to Look Into IRA's

by Rich Checkan

In our search for innovative ways to globally diversifying assets, we haven't confined ourselves to growth and asset protection for just your short term funds. We have also considered the protection afforded by foreign currency and geographic diversification for your **long-term retirement funds**.

A mainstay of retirement planning is the Self-Directed Individual Retirement Account (IRA). There are some great new options available for your IRA holdings that you should know about, plus some anticipated options coming within the coming year.

If you have followed *Information Line* for awhile, you know that we stress foreign currency diversification. True, the Dollar has benefited from a period of unprecedented, sustained economic growth in the U.S.

In fact, we are now at decade-long highs for the Dollar versus the Swiss Franc and the European legacy currencies. Is there any reason someone should consider transferring out of Dollars?

Absolutely! Numerous studies prove that diversification is an effective tool to protect your assets over the long-term. The Dollar goes up. The Dollars goes down.

Consider the Dollar versus the Swiss Franc. Back in the early 70's, you could buy the Swiss Franc for about 23 cents. In the 90's, a Swiss Franc would have cost you 91 cents. Today, it trades at around 64 cents.

By definition, retirement assets are assets you need to protect over the long-term. For these especially, you need to avoid the short-term, profit-taking mindset. These funds will need to weather many business cycles before you start using them. If, during that time, the Dollar goes through a weakening cycle — and many observers are convinced this is overdue — you could suffer by having all those eggs in one "Dollar Basket."

Also, we are beginning to see a rise in the

European equities market. This could well be the beginning of a bull market in Europe. What better time to position yourself in such a market than now? Could there be a better time to convert your current Dollar holdings to take advantage of this market than when the Dollar is at 10-year highs? If the Dollar is due for a correction, now may be a great time to take advantage of this strength in the Dollar and purchase some comparatively cheap Swiss Francs and Euros.

And remember that IRA's today can now include 401(K) and other qualified retirement funds rolled over into an IRA relationship. With more money in IRA's there is an even greater need than ever to diversify these holdings.

Two excellent vehicles exist for the internationalization of your IRA. One is the **International Certificate of Deposit (ICD)**. The ICD is a foreign banking relationship whereby you can hold foreign currency CD's in all major currencies, and the funds are actually lodged overseas. The **Swiss Annuity** is an insurance relationship that lets you place your assets abroad in Swiss Francs or Euros. (Note that recent confusion over the tax deferral status of Swiss Annuities does not apply to IRA's; the annuity is held under the tax-deferred umbrella of the IRA.)

We anticipate being able to offer some new offshore options for your IRA funds soon. One would let you take advantage of strengthening overseas equity markets. Being offshore in foreign equity markets with your IRA funds directly, as opposed to domestically based global mutual funds, is a strong possibility for the future. We

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Currency Corner

Charles Payne - The Investment Advisor's Advisor

by Michael Checkan

Currency – not equities – is my speciality, but in today's column, under the influence of a recent visit to Wall Street plus spending time building the ASI website, I'm going to stray a bit from my usual beat.

I've decided that no matter what you're trading today — foreign currency, precious metals or common stocks – you need to get a computer and Internet access. And you should open an account with an online brokerage house like Ameritrade or Etrade.

First, this will save you money that then stays in your portfolio where it will build your wealth instead of your broker's. You can do trades from your own computer for \$8 that would run you \$36 to \$50 per trade commission at a typical discount brokerage. Second, the Internet offers a vast range of valuable resources to the investor. As Marc Rogers points out in *How to Get Rich Pretty Quick*: "You can get instant stock quotes, up-to-the-minute corporate news, chat with other investors, and get financial information that will help you quickly filter out a list of hot prospects for growth stocks."

But all this Internet glory leaves one notable void – the research role formerly filled by traditional full-service brokers. Where in the world do you find unbiased and forward-looking commentary and stock selections?

I found it within a block of Wall Street. Charles Payne is a standout on Wall Street in every way. The founder and CEO of Wall Street Strategies (WSS), Charles is a self-made man with a refreshing, bold style. The hallmark of his advisory service is a uniquely aggressive and intuitive style. In no way a typical analyst, his imposing physical presence and direct, plainspoken manner have made him a sought after guest on a variety of financial news shows including CNNfn, NY1 and CTV's NEWSNET. His commentary regularly appears in a variety of media outlets such as CBS Marketwatch, Reuters, Bloomberg and S&P Marketscope to name just a few.

For the past ten years, his company has been providing research, information, trading strategies and stock selections to institutional traders. The good news for readers of *Information Line* is that he recently decided to start serving individual investors with online stock market research.

The bottom line is that WSS makes money for its clients. For the period from September 8, 1999 to October 11, 1999, the company's First Alert Service had a record of 95% winners with an average gain of 9 15/16 points. WSS offers a variety of products tailored to the full spectrum of investment and trading styles.

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	<u>Year Ago</u>	<u>Current</u>	
Swiss Franc	.7312/Franc	.6274/Franc	➡
German Mark	.6007/Mark	.5148/Mark	➡
Japanese Yen	.0088/Yen	.0098/Yen	⬆
Euro	1.1748/ECU	1.0105/Euro	➡

The Hard Stuff

Strong Growth for Platinum?

by Glen O. Kirsch

Historically, commodities provide a check on inflation. Overproduction of base metals and most other goods have made "abundance" the noun of the 90's. This built-in check on inflationary pressures has an adverse impact on precious metals, which tend to move with inflationary expectations. Precious metal prices climb or fall with such projections.

Another thing holding the price down: gold has had to weather sales by official holders with their own agenda. Central banks have been reducing gold in the belief that it's no longer necessary. Silver price runs have been capped by the thousands of tons in private hands, poised to liquidate once silver hits \$7-\$8. Both gold and silver can support years of supply deficit before above-ground supplies dwindle. This aspect of these metals is an asset in the monetary sense, but disappoints those investors who saw price gains in existing supply/ demand imbalances.

Platinum has a different story, particularly in the last three years. It has not only maintained a stable price platform but has experienced sharp price increases. Supply uncertainty and non-discretionary demand in the auto catalyst sector — platinum is used to help scrub pollution from auto exhaust — make wild price swings not uncommon.

Other platinum facts:

- Above-ground supplies of platinum could satisfy 6 months' worth of demand, unlike the central bank overhangs in the gold market.
- Overall demand has grown over 5% through the 1990s. Signs of revival in the Japanese economy suggest a coming push in platinum demand.
- Jewelry demand, the largest part of platinum use, has seen double digit growth rates in China and the United States.
- While supply has so far kept pace with demand, platinum producers probably cannot keep this up.
- Existing high tech applications, from hard disc drive coating to advanced medical implants, mean a growth in near-term demand.
- Emerging technologies such as platinum-based fuel cells promise enormous new demand. Such fuel cells are projected to be the power generation source of the future, and platinum membranes are essential to this technology.

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	<u>Year Ago</u>	<u>Current</u>	
Gold	\$286.50/oz.	\$291.20/oz.	⬆
Silver	\$5.11/oz.	\$5.40/oz.	⬆
Platinum	\$353.00/oz.	\$450.00/oz.	⬆
Palladium	\$315.00/oz.	\$452.00/oz.	⬆

INSIDE STORY

A Slim Grey Metal Case That Revealed the Key to Millions of “Free Dollars”

By Michael Checkan

Like many big opportunities, this one came totally out of the blue on an otherwise quiet day.

I got a call from an old friend and business associate. He told me with some urgency: “Michael, a man is coming to town that you and Glen must see! He can help your clients generate millions of dollars in cash from assets they probably forgot they own. And here is the beauty part: he gets paid only for results. This means his customers never risk a penny.”

I was intrigued. After all, this was not just some stranger on the phone pushing the latest get-rich-quick scheme. This was a friend with a legendary track record in discovering lucrative new investment products and strategies. I also knew that he had been referring his own valued clients to the same individual for over twenty years.

Just when you thought Y2K was over

By Rich Checkan

The Y2K thing got so much media attention that it overshadowed a threat which might be much more severe.

It's the so-called “Millennium Storm.” It is a real cosmic event that will occur on May 5, 2000.

On that day, several of the major planets — Earth, Mercury, Venus, Mars, Saturn, and Jupiter — will all line up precisely in a straight line with our Sun.

So what? Well, in the past this alignment apparently caused the greatest solar flares in all of history. And solar flares can have a number of nasty effects.

Historically, planetary alignments have been accompanied by devastating consequences to the earth. The last time that this alignment of six major planets occurred was 6,000 years ago. The fossil records suggest that the earth was severely affected.

Grab your surfboard

We are talking about enormous tidal waves — 3,000 to 5,000 feet high! Just think what a mile high wave would do to California. The Sierras would become instant beachfront property.

Also possible: a significant increase in volcanic activity and earthquakes that would top the Richter scale.

Last time there was an alignment of only four planets — Jupiter, Saturn, Uranus, and Neptune — was in 1812, known as “The Year Without Summer.”

The northern hemisphere was hit that year with temperatures so cold that total crop failures and widespread famine occurred. Just twenty-eight years ago, a similar alignment seemed to have caused earthquakes and flooding that killed over 20,000 people.

So all this is much more than a theoretical risk. The last solar maximum produced a complete power outage in the Canadian province of Quebec in March 1989 because a geomagnetic storm overloaded power lines. Authorities say that the solar cycle we're in now is likely to produce one or more storms equal to or more intense than those of March 1989. And our reliance on satellites has mushroomed over the last decade. Nor is it just power and satellite companies at risk. Supersonic aircraft flying at high alti-

So I checked with Glen and we agreed to the meeting.

A few days later, the man arrived carrying a slim, grey metal carrying case. Five minutes into the meeting, the man opened that metal carrying case.

What I saw there made me realize instantly that there were hundreds of Asset Strategies International clients overlooking important assets. I am confident that there are literally millions of dollars worth of such valuable — but unused and unwanted — assets tucked away — nearly forgotten — in attics, dresser drawers and safety deposit boxes.

Here was a way our clients could do something real and useful with those assets. This man was the master of a safe, simple and totally private way to convert these assets into cash in just a matter of days — frequently with a double- or triple-digit profit bonus!

The man's name is **David Marcum**. A letter describing his valuable, one-of-a-kind services is enclosed. I hope you will read it carefully. It just might show you how to capitalize on a valuable asset you barely realized you had. □

tudes over polar caps could become the victims of too much radiation due to the solar activity.

These solar flares cause or create high-energy electrons. The electrons blasted out have the ability to disable or destroy all forms of electronic equipment. The flares that are anticipated by the alignment to take place next year will be more significant than anything that has occurred in the past several hundred thousand years.

It was originally estimated that these electrons would take about 90+ hours to reach the earth. This would provide sufficient time to turn off all significant systems, such as electrical utilities, aircraft and things of that nature. It seems that if you turn the electrical systems off they are unaffected by the electrons.

However, in late 1998 the European Space Agency's SOHO solar observing satellite was temporarily disabled by the electrons created from solar flares that only took 20 minutes to reach Earth. This radical reduction in elapsed time means that there will not be enough time to shut down critical systems and the resulting impact could mean the destruction of almost all forms of electric based equipment.

That is fairly inconvenient in itself, but things could get much worse. There is also the possibility of profound biological effects, since the solar flares could damage the Earth's atmosphere. How much damage the atmosphere could suffer is uncertain, but it is absolutely certain that because of the solar flares, the Earth will be exposed to every form of radiation known.

No one argues that such exposure is good. Radiation levels will be directly proportional to the intensity of the solar flares.

How big an impact will these have on our earth and on us?

No one knows, but many scientists feel there is reason for grave concern. One reason for the anxiety is the timing of the planetary alignment.

Entirely apart from that factor, space weather forecasters had already been predicting an increase in solar storms. Scientists with the National Oceanic and Atmospheric Administration are predicting between six and a dozen major solar storms within the next three years.

BITS & PIECES

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The sun is on an 11-year cycle that produces variations in magnetic activity. Over the next three years, the sun will be in solar maximum its time of greatest solar activity. In other words, the Millennium Storm comes at the worst possible time. When solar maximum occurs, the sun bursts at its seams with explosive power, and as it churns there is potential for electrical power outages, radio problems, and the disabling of satellites. Combine this with the rare planetary alignment on May 5, 2000 and there may be potential for surfing in the Sierras as well. □

IPA Strategies

by Michael Checkan

Have a look at the enclosed flyer — a letter from Karim Rahemtulla, Global Equities Strategist, for the Oxford Club, an international investment club of which I'm affiliated. About a year ago, Karim launched a specialty investment service based on a unique strategy — using covered calls in a way that produces safe and consistent gains. It's an interesting and different approach with impressive results. I recommend you consider it. □

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also hope to offer the ability to hold precious metals overseas under the IRA umbrella. As these options develop, we will keep you informed in future issues.

So what is in store in the next millennium? No one knows for sure. But you can be confident that if you diversify offshore, you can take advantage of developing opportunities abroad, benefit from attractive exchange rates, and you can protect yourself from the bottom falling out of your "Dollar Basket."

For information about how you can go offshore with your IRA's, call Glen Kirsch or Rich Checkan toll free at (800) 831-0007. □

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The company trades under the ticker WSST on the OTC Bulletin Board. It plans to be listed on NASDAQ early in the year 2000. The company's future looks bright. Like I said, my thing is currency, not equities, and I am not giving you advice. **But if this is an area that interests you, you can get more information by referring to the insert or calling (212) 514-9500. □**

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Finally, beyond the exiting fundamentals of platinum, investors should know that the metal has all the portfolio insurances characteristics of gold or silver: platinum provides liquidity in times of equity market turmoil, and it has historically offered some protection against losses incurred in inflationary periods.

The bottom line: Platinum is a unique commodity, with beneficial aspects for the investor in both good times and bad. □

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been in the past, and will continue to be in the future, the millstone around the Dollar's neck. The real trick over the first decade of the new millennium will not be how to make money, but about how to keep what you've got.

Forget the rhetoric about the "balanced budget." That is the epitome of economic magic mirrors. The plain truth is that we are bankrupt as a country. When this "1928 euphoria" subsides, as it inevitably must, the Dollar will once again be viewed as a second-class currency.

Given these facts, a question we are frequently asked has very pointed relevance. The question is simply "What does ASI do?" The simple answer is this: We assist clients in globalizing their assets, utilizing two means — foreign currencies and precious metals. The cliché, "the world is getting smaller," is so true. The unthinking philosophy of investing in a single country belongs to the century now passing.

Over the last 30 years, we have endeavored to develop and implement products and services to help our clients achieve asset globalization. For example, ASI was one of the very first organizations to enable individuals to internationalize their IRA's with Swiss annuities and foreign currency CD's.

And ASI has spent the the last 2 1/2 years working in conjunction with the Western Australia government, to bring to the market the Perth Mint Certificate Program (PMCP), the world's only government guaranteed precious metals certificate.

We are happy to close out this century with accomplishments like that. And we are working hard on some new, exciting products and services which we'll announce in 2000.

Rest assured that ASI's commitment to you, our clients, will be even stronger in the new millennium. Together, let's make it a great one! □

Quote of the Month

**"When gold argues the cause,
eloquence is impotent"
Publius Syrus (1st Century B.C.)**

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