Trump’s Clear and Present Danger: It’s NOT the Economy

Investors are focused squarely on Washington right now, eagerly anticipating President Trump’s tax-cut proposal and fiscal-spending plans, expecting them to juice the markets and our economy.

But as usual, most investors are looking the wrong way and are about to get blindsided: Not by our economy, but by geopolitical events halfway around the world.

It’s not Trump’s domestic policies that will impact markets the most over the next four years. Tax-cut talks and infrastructure-spending plans have already been priced into the markets at this point.

It’s Trump’s most pressing diplomatic priorities that will have the greatest impact on markets.

That’s because there are geopolitical storm clouds quickly gathering over the South China Sea which could choke off global trade with devastating consequences for markets worldwide.

The South China Sea dispute has been on my radar for over 13 years, back when nobody, and I mean nobody, else was talking about it. I warned readers in Real Wealth Report as far back as 2004 about this potential powder keg, but just to recap:

A tiny group of barren coral reefs in the South China Sea, the Spratly Islands, is ground-zero for this dispute. China
has long claimed sovereignty over the area, which is disputed by Taiwan and Vietnam. To make matters worse, Malaysia, Brunei and the Philippines also lay claim to parts of this uninhabited archipelago.

The only reason why these five nations give a hoot about this desolate group of coral reefs and sandbars is because they sit atop 100 billion barrels of undeveloped crude oil reserves — equivalent to nearly 10 percent of total current global reserves — plus another 882 billion cubic feet of natural gas!

No doubt about it: That’s a huge economic prize.

Also, these islands sit astride the world’s busiest commercial shipping routes, which makes the South China Sea a strategic prize for China to get their hands on.

As if the Spratly Islands aren’t enough of a flash point already, there’s another area of contention between China and Japan further north in the East China Sea: The Senkaku Islands, which Beijing and Tokyo have been fighting over for decades.

Already sporadic scuffles have flared up over the years between the crowded field of claimants to these islands, but it hasn’t blown up into a major conflict … at least not yet.

Recently however, tensions have escalated with the U.S. getting more directly involved in what could be a military face off with China in the disputed region.

Three years ago, China began dredging up sand from the ocean floor to build up the Spratly Island chain into a fortress.

Altogether, China has reclaimed more than 3,000 acres of land in the islands since 2014. Recent satellite photos clearly show seven artificial islands in all, fortified with gun towers and anti-aircraft missile batteries.

Plus, China has built military airstrips, port facilities and barracks for troops to be permanently garrisoned in the disputed islands.

The Obama administration lodged objections to China’s military island building, and the U.S. countered the buildup by expanding the Navy’s presence in the region and by stepping up American missile capabilities in South Korea.

Ostensibly, the missile defense installation in South Korea is a deterrent to Kim Jong-un’s saber rattling in North Korea. But Beijing knows full well these missiles could be used against them as well, and they’re not happy about it. China’s military brass responded just last month by announcing it would deploy intercontinental nuclear missiles within range of U.S. targets!

China upped the ante by announcing its intention to send nuclear submarines on patrol in the islands to “deter” U.S. warships. There have already been a series of minor skirmishes between U.S. and Chinese military forces in the region. But now tensions are building.

Consider …

In 2001 a U.S. Navy P-3 Orion reconnaissance plane collided with a Chinese F-8 fighter jet over the islands.

Chinese vessels have repeatedly harassed Navy surveillance ships and drones operating in the area.

In 2009, a Chinese submarine collided with a sonar buoy being towed by a U.S. destroyer.

And, again, just last week, there was another close encounter between a Navy P-3 and a Chinese surveillance aircraft.
Why are tensions escalating now?

It has everything to do with the new Trump administration, which is drawing a hard-line in the sand against China in this dispute.

Trump’s new secretary of state, Rex Tillerson, took a bare-knuckles tone against China in his Senate confirmation hearing when he said: “We’re going to have to send China a clear signal that, first, the island-building stops and, second, your access to those islands also is not going to be allowed.”

As the former CEO of ExxonMobil, Tillerson understands the strategic importance of the South China Sea all too well. More than 15 million barrels of crude oil gets shipped through the region on a daily basis as tankers from the Middle East make their way through the Strait of Malacca between Malaysia and Sumatra, then turn north to unload their cargo at ports in China, Japan, South Korea and Taiwan.

That’s currently about 50 percent of the world’s oil tanker traffic — and by 2035 it’s expected that 90 percent of Middle East fossil fuel exports — will pass within easy striking distance of China’s missiles, bombers and ships stationed in the Spratly Islands!

You read that right: 90 percent!

Meanwhile, the Trump administration has made it crystal clear they will not tolerate a Chinese takeover in the South China Sea. Sooner or later, something’s got to give.

Trump is also a big proponent of fair-trade deals, taking specific aim at punishing China for currency manipulation that gives Beijing an unfair trade advantage with America. And when it comes to keeping maritime shipping lanes open, there is none more important than the South China Sea.

Every year $5.3 trillion of global trade passes through these waters, with U.S. trade accounting for nearly 25 percent of this total.

So it’s clear that China’s Spratly Islands fortress is a major thorn in the Trump administration’s side. It’s no wonder why the risk of armed conflict in the South China Sea is now more significant than ever before.

Expect the saber rattling to pick up from both Washington and Beijing in the very near future. The U.S. has mutual-defense packs with allies in the region including Japan, Taiwan and the Philippines. Which means that any missteps from any one of these nations could draw the U.S. military into a shooting war with China.

If, for example, a Philippine naval or coast guard vessel is attacked, a military aircraft is shot down, or any members of its armed forces are injured or captured, this would immediately draw a U.S. military response under the terms of our mutual-defense agreements, as is the case with NATO.
Countdown toward war …

I hate to say I told you so but … the ramping up of the war cycles, which I’ve been warning you about, tells me to expect open conflict in the South China Sea sooner rather than later.

Here are the red flags I’m watching for in the countdown to conflict in the region …

**First**, China clearly intends to exert greater control over the South China Sea for two reasons, one economic, the other strategic:

1. Enormous untapped oil and natural gas reserves, plus …
2. Strategic maritime trade routes that run right through China’s front yard!

**Second**, up until now, Washington has been asleep to this threat, just as they were with the Japanese 76 years ago right before Pearl Harbor. China has been emboldened by its easy, cost-free conquest in the Spratly Islands, and it’s now eager to project its military might across the entire region.

**Third**, once China has built up its military presence on the islands to the point it achieves maritime and air superiority over the region, I expect Beijing’s next move will be to declare an air defense zone, just as China did four years ago in the East China Sea dispute with Japan.

**Fourth**, in response to China declaring a defense zone over the Spratly Islands, the Trump administration — because of its hard-line rhetoric — would have no choice but to respond in kind. Most likely the U.S. Navy’s 7th Fleet would be dispatched to the region, probably to set up a blockade of the disputed islands, just like what happened during the Cuban Missile Crisis 50 years ago. And that conflict almost ended in nuclear war!

Considering his constant bluster about China, I seriously doubt President Trump would back down if the U.S. or its allies are provoked in the South China Sea.

Since WWII, the U.S. Navy has kept the peace in the Western Pacific. Our allies and key trading partners in the region look to the U.S. military to maintain open sea lanes and shipping routes and to provide stability in the region.

If Washington blinks, they would lose all credibility with every nation in Southeast Asia.

And if our allies in the area lose confidence in our ability to protect them, they will simply embark on a dangerous arms buildup of their own. Or even worse, cozy up to a more powerful China, which hands Beijing strategic and economic dominance over the entire region — home to the world’s fastest growing economies.

Either way, it’s a lose-lose situation for the United States, which is why Trump will never back down.

If you’re a student of history, as I am, then you’ll realize this confrontation is inevitable. Five hundred years ago, the Spanish ruled the sea lanes to the New World, before they lost dominance to the British.

Two hundred years ago, Britain’s Royal Navy ruled the waves, and the key trade routes around Africa to India and East Asia.

In the 20th century, especially since the end of WWII, it’s been the United States Navy that has ruled the seven seas.

Well, in the 21st century, inevitably China will not only become the world’s biggest economy, but it will become a dominant force to be reckoned with in the Western Pacific.

**Basic Survival Strategies**

One blue-chip American company is uniquely positioned to profit from a possible conflict in the South China Sea, as well as the overall defense-spending buildup that’s expected under President Trump: **Textron Inc. (TXT)**.
TXT is one of the largest defense contractors in the United States with $13.8 billion in total revenue, and earnings growth of 11.45 percent over the past five years. And a large share of TXT’s revenues and profits come from its Textron Systems Marine & Land Systems division, a key supplier to the U.S. Navy and Marine Corps.

The division designs and builds maritime craft for military operations at sea. This includes landing craft as well as autonomous, remotely operated, unmanned service vessels. Seaborne weapons systems will be in very high demand in any conflict that involves the U.S. military in the South China Sea.

That’s why the stock is my top-pick for this month’s Real Wealth Report portfolio.

My recommendation: Using 3 percent of your capital allocated to Basic Survival Strategies, buy Textron Inc., symbol TXT, at a limit-price of $50 or better. I will monitor the risk for you, via a mental stop I will hold.

Now, let me update you on your existing positions …

I know I sound like a broken record, but continue to steer completely clear of the riskiest market of all — sovereign debt. This includes municipal bonds and corporate debt that’s rated less than AAA. After a small bounce, bonds should continue their downtrend.

And as strong as the Dow looks, do not go all-in on stocks. There will be a better opportunity to get long stocks, so wait for my signal.

For now … FIRST, continue to hold your physical gold as recommended. As a reminder: You should have bought on my previous recommendation at $1,207 and more recently at $1,250, 10 percent each time, your average is roughly $1,228.50. That means you should soon be in-the-money on these purchases.

Gold is forming a nice uptrend off the December low, and it’s holding nicely around the $1,220 level. The next near-term upside target is $1,250, then of course the $1,300 level. After that, I will be looking at the $1,380 level, then a break above $1,470. In fact, I will recommend adding to your physical holdings as soon as these buy signals are elected. Stay tuned.

Remember, these are long-term core emergency holdings. And if you followed my recommendations on these buys for 20 percent of 20 percent of the Basic Survival Strategies section, your total allocation should be no more than 4 percent of your entire liquid net worth (20 percent X 20 percent).

If anything changes, or I decide you should hedge your current holdings, rest assured I will notify you immediately in Real Wealth, or via a Flash Alert if necessary.

Continue to hold your ...

■ Core Gold Bullion (GOLDS), up 215 percent since originally recommended.

■ SPDR Gold Shares (GLD), up 173.6 percent since my initial recommendation.

■ Tocqueville Gold Fund (TGLDX), up 51.4 percent.

SECOND, hold your Platinum Bullion (XPT) and Palladium Bullion (XPD), which should be very minor in holdings.
THIRD, for spot silver: You should have 5 percent of your Basic Survival Strategies funds invested in Silver Bullion (XAG) when it hit $16.30 on November 23. You’re up 9.2 percent on this buy. Hold. I will let you know when to add-to, or hedge the position if need be.

FOURTH, continue to hold Yamana Gold Inc. (AUY), Goldcorp Inc. (GG) and Kinross Gold Corp. (KGC) — with good-till-canceled protective sell-stops at $2.34 … $11.49 … and $2.25, respectively.

I’ll be looking to add to these positions soon, once my key buy signals are elected, as stated above.

Plus, I’m constantly scanning my watch list of high-quality miners with low production costs for new potential buy recommendations. Stay tuned, because I expect to add substantially to your mining stock holdings this year.

FIFTH, keep holding your shares in Vantiv, Inc. (VNTV) with a good-till-canceled sell-stop at $49.74.

If not on board, for whatever reason, using 3 percent of your capital allocated to Basic Survival Strategies, buy Vantiv, Inc., symbol VNTV, at the market. Place a good-till-canceled sell-stop at $49.74.
Oil’s New Swing Producer. Plus Order Adjustments in BG, CAT and BA …

Current psychology in the oil market may reflect optimism, but it’s not going to last. That’s because the real risk for oil bulls is the fact that the United States is the new global swing producer.

As it stands, U.S. crude oil production is up 400,000 barrels per day since October, and it’s quickly approaching 9 million barrels per day. And this figure will only go higher following a surge in U.S. oil-drilling-rig activity, which is up a staggering 85 percent from the May 2016 low.

Additionally, U.S. oil inventories are at record-high levels for this time of the year. Plus, there’s a surge in investment into the U.S. oil patch. In fact, energy researchers at Wood Mackenzie predict U.S. oil investment of around $61 billion this year.

You read that right: $61 billion with a “B” in oil investment. And that’s for this year alone!

Mark my words: These forces will cap rally attempts in oil and ultimately turn prices sharply lower.

But now’s not the time to make a move in oil. When the time is right, you’ll be the first to know.

As far as the broader stock market goes, my cycle research and A.I. models indicate a pullback may be coming down the pike during the first quarter. So, now’s not the time to back up the truck for stocks either.

But as in any market, there are always opportunities. That’s why I want you to make the following adjustments to your working orders ...

1. CANCEL AND REPLACE your existing good-till-canceled order, using 3 percent of the funds you have allocated to the Materials, Energy & Ags section, to buy shares in Bunge Ltd., symbol BG, at $62.90 or better. NEW PRICE: $64.65 or better. When filled, place a good-till-canceled protective sell-stop at $54.89.

2. CANCEL AND REPLACE your existing good-till-canceled order, using 5 percent of the funds you have allocated to the Materials, Energy & Ags section and buy shares in Caterpillar Inc., symbol CAT, at $84.00 or better. NEW PRICE: $88.90. When filled, place a good-till-canceled protective sell-stop at $73.61.

3. CANCEL AND REPLACE your existing good-till-canceled order, using 5 percent of your funds allocated to the Materials, Energy & Ags section and buy shares in Boeing Co., symbol BA, at $140.00 or better. NEW PRICE: $150.30 or better. When filled, place a good-till-canceled protective sell-stop at $127.72.

I’ve priced these stocks so, on a pullback, they will be ready to go. And don’t forget: When the time is right, I’ll send you even more recommendations. There will be many new opportunities in this section as 2017 unfolds.
23.7 Percent Gains Banked on JJC! Stay Short the Euro. Buy EPV and Adjust Your Order For PPLT Now.

Last month, you should have banked gains of up to 23.7 percent on your position in iPath Bloomberg Copper Subindex Total Return ETN (JJC). As noted last month, I’m expecting a pullback in copper, so locking in gains is a smart move in my book.

Now, my new recommendation: ProShares UltraShort FTSE Euro (EPV).

Europe’s equity markets have been on an impressive run higher despite all the political uncertainty surrounding the upcoming elections, which could ultimately determine the European Union’s survival. Plus, my models tell me that Europe’s equity markets are topping and way overdue for a correction, a sharp correction.

So, go ahead and place an order to buy EPV at $49 or better:

Place a standing good-till-canceled order using 5 percent of your funds allocated to The Speculator section, and buy ProShares UltraShort FTSE Euro, symbol EPV, at $49 or better. When filled, place a good-till-cancelled protective sell-stop at $44.35.

Meanwhile, I recommend ...

Holding your shares in ProShares UltraShort Euro, symbol EUO, and maintaining a good-till-cancelled protective sell-stop at $20.86. You have a modest 14.8 percent gain on the position.

The euro rallied against the dollar for the first five weeks of the year, but it stalled out around the 1.08 level and has failed to rally through any major levels of resistance. I expect the euro to head lower from here.

If not on board, you may purchase EUO at the market now using 5 percent of the funds you have allocated to The Speculator section. Place a good-till-canceled protective sell-stop at $20.86.

Next, I recommend adjusting your order to buy ETFS Physical Platinum Shares (PPLT).

Platinum prices and shares of PPLT are starting to pull back a bit, but I don’t think they will fall far enough to get back down to my original recommended price of $90 on PPLT.

So, here’s what to do ...

CANCEL AND REPLACE your existing good-till-cancelled order, using 5 percent of your funds allocated to The Speculator section, to buy ETFS Physical Platinum Shares, symbol PPLT, at $90 or better. NEW PRICE: $92 or better. When filled, place a good-till-cancelled protective sell-stop at $81.07.
Interest Rate Outlook and Update on RGLD.

Right now, the Treasury market is working off a severely oversold technical condition, as well as a near-record speculative net-short positioning. That’s pushing prices higher — and yields lower. Additional catalysts for higher Treasury prices (lower yields) include ...

- European election uncertainty, with French far-right candidate Marine Le Pen gaining traction.
- Safe-haven inflows off IMF blowback over the Greek debt situation that’s unsustainably high.
- Fading expectations for quick passage of Trump’s pro-growth proposals.

I don’t think this condition will last too much longer. Once it cools, I’m looking for Treasury prices to take a hit — and send yields higher. When that happens, I’ll have a great way for you to play it. So, stay tuned for trades designed to take advantage of higher interest rates coming your way soon.

For now, ...

Continue working your open order to buy a best-of-breed royalty mining company: Royal Gold, Inc. (RGLD). RGLD receives royalty streams from 38 producing and 24 development gold and silver properties.

The company’s latest quarterly earnings report was spectacular, helped by the rebound in gold prices and robust production metrics. Additionally, RGLD posted record operating cash flow that was up 34 percent from the year-ago period. The company yields 1.3 percent at its current share price of $71.45.

My recommendation: Using 3 percent of the funds you have allocated to Income Investments, buy Royal Gold, Inc., symbol RGLD, on a pullback to $60 or better. When filled, place a good-till-canceled protective sell-stop at $51.33.

In the meantime, ...

Hold Westlake Chemical Partners LP (WLKP), and maintain a good-till-canceled protective sell-stop at $18.07. Your position has open gains of 33.6 percent, including an annualized dividend yield of 5.6 percent.

If not on board WLKP, use 5 percent of the funds you have allocated to Income Investments and buy at the market. Be sure to place a good-till-canceled protective sell-stop at $18.07.

Hold GAMCO Global Gold, Natural Resources & Income Trust (GGN), and maintain a good-till-canceled protective sell-stop at $4.21. While trading slightly below your entry level, it sports a generous dividend yield of 10.7 percent. Reinvest the dividends to compound your return.

If not on board, you may purchase GGN at the market, using 5 percent of your Income Investments funds. Place a good-till-canceled protective sell-stop at $4.21.
Adjust Your Buy Order on CHL. Hold All Positions.

You’re probably tired of hearing me say it, but the fact of the matter is China is booming. And recent economic data proves that China is still a bright spot in the global economy ... and will be for many years to come.

Take a look at some of the numbers ...

China’s January trade balance widened to a $51.35 billion surplus, beating expectations and resulting in the biggest surplus in a year.

January exports rose almost 8 percent, more than doubling expectations, making it the largest increase in almost two years.

January imports climbed 16.7 percent, the biggest increase in 4 years.

No doubt about it, those are stellar results.

But that’s not all ...

Uncertainty surrounding China-U.S. relations has also eased a bit. After a recent phone call with Chinese President Xi Jinping, President Donald Trump affirmed the “One-China Policy” that has long underpinned China-U.S. relations.

The China-U.S. relationship is one of the most important in the global economy. And this is a big step forward for not only China, but the rest of Asia as well.

The fact is, close ties between the two countries will only benefit Asian markets, which remain among the most undervalued and bullish in the world.

So stay tuned: You will soon be ramping up your exposure to Asian companies. When the time is right, you’ll be the first to know.

For right now, I recommend adjusting your order to buy China Mobile Ltd. (CHL).

China Mobile shares have not pulled back like I had expected. But the stock remains technically short-term overbought, so I recommend adjusting your open buy order to add shares on a shallower pullback.

Here’s what to do ...

CANCEL AND REPLACE your existing good-till-canceled order, using 5 percent of your funds allocated to the Asia Investments section, to buy China Mobile Ltd., symbol CHL, at $53.50 or better. NEW PRICE: $55.00 or better. When filled, place a good-till-canceled protective sell-stop at $48.15.

In the meantime ...

Hold your shares in U.S. Global Investors - China Region Fund, symbol USCOX. Exit the fund if it closes below $6.20 on any trading day.

If you have not purchased this fund, you may purchase it now at the market using 5 percent of the funds you have allocated to the Asia Investments section. Exit the fund if it closes below $6.20 on any trading day.
Hold your shares in China National Offshore Oil Corp. Ltd., symbol CEO, and maintain your good-till-canceled protective sell-stop to $108.29.

If you have not purchased CEO, you may purchase it now at the market using 5 percent of the funds you have allocated to the Asia Investments section. Place a good-till-canceled protective sell-stop at $108.29.

Hold your shares in iShares China Large-Cap ETF, symbol FXI, and maintain a good-till-canceled sell-stop at $27.44.

If you have not purchased FXI, you may purchase it now at the market using 5 percent of the funds you have allocated to the Asia Investments section. Place a good-till-canceled protective sell-stop at $27.44.
### Real Wealth Positions At A Glance

<table>
<thead>
<tr>
<th>Company Name (Ticker)</th>
<th>Current Quote ($) as of 2/13/17</th>
<th>Initial Purchase Date</th>
<th>Most Recent Trade Date</th>
<th># of Shares</th>
<th>Avg. Cost Basis Per Share ($)</th>
<th>Current Value ($) as of 2/13/17</th>
<th>($) Gain/Loss</th>
<th>Total Return (%)</th>
<th>Current Reco</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPDR Gold Shares (GLD)</td>
<td>$116.80</td>
<td>4/18/2005</td>
<td>6/20/2013</td>
<td>109</td>
<td>$49.50</td>
<td>$127,310.20</td>
<td>$7,335.22</td>
<td>173.60</td>
<td>Hold</td>
</tr>
<tr>
<td>Toqueville Gold Fund (TGLDX)</td>
<td>$40.86</td>
<td>9/16/2008</td>
<td>9/16/2008</td>
<td>55</td>
<td>$30.65</td>
<td>$2,247.30</td>
<td>$15.75</td>
<td>51.40</td>
<td>Hold</td>
</tr>
<tr>
<td>Silver Bullion (XAG)</td>
<td>$17.80</td>
<td>4/21/2014</td>
<td>11/23/2016</td>
<td>64</td>
<td>$19.45</td>
<td>$38,636.47</td>
<td>($124.77)</td>
<td>(0.40)</td>
<td>Hold</td>
</tr>
<tr>
<td>Platinum Bullion (XPT)</td>
<td>$998.20</td>
<td>5/19/2014</td>
<td>5/19/2014</td>
<td>0.85</td>
<td>$1,468.69</td>
<td>$84,876.40</td>
<td>($470.49)</td>
<td>(23.03)</td>
<td>Hold</td>
</tr>
<tr>
<td>Palladium Bullion (XPD)</td>
<td>$775.00</td>
<td>5/19/2014</td>
<td>5/19/2014</td>
<td>1.53</td>
<td>$815.92</td>
<td>$1,185.73</td>
<td>($40.92)</td>
<td>(5.02)</td>
<td>Hold</td>
</tr>
<tr>
<td>Kinross Gold Corp. (KGC)</td>
<td>$3.98</td>
<td>5/24/2016</td>
<td>5/24/2016</td>
<td>453</td>
<td>$4.41</td>
<td>$1,802.94</td>
<td>($0.43)</td>
<td>(9.75)</td>
<td>Hold</td>
</tr>
<tr>
<td>Yamana Gold Inc. (AUY)</td>
<td>$3.47</td>
<td>8/24/2016</td>
<td>8/24/2016</td>
<td>415</td>
<td>$4.81</td>
<td>$1,440.05</td>
<td>($1.33)</td>
<td>(27.55)</td>
<td>Hold</td>
</tr>
<tr>
<td>Goldcorp Inc. (GG)</td>
<td>$16.76</td>
<td>8/30/2016</td>
<td>8/30/2016</td>
<td>128</td>
<td>$15.55</td>
<td>$2,145.28</td>
<td>$1.27</td>
<td>6.17</td>
<td>Hold</td>
</tr>
<tr>
<td>Vantiv, Inc. (VNTV)</td>
<td>$63.76</td>
<td>10/24/2016</td>
<td>10/24/2016</td>
<td>26</td>
<td>57.86</td>
<td>$1,657.76</td>
<td>$5.90</td>
<td>10.20</td>
<td>Hold</td>
</tr>
<tr>
<td>Caterpillar Inc. (CAT)</td>
<td>$98.50</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Hold</td>
</tr>
<tr>
<td>ETFs Physical Platinum Shares (PPLT)</td>
<td>$94.05</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Hold</td>
</tr>
<tr>
<td>Bunge Ltd. (BG)</td>
<td>$68.46</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Hold</td>
</tr>
<tr>
<td>MATERIALS, ENERGY &amp; AGS</td>
<td>Eastside International (ESI)</td>
<td>$84.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Hold</td>
</tr>
<tr>
<td>Royal Gold, Inc. (RGLD)</td>
<td>$71.45</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Hold</td>
</tr>
<tr>
<td>ASIA INVESTMENTS</td>
<td>iShares China Large-Cap ETF (FXI)</td>
<td>$36.47</td>
<td>4/18/2016</td>
<td>4/18/2016</td>
<td>72</td>
<td>$2,625.84</td>
<td>$2.97</td>
<td>8.64</td>
<td>Hold</td>
</tr>
<tr>
<td>U.S. Global Investors China Region Fund (USCOX)</td>
<td>$7.70</td>
<td>6/20/2016</td>
<td>6/20/2016</td>
<td>362</td>
<td>$6.90</td>
<td>$2,702.40</td>
<td>$0.81</td>
<td>11.77</td>
<td>Hold</td>
</tr>
<tr>
<td>China National Offshore Oil Corp. (CEO)</td>
<td>$125.98</td>
<td>6/20/2016</td>
<td>6/20/2016</td>
<td>20</td>
<td>$121.82</td>
<td>$2,519.60</td>
<td>$5.71</td>
<td>4.68</td>
<td>Hold</td>
</tr>
<tr>
<td>China Mobile Ltd. (CHL)</td>
<td>$56.13</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Hold</td>
</tr>
</tbody>
</table>

### POSITION PERFORMANCE

INITIAL OPEN POSITIONS COST: $44,389.23  
OPEN POSITIONS VALUE: $66,158.57  
OPEN POSITIONS TOTAL RETURN SINCE INITIAL PURCHASE DATE: 49.04%  
YTD TOTAL RETURN: 9.01%  
Real Wealth Report: 5.72%  
VanEck Vectors Natural Resource ETF (HAP): 5.92%  

Disclaimer: Real Wealth Report is strictly an informational publication and does not provide a total picture of position results, past results are no guarantee of future performance. References to example of past performance are not intended to provide a total picture of position results, and past results are no guarantee of future performance. As of 12/21/2016, the market price of the next trading day following the release of the monthly issue is used. All tracking is done using open market prices of the next trading day following the release of the monthly issue. As of 07/20/12 flash alert trades are filled using open market prices of the next trading day following the release of the monthly issue. As of 07/20/12 flash alert trades are filled using open market prices following the release of the trading issue. Source: Bloomberg, Data Date: 2/13/17

*Initial dividends. *Assumes reinvestment of all distributions; initial purchase and combines any subsequent purchases as an average of all shares.
Retire in style with the wealth-building secret of America’s greatest investor

CLICK HERE to get Jon Markman’s FREE e-book: “Pivotal Point Trading.”

He shows you how to turn every $10,000 invested into $700,000 ... and names three stocks on the launching pad RIGHT NOW.

Dear Investor,

Imagine for a moment what it would mean to your retirement nest egg if you could tell when a given stock was about to go up ... and when it was about to go back down.
Jesse Livermore had a secret strategy that let him buy and sell stocks with uncanny accuracy and timing ... and made him America’s richest man by his 40th birthday.

For the first time ever, you now have the power to put the very same secret to work for your portfolio.

**Shrouded in mystery ...**

He called this secret strategy “The Pivotal Point.”

But until recently, the Pivotal Point has been shrouded in mystery.

Despite the efforts of biographers, economists, historians, market analysts and dozens of amateur sleuths to crack the code ...

Only Livermore himself knew how to calculate the Pivotal Point and use it to make money in the stock market.

**That is, until now**

With unlimited access to Jesse Livermore’s private papers, notebooks, and handwritten trading records ...

I developed a computer model of the Pivotal Point system that works with uncanny accuracy.

Back-tested over the last 17 years — including some of the most turbulent years in economic history — the model has shown steady, reliable gains like these:

- Celgene achieved a 47% gain in 196 days.
- Conoco Phillips turned a 48% gain in 399 days.
- Apple went up 55% in just 42 days.
- HP yielded a 64% return in only 98 days.
- TJX returned nearly 72% in only 195 days.
- And IDTI turned in a 340% gain in just 308 days — enough to triple your investment in less than a year.

**Now YOU can trade “The Livermore Way”**
My back-tested Pivotal Point portfolio earned an astonishing 27.3% annualized return.

And a total non-compounded return of 7,051.6%

Compare that to the 76% return of the S&P 500 in the same time frame.

It’s the difference between turning a $100,000 nest egg into a modest $176,000 …

Or turning it into a $7 million portfolio that would let you tell your boss:

“I QUIT TODAY!”

And if you add short-selling to your strategy, the returns get even better.

After you read my FREE e-book, you can use my research to begin trading — and growing your wealth — the Livermore Way today.

I’d like to send you a FREE copy of my brand-new e-book: “Pivotal Point Trading.”

CLICK HERE to get your FREE copy

It explains in step-by-step fashion — and in plain English — exactly how you can apply Jesse Livermore’s trading techniques to today’s stock market.

Which means that even though you might not be able to afford a 200-foot yacht like Livermore’s …

That 22-foot runabout you’ve had your eyes on could be well within your reach.

Even though you may not be able to buy a 50-room mansion on Long Island like Livermore did …

You could certainly renovate that basement of yours or maybe even put a swimming pool in the backyard.

Even though you may not be able to travel in your own railroad car like Livermore and stay in a luxurious hotel for three months at a time …
You could take that long-awaited vacation you’ve been promising your family for years.

Most importantly, you’ll put your retirement nest egg on a path to safe and steady growth ...

The kind of steady growth that could allow you to quit work five, ten, maybe even 15 years earlier than you planned.

Just CLICK HERE for your free copy of Pivotal Point Trading.

**My e-book is so important to your financial future, I’m doing something unusual ...**

In the course of my research, I came across three stocks that just reached their Pivotal Point.

That means they’re on the launching pad, ready to soar.

If Jesse Livermore were alive today, these would be the stocks he would be buying today.

As my “thank you” for reading this short note, I want to give you the names and ticker symbols of these stocks. No strings attached.

Just CLICK HERE for more information about my free e-book, and they’re yours!

Sincerely,

Jon Markman
Senior Analyst
Weiss Research