

Dear Friends & Clients,

Well I don't wish to gloat by any means, but my forecast from the start of 2008 has been on the money.

The market volatility remains high and the unwinding of global debt & derivatives in the developed economies grinds on.

I believe the final amount of write downs will be over 1 Trillion US Dollars globally, so we are close to half way in my view.

A Trillion? that's 1000 Billion, or 1 Million Million, or Approximately 67 Miles of stacked \$1000.00 US bills.

Yes, its allot.

Oil still has a growing demand despite of some behavioural changes in the developed economies, if we do see a drop it would be slight and short lived.

The price of oil is more a reflection of a declining and debased US Dollar than any other factor.

Not speculators.

Oil speculation is a zero some game to play, you need a buyer and a seller or a winner or a looser on the each side of the trade.not for the faint hearted.

Oil is the main cause of the global inflation we are now experiencing and it is something I believe we will have to live with for a long time to come.

It will also force a paradigm shift in the mentality of central bankers to accept higher levels of inflation in there respective economies.

They will also have to deal with the fear of eventually raising interest rates and waiting to hear something go **BANG** under the bonnet of the global economy.

Does the super-cycle in hard & soft commodities and energy have more to go?

Over 2 Billion people in the developing economies are saying **YES**.
Could we have some more please? We can pay in cash.....

Note: Stock selection will be crucial in the sector.

Producing companies with supporting infrastructure, funding & quality management is a good place to start.(you can call me on that).

Is it time to buy into Banks & Financials?
Why risk it at this time?

Is it time to buy into Retail & Industrials?
Why risk it at this time?

Is Australia the lucky country? Rolling into sweet spots time and again over the last 200 years?

Give yourself a pinch.

The lucky country. The Great Southern Supplier is more like it.

500 years ago the majority of the global GDP came from the now developing economies.

Things are just starting to come full circle again.

Health, Wealth & Happiness for the new financial year upon us.

Kind regards

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