

Matt Shaw's

Profit Box Update

What the money markets mean for you

What we going to do for 2012?

This will be the last update of 2011 and I can tell you now it's been a blast, but if I am honest - not the most exciting year!

I will be pleased to kick back and recharge the batteries over the festive period ready for the BIGGEST year in the history of the stock market.

Am I exaggerating when I say that? No, I am not and let me tell you why...

First thing, what have we seen this year?

In terms of market price it hasn't set the world alight!

Also, bear in mind that from this time last year (precisely) we are at the same level (again, 'exactly').

Back on the 22nd Dec 2010, the S&P closed at 1258. Last nights close (Dec 22nd) precisely one year on is 1254.00.

The difference is JUST 4 S&P points in ONE WHOLE year!

The high of this market has been over 1360 and the low stretching to below 1120.

The range has been high, but overall, with the poor returns from BOM for most of the year, it's been a pain.

Also, the fact that I have spread betted just half of the year (due to travel and transfer of cash) I have not been able to take advantage of the swings in equities like I would have cared for at the start of 2011.

Change from Fixed Odds to Spread betting

Some of you have emailed me asking have I left Fixed Odds for good?

Well, the answer is 'NO' I still fixed odds trade regularly.

However, I do not placed fixed odds bets as often as I used to. I do now spread bet more than I used to, so its just a shift of balance through my trading accounts.

My fixed odds service will not be affected ONE BIT by me adding more fuel to my spread betting (forex) fire.

The difference now from before, is quite simple – If the odds are not there I do not feel obliged to trade; I will simple leave and go to Spread Bet. It is that simple!

My clients have seen a dramatic rise in the strike rate for my fixed Odds (Elite) service as a result of me being much more selective with my trades.

How much have I made in 2011?

Much less than in 2010 and 2009!

In total the tax-free **trading profits** I have made is a solid 30k+, but re-invested this into Gold and my new forex website.

For now, I am happy to trade lighter having already cashed a good chunk of my trading pot. This enables me invest elsewhere and preserve my wealth as much as possible going into 2012 and beyond.

What do I see going into 2012?

Not a lot actually; however I think equity market could hold fairly tight and not see the MAJOR breakdown yet for another couple of months.

The biggest action will come in the last quarter of 2012, where you shall see events unfold - Such as a MASSIVE spike in OIL prices, Gold rallying and the U.S. Heading to War with Iran!

Also, the COLLAPSE of the U.S. Yankee buck – yep, you heard me. It may happen toward the end of 2012, or well into 2013 but it WILL HAPPEN inside the next two years – that is 100%!

My office address is: Regus House, Falcon Drive, Cardiff Bay, CF10 4RU - Fixed Odds Success Ltd

If I am wrong on that come and pay me a visit to tell me direct, that I am an idiot!

It could happen sooner, AFTER the elections.

Do not get me wrong, I still see a correction looming once all of the fluff of the end of year is seen and gone.

This year, panicked shoppers got in there early and stocked up before the mad 'rush', hence many retailers reporting highly now; but as we approach 2013 Q1 you will undoubtedly see the eye of resistance.

My Aunt Sal, has even give up the week before as she cannot bear the brunt of the shops in the week leading up to Xmas.

She did all hers back in Sept, so I think it's fair to say she got the ball rolling in the stand-off between the retailer and the stores. Get in now for your discount as the shops need money ringing through the till before the end of year – I dare say I will be hunting for bargains on Xmas Eve – As per!

Coming back to the chaos that will be seen over the next 18-24 months – It will be Awesome! There is nothing to be concerned about UNLESS you are not well positioned for the upcoming correction.

I will be frank and tell you that I do not wish to scaremonger you into trading with me as I do not care I am earning enough money from the business and also my personal trading.

However, knowing what I know scares me when I see people running blind and playing to the hands of the higher order.

Your every day character is so ill informed on how the money markets REALLY WORK it turns my stomach!

Why the 1% remain exactly that, is because we carry on in our droves accepting change and passing of legislation (most we are blissfully unaware of), whilst carrying on with our every day business, getting caught up in discrepancies that come with the system and our own personal wrong doing.

It's all one major distraction as we continue to serve this one fundamental base tier of the Elite.

Through 2012 I will be giving talks on how we stop this and begin a new path to becoming your own boss not just in the markets but in LIFE as a whole - More on that through Jan!

One thing I need you to do and that is when the time is right please follow me in specific investments through 2012.

I will be buying Gold, Silver, Lead, Cotton, Rice, Wheat, Oil, Copper AND investing in a hydro plant that could be of massive benefit for the next generation.

If you think government bonds and certain blue chip stocks will come to your rescue as a 'safe haven' through the next couple of years then I PROMISE you you could not be MORE WRONG!

I will talk about this when I am on the road and speaking at various events throughout 2012.

I will explain EXACTLY why they are not safe – AND They're Not!

Something happened through 2011 which was PIVOTAL to the future of this country and Europe as a WHOLE and nobody (well maybe 0.001% know) has come back to me with the correct answer. Most people (99.999%) think it's the Euro-zone saga. That is a part of it, but not the whole picture.

Get back to me if you think you know what it is?

Now, does this make sense to you - 'The RISK we care about is "permanent loss"

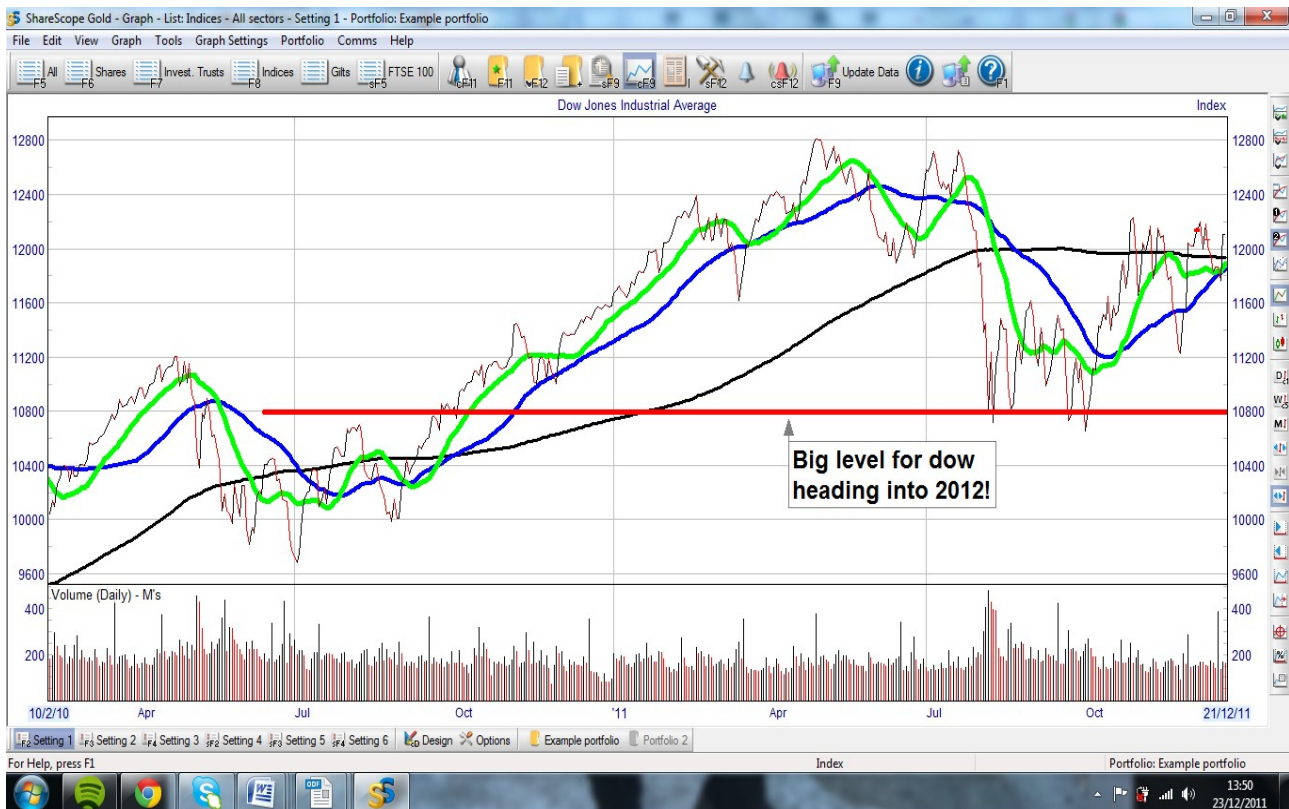
"risk perception" is a lot different to RISK itself'.

Without going into too much detail, many people think about losing all their money when an investment opportunity crops up, instead of weighing up the actual MATH of the deal.

I see it all the time when I sell carbon credits – clients worry about losing ALL their money instead of seeing the potential and the fact they could only be sitting on a break even or minor loss and that is if they do not make a good profit.

It's understandable, as its like protecting your young and you guard it with your life and always think of the worst immediately - it's instinct we have been bred with.

Where do I see the Dow heading?



Overall, the year has not been outlandish in any sense.

We have seen a steady rise through the first half of the year. We then had the sell-off through July/Aug and now another wave higher back to where we are today (around 3-4% from the highs of the year).

However, once we see company's reporting 'not so great' numbers into the new year and Europe head to the front of the top-tier data queue once more (after these two months, or sooner) then expect the Dow to test the 10800 zone and if broken expect a dramatic (and very quick) fall to 10,000 and possibly 9,000.

We should then recover into the middle of the new year but towards the end and into 2013 I see the Dow even lower as it would have only have semi recovered by this point anyway.

However, if we hold above 10800, we could float between above and below 11000-11500 for quite a while.

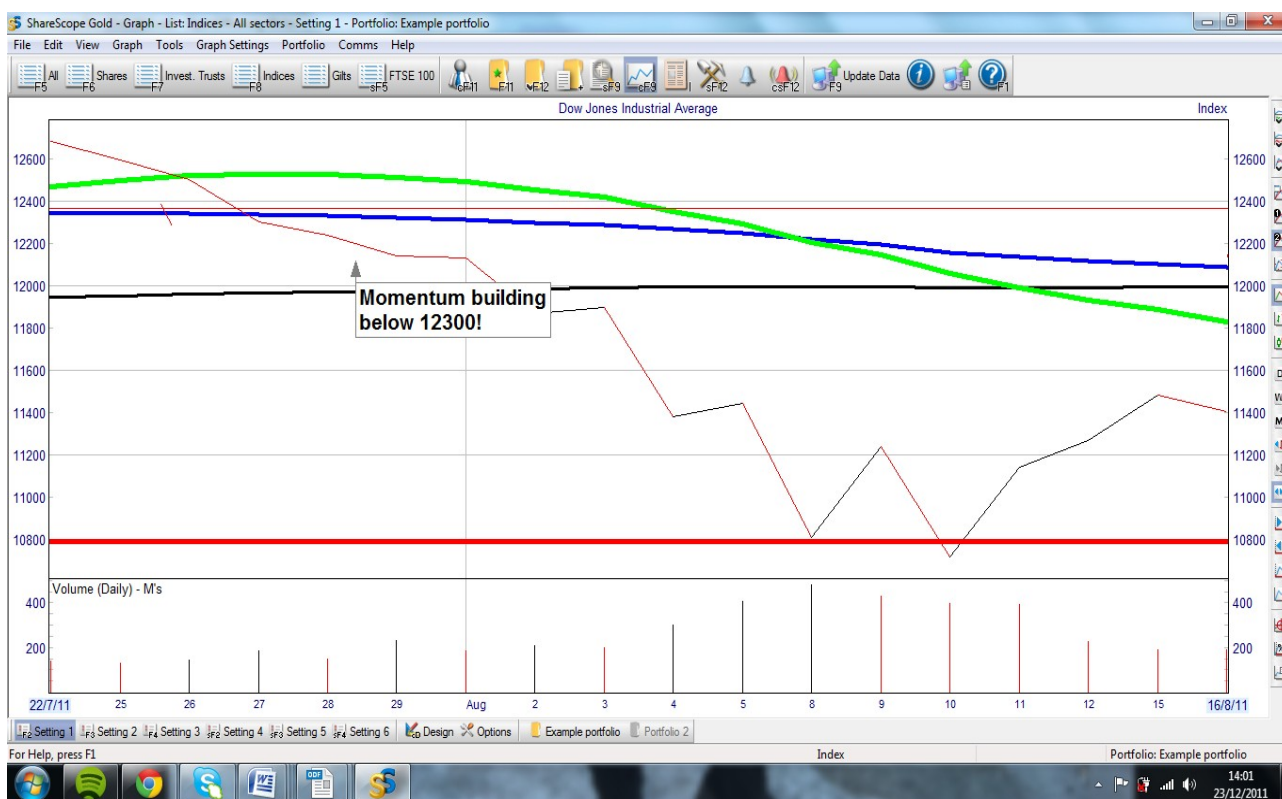
The potential for the drop in 12-18 months is HUGE and I see the Dow trading at - wait for it... I said wait!

Below 2,000, if actually anything at all. Imagine the profits that can be made between now and then – simply imagine!

Again, I am open to criticism!

But I will be trading this market all the way down and lock in my sell bet around Sept, 6-8 weeks before the U.S. election in which Barack Obama will win more dramatically than we have ever seen before.

I am set to sell out on the Dow above 12250!



Why? Well, back in July the breakdown began at 12600, but only REALLY picked up aggressive selling behaviour below 12400 and specifically 12300.

I do not think the market as got what it takes (looking at fundamental data also) to get back above this point and continue further.

This to me would be the top to end the high reign once and for all.

I will wait patiently to that point, but it could fail beforehand. If so, I will look to sell again if the market drops below 11800 and holds below there for TWO FULL sessions, from now and into the new year.

Forex Time

Again, just like the stock indices the £/\$ was at similar levels this time last year.

The £/\$ (GBP/USD) was trading around 1.5490 on Dec 23rd 2010 and today its at 1.5680.

It is now only 200 pips or so from where it was this point in 2010.

We have gone full circle, but again I only plan to trade forex week to week and not look long term.

Once the \$ is replaced with a new currency it will get weaker and weaker over the coming 18 months, but will get stronger first purely because it is still classed as a safe haven, so it will hold lots of cash first, but the fundamentals are not in place to back it up – it will be a false dawn so do not get caught out – Take your money out of the Yankee buck RIGHT NOW.

Here is what I see for cable (£/\$) over the coming week or so...

Rallies on cable have been well capped (sell) above 1.5800.

A lower top has now carved its way onto the chart just above the blue (50-day) Ma line.

As of Dec 22nd we are now at 1.5702, so unless a close is seen above 1.5780 before Xmas Eve then I do see a downside extension picking up between Xmas and New Year.

Only a rally back above this point precisely by Dec 27th would negate my bearish thoughts here.



However, a contrariety view here would assess the point of forex trading crowds selling into the recent £/\$ strength. Going into the end of year, can this really be maintained much longer?

When trading crowds are net-short but START BUYING, the SSI (speculative sentiment index) gives only a modestly strong signal that the pair may continue higher. In this case we might expect the GBPUSD to consolidate in the typically illiquid end to the trading year.

I personally see the market failing again at high 1.5700's but not necessarily selling off hard.

A true Xmas trading range of 1.5750 (high) and 1.55/56 low is expected.

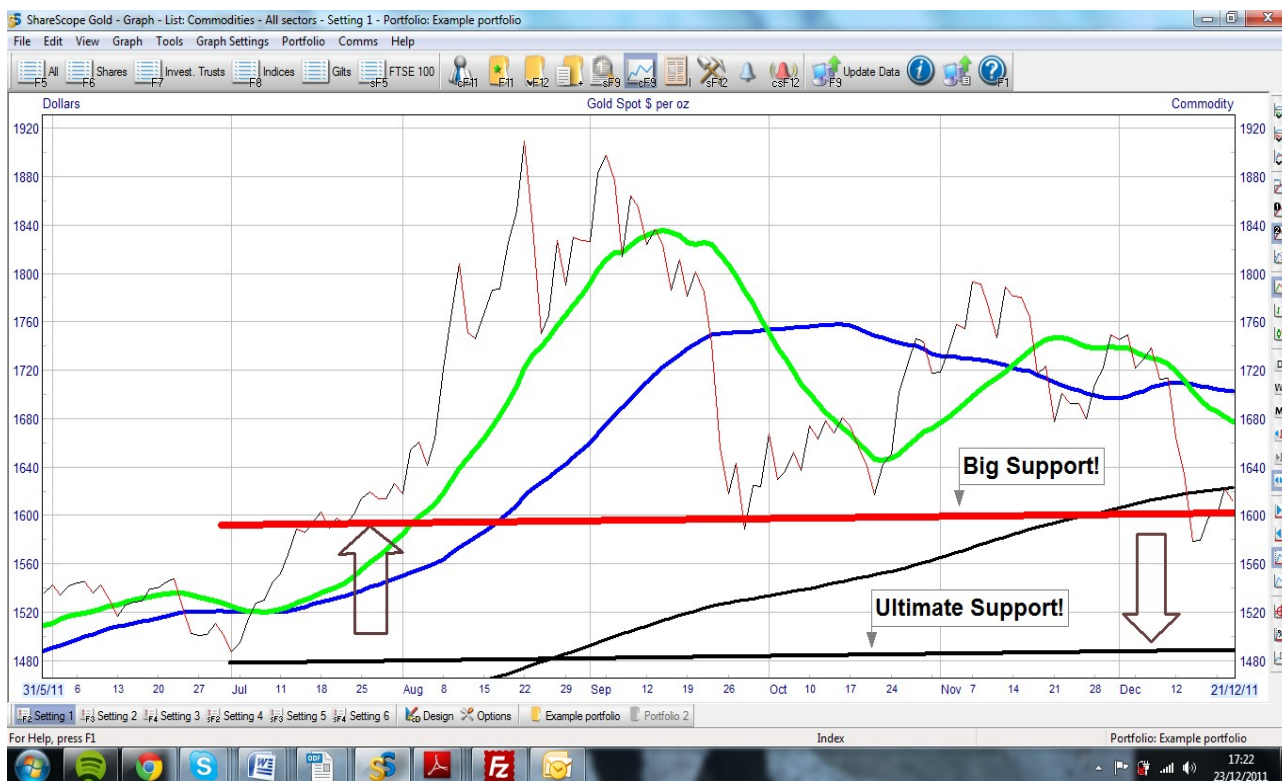
For the next 5-6 days that is my range and I will place fixed odds barriers beyond both parameters to accommodate the best return I can.

To sell this market I will get in at ANY point above 1.58, but if this cannot be seen, I will sell at 1.5750. Looking to buy back around the green 20-day SMA line as 1.5580!

For any immediate selling into Xmas, I will look to the market to steady at 1.55/1.5450 and buy it back up till year end.

Gold, Gold and Oh, great Gold!

I am just buying the stuff left, right and blooming centre!



As we see cash injected and dragged out of the equity markets we will see short volatile swings in the price of the ever so precious metal.

The short term base we have is obviously at \$1600 or thereabouts, however any downside pressure will prop up bargain hunters right at \$1490-\$1500!

The \$1500 zone (yes we could get there during Q1-Q2 2012) is where I am likely to pick up more of this and ride back up for the remainder of 2012 and through 2013.

Even if I pick up more Gold at \$1500 and see it drift below \$1250 (where some analysts predict it will head to), so what!

It's rare to pick up a hot commodity (no pun) just at the perfect time.

If I sat on a 50% loss from Gold, I would be happy knowing that within the next 3 years this metal will treble (At Least) in value.

I firmly believe that a new currency will make its way to the forefront by 2014-2015 and it will be backed by Gold – Yep the solid stuff that is now only sitting at \$1600.

I am waiting to get in again, but only purchase through specific suppliers - again you have to be careful. I know the real stuff will be hot property in 3 years as long as the consistency is perfect.

As we are today

Congressional leaders have decided to extend the payroll tax-cut by a further two months, to help give the markets some breathing space.

They are now starting to work on a year long extension too; however, I think the markets are

chewing on a larger piece of gum, as the potential for an immersion of failure is set to grace the wider audience.

European banks are 'hanging in there' as they are forced to raise cash, by regulators.

Already stung by loans and doomed government bonds, they now have to build their cash cushion against all future losses – where does that come from, eh?

I am happy to ride out the rally to year-end, but then be a light seller and trade week to week. Santa tells me 'Matt, make the most of it young man, it ain't going to last'.

Cheers Santa, I know what to wish for next year... But I should be set into a prime position (in more ways than one) in order to capitalize from the upcoming shenanigans!

Add me on Skype: 'SPANKIDOL'

All the very best and I sincerely wish you the very best for 2012!

It will be good I promise – a new change!

Matt \$haw

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