DON'T FORGET!!

This Spring our Membership rates will be going up for the first time in MANY years as we augment our Member services.

But you can [LOCK IN] our current rate for up to two years.

If your Membership is up for renewal -- or you don't presently have an active Membership with us -- [ACT NOW]!

Chris Temple
Editor/Publisher

Good morning, Chris

For most of 2018 already, the character of the markets has been decidedly different than what we saw in 2017. Volatility has returned in a BIG way. And as we've especially seen in recent weeks, markets have often changed directions multiple times *within the same day*!

So far this year, our strategy of picking our spots for "directional trades" in both equities and Treasury bonds has enhanced our overall return *considerably*. **In particular, I've been able to guide our Members in adding to their total portfolio returns by near-perfect timing during both of the major downward moves for the stock market since the beginning of February.**

And as always, I am on the lookout for the *next* clear (as best as I can determine, anyway!) trade(s) as well as -- as always - -the best NEW story stocks/themes I'll be bringing Members.

But as I discuss early on in the new issue of *The National Investor* I'm buttoning up early this week, I'm not ashamed to say right now that **there isn't much clear direction where ANYTHING is concerned**. The combination of volatility, geopolitical friction and our own domestic political uncertainty require caution--*and sitting on a fair bit of CASH*--for the time being (Indeed, averaging out our recommended allocation models, we're at roughly a 50% portfolio cash holding right now.)

STOCKS VOLATILE---BUT IN A NARROWING RANGE

Despite the never-waning confidence of perma-bulls and perma-bears alike, the truth right now as I see things is that **there is no clear direction for stocks in the near term**.

The bad news last Friday was that stocks shrugged--and weakened--even as several key financial/bank stocks came out as expected with good numbers. That does not augur well for later; especially as investors look down the road and see the possibility of a Democrat Party gain of the House or Senate (or both?) in November and an even more toxic environment in Washington thereafter.

Yet stocks don't seem to want to break down below their double-bottom--around 2540'ish on the S&P 500--*quite yet*. And futures indications have been strong all night as it presently appears that there will be no military follow-up to President Trump's bombing of Syria Friday night. Instead, words--*and some new sanctions* (you'll be hearing about a couple VERY interesting such weapons Russia is about to use!)--will be thrown by all the sides involved.

The stock market will probably continue to be indecisive for a while; moved back up AND down based on the current days news/renewed fears over one subject or another. But with so many cross currents right now, I agree with those who of late have termed the general stock market "uninvestable."

CAN INTEREST RATES BREAK OUT FINALLY?

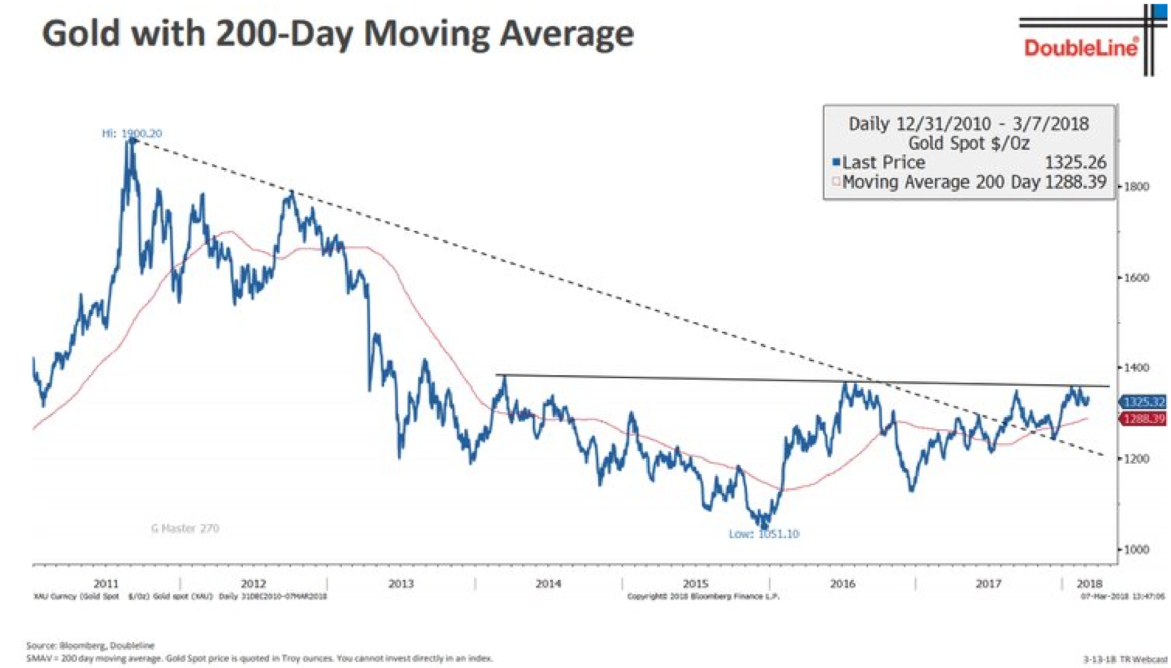
You probably remember that it was the surge higher in long-term interest rates early on that helped knock the stock market out of bed in February. And with a still-hawkish Fed (something that was reinforced last week when the most recent Fed Minutes of its last meeting were released) evident, one would think that rates have MUCH higher to go.

Yet I already advised our Members to cash in their gains on our ETFs that short Treasuries, **at the same time I predicted (and you know I usually shrink from bold predictions!) that long-term rates will peak during 2018**.

I still hold to that view. In fact--though I didn't necessarily intend it at the time, thinking that we may get another attempt or two to briefly break above the 3% yield level on the bellwether 10-year Treasury--I'd make it *even odds* that the 2.95% close back in February may itself prove to be the high.

On this subject especially, I'll be discussing in the coming days the Fed's seeming bent to invert the yield curve sooner rather than later; *typically, a key precursor to a recession*.

GOLD, COMMODITIES ALSO NO "SLAM DUNKS"



As I have been commenting for a while now, that **the gold price** has kept virtually all its gains since the 2015 low at the same time that 1. stocks were hitting new all-time highs until recently and 2. the Fed has told us it intends to move back to POSITIVE, higher *real* interest rates is remarkable.

Yet not even those recent fears over a growing proxy war in Syria between the U.S. and Russia has been able to push the yellow metal above *a seeming force field* around $1,370/ounce.

At the same time, gold's shallower pull backs seem to be setting up a more favorable chart FOR a break higher. **Yet for it to be sustainable, it shouldn't come due to geopolitical fears**. Instead, I'll at least be a lot happier--and more willing to embrace a sustainable breakout, if not a resumption of gold's secular trend higher--WHEN it comes as a result of the Fed crying "Uncle!" and abandoning its so-called normalization quest.

Until that happens, any breakout in gold will be suspect. Aside from those several individual companies on my recommended list I like for their own unique attributes, I remain agnostic on precious metals generally near-term.

Elsewhere, **base metals** have been bogging down anew. **Copper** even for a spell broke a key technical pattern, as I discussed in the last regular issue. Here, it's been mostly fears over what a trade war would do to global growth that have thrown cold water on things. And here, too, investors are pondering the possibility of the Fed going too far.

Crude oil has been interesting to *watch*; but here, too, risky to try to *invest* in meaningfully. It is set to weaken further today, giving back (as is gold) some of that recent "risk/war premium." Here again, we DON'T want to see a bull market caused by such usually transient factors; but instead, *by basic positive fundamentals*.

While gold bugs have bemoaned the chronic under performance of most mining stocks even as gold has stayed strong, for many energy stocks, too, performance has been similarly disappointing. *Last week's breakout for oil service stocks especially may well prove to be yet another false one.*

In the new issue this week, though--in addressing one of my individual company picks in energy service/infrastructure--I'll talk about one silver lining, at least!

SO WHAT *DO* YOU LIKE NOW, TEMPLE?

As I said above, I am advocating a high cash position right now until things become clearer where the overall markets are concerned. If I've said it once I've said it a million times: as my Dad always used to say to me, "When you don't know what you're doing, *don't do it*!"

Otherwise, there indeed ARE several ideas/sectors I am constructive on; more so, companies within them.

Though not all-inclusive, the following are a few of those ideas, most of which I am updating Members on in this week's new issue:

* **Uranium** -- In a separate Special Issue going out in the next few days I talk about uranium generally as well as one of my Featured Opportunity companies in particular.

Suffice it to say that I STILL see a coming "Rip your face off" rally in this sector!

For now, keep just one statistic--and one piece of news from late last week--in mind:

1. Though 20% of America's overall power grid is supplied by energy from our own nuclear reactors, the U.S. imports about 97% of the uranium needed to fuel them.

2. Though the smug neoconservatives and other sociopaths setting America's foreign policy think they can lob missiles and sanctions around with impunity, **it was announced Friday that Russia's Duma is working on legislation to, in part, suspend "nuclear cooperation" with the U.S.** In case you didn't know, about half of our imported uranium comes either from Russia directly or from Kazakhstan, which is fairly well in Russia's orbit.

Draw your own conclusions as to what this means for America's immediate energy security; not to mention U.S.-based uranium companies.

* **Ecuador** -- Anglo-American is the latest "major" to make a foray into the world's hottest, "new" mining jurisdiction; in its case, via a joint venture agreement with one of the companies already on my recommended list (and THAT company is one with 12 million-plus ounces of gold resources already, and counting!)

SolGold, plc and **Cornerstone Capital Resources** have caught fire anew here, as word has gotten out that yet another "major"--Brazil's Vale--is looking for a chance to get a piece of Cascabel.

I have a comprehensive update on Ecuador generally and each of my specific companies there in this week's new issue; *including the one virtually-ignored company there which, to me, is like being able to buy Cornerstone again at a lousy 2 - 3 cents/share*.

* **Biotech / cannabis** -- There is perhaps NO sector on Wall Street where it's individual company news (and not the overall market direction) that matters like it does with biotech stocks. Here, I've in the recent past been adding companies and looking at more still.

Most recently I added a company that is a biotech *and* cannabis stock at the same time. It has some *fascinating* science; and is about to ramp up trials on not only market-leading treatments but a potential cure for ulcerative colitis, Crohn's Disease and other gastrointestinal diseases.

The cannabis space *generally*, as I have also explained to my Members of late (especially since some enlightening presentations and conversations back in February at The Money Show) is of renewed interest to me.

It got walloped early this year when it became clear that Canada's legalization push is being delayed (and, in fact, may be pushed to *and even through* new elections in 2019.) No need to get into the reasons why right now; the important fact is that this has caused--and may cause again--the entire cannabis space to weaken further.

As usual, investors on such events tend to sell first and ask questions later. A lot of good "babies" are being thrown out with the bath water. So I now have *two* companies on my recommended list I REALLY like in this space; and am looking at adding additional recommendations.

* **Rate-sensitive stocks** -- As alluded to above, it's my view that we have seen the overwhelming majority--*if not all*--of the rise in long-term interest rates from the bottom logged in 2016.

Thus, I am also slowly adding back to my recommendations some of my favorites among interest rate-sensitive stocks.

One I added back most recently is an Atlanta-based company I believe is THE best-valued apartment-oriented REIT in the country. Just in December I recommended selling it, **with Members banking a whopping 155% total return in three years' time**.

But with the early 2018 surge in long-term interest rates, this REIT got back down to a long-term chart level I liked...*after a roughly 35% pull back*. So I advised buying it anew.

So, as you see, there are still ways in which you can be investing even for the longer term!

As always, if you have any comments or questions, let me know.

All the best,

Chris Temple -- Editor/Publisher
The National Investor
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You can get information anywhere. Here, you get *knowledge*.