

Index

- AECOM Technology Corporation, 84–85, 265
buy point, determination, 266f
relative strength, 85f
reward/risk, relationship, 267
- Affiliated Managers Group, 160–162
increase, 161f
- Africa, frontier market, 184–185
- Agricultural commodities, 140–142
- Akamai Technologies
drop, 3
vultures, profit, 4f
- Alcoa, 132–133
purchase, opportunity, 132f
- Allergan, 157–159
stock price, shift, 158f
- Alternative energy, 95
movement, 96
- American Association of State Highway
and Transportation Officials
(AASHTO), bridge study, 79–80
- American Dairy, Inc., 248–249
rally, 248f
- American depository receipts (ADRs), 51
- American International Group (AIG),
bankruptcy (avoidance), 26
- American Society of Civil Engineers
(ASCE) 2009 Report Card for
America's Infrastructure, 64–65
- American Superconductor, 116
rally, 117f
- American Water Works, 70
support, 70f
- Ameron International, 65, 67–68
stock chart, 68f
- Andrew Jackson Portfolio, 6–7
- Apple
iPod trend, 10f
shares, purchase, 9–10
volatility, buying opportunity, 274f
- Aqua America, 68–69
long-term performance, 69f
- Areva, 101–102
nuclear pure play, 102f
- Asia, frontier market, 185–187

- Baby boomers
 - emergence, 143
 - investment themes, 145–162
 - vanity/prevention, 157–160
- Backwardation, 214
- Bailout money, profit, 245–246
- Baltic Dry Index, 26–27
- Bank of America, Merrill Lynch acquisition, 26
- Bear Stearns
 - decline, 13f
 - shares, decline, 25
- Bernanke, Ben, 24–25
- Bethelen Steel, problems, 12
- BHP Billiton Limited, 138
 - purchase, opportunity, 139f
- Biotech stocks, 153–157
- Black Monday, 34
- Bombay SENSEX Index, 53f
- Bond yield
 - decline/rally, 242f
 - profit, 242–243
- Brazil, 47–50
 - BOVESPA index, 49f
 - BOVESPA Stock Index, 179
- Brazil, Russia, India, and China (BRIC), 46–56
 - nuclear power, 98
 - rally, 179–180
- Bridges (infrastructure), problem, 79–81
- Buffett, Warren, 3
 - vulture investor, 4
- Building America's Future, 78
- Bull market
 - belief, reasons, 283–285
 - irrational behavior, 32–33
 - wealth, creation, 177
- Buy-and-hold strategy
 - buy and ignore, contrast, 10–15
 - investor questions, 2
- Buy-and-ignore strategy
 - implementation, 15
 - investment results, 12–13
- Buying process, 265–267
- Buying time, 269
- California Water Service Group, 71
 - stock level, decrease, 71f
- Cameco Corp., 99–101
 - uranium prices, decline, 100f
- Canadian Natural Resources Limited, 206
 - purchase, opportunity, 207f
- Canadian oil sands, 203
- Caterpillar, construction supply, 83
- CBOE Volatility Index, 28–29, 272
- Central Europe, frontier market, 187–188
- Central Europe & Russia Fund, 188f
- Changyou.Com LTD, 251–252
 - stock chart, 251f
- Chemical and Mining Company of Chile, 136–137
 - stock chart, 137f
- China, 55–56
 - computer gaming, importance, 249
 - middle class, increase, 248
 - population, growth, 177–178
 - stimulus plan, 82–83
- Chrysler LLC, merger, 57–58
- Citigroup, decrease, 4–5
- Claymore/Bank of NY Mellon Frontier Market ETF, 193–194
 - increase, 193f
- Coal, 137–140
- Commodities, 228–230
 - long-term bull market, 119
 - prices, increase, 22–23
- Compound interest
 - effects, 282f
 - usage, 281–283
- Concentration plan, 254–255
- Concentration risk, 183
- Consumer confidence, improvement, 8–9
- Consumer Price Index (CPI), investigation, 164
- Contango, oil future trade, 214
- Conversification, 253
 - examination, 256–257
- Copper
 - five-year spot, 128f
 - futures, rally (attempt), 173f
 - sector, iShares MSCI emerging markets ETF (contrast), 129f
 - usage, 172–173

- Corn prices, increase, 23f
- Corporate Average Fuel Economy (CAFE), establishment, 39–40
- Corporations, capital (raising), 284
- Covered calls
 - sale, 278–279
 - usage, 277–281
- Credit markets, rescue, 165–166
- Currencies, 230–231
 - risk, 182–183
- D.C. printing press, 241
- Deflation, 164
 - concern, 167
- Disinflation, 164–165
- Disposable income (DI), increase, 249–252
- Diversification, 255–256
- Diversified portfolio, 255–256
- Dividend payout, company reduction, 262–263
- Domestic equities, 225–226
- Dow Jones AIG Commodity Index
 - increase, 119
 - trend (1999–2009), 120f
- Dow Jones Industrial Average (DJIA)
 - decline, 30–31
 - level (1929), 41
 - pattern, continuation, 270–271
 - rally (1970), 270
 - reaction, 27
 - stock chart (1940–2000), 270f
 - stock chart (1966–1982), 270f
 - stock chart (1999–2000), 271f
 - yearly chart, 12f
- Dubai stock market, rise/fall, 191f
- Eastern Europe, frontier market, 187–188
- Economic numbers, impact, 283
- Elderly, number (increase), 144–145
- Emerging markets
 - growth, 120
 - infrastructure, 81–83
 - lead, 283
- Energy commodity ETFs, 213–216
- Energy sector, majors, 206–208
- Exchange-traded funds (ETFs), 217
 - alternative sectors, exposure, 224
 - convenience, 224
 - diversification, 219
 - expense ratios, 220–221
 - fees, 221
 - hedge fund, building, 224–237
 - intraday pricing, 220
 - investment, reasons, 218–224
 - leverage, 223
 - niche sectors, exposure, 224
 - passive investment vehicles, 222
 - select sectors, 231–233
 - short selling, 223
 - tax efficiency, 219–220
 - transparency, 222–223
- Exchange-traded note (ETN), 218
- Exelon Corp., 102–103
 - consolidation, 103f
- ExxonMobil, 207–208
 - pullback, purchase opportunity, 208f
- Facebook, Digital Sky Technologies investment, 58
- Federal Funds, increase, 37
- Federal Reserve
 - inflationary reaction, 167t
 - oversight, 20–21
- Fiat
 - merger, 57–58
 - stock rally, 58f
- Financial crisis, 284
- Financial stocks, bailout money (profit), 245–246
- First Solar Corporation, 107–108
 - volatility, 108f
- FirstTrust Global Wind Energy ETF, 116–118
 - purchase price, opportunity, 118f
- Fixed income, 233–237
- Fluor Corporation, 85–86
 - sell-off, 86f
- FMC Corp., 135
 - long-term base, building, 136f
- Food, importance, 247–248
- Foster Wheeler Ltd
 - covered call trades, 280f
 - shares, purchase/sale, 278–279
- Freeport-McMoRan Copper and Gold, 131–132, 174–176

- Freeport-McMoRan (*continued*)
 explosion/implosion, 131f
 fate, 175
 stock chart, 176f
- Frontier markets
 identification, 184–191
 investment, 179
 investment options, 191–196
 risks, 180–183
- General Electric (GE), vulture investing, 5–6
- General Motors (GM)
 bankruptcy/problems, 11–12
 S&P500 Index, comparison, 11f
- Gilead Sciences, 154–155
 increase, 155f
- Global infrastructure build-out, 77
- Global middle class, growth, 247–248
- Global oil output, IEA information, 199
- Global powers, 46
- Global stock markets, downturn, 1
- Global warming, impact, 96
- Gold
 futures, rally, 172f
 safety, 171
- Goldman Sachs
 long-term bull run, 246f
 selection, 245
- Government-issued TIPS, interest
 payment, 169
- Granite Construction, 87
 support, 87f
- Great Depression (1929–1938), 1, 41–43
 illustration, 42f
 recessions, comparison, 38
- Green movement, 95
- Greenspan, Alan, 20–21
- Health care, 145–146. *See also* Home
 health care
 importance, 143
- Hedge fund industry, alteration, 284
- Home health care, 146–148
- Homeownership levels, increase, 19
- Homes
 drop (NAR), 24
 sales, rise/fall, 21f
- Housing bubble, 20
- Housing market, bottom, 283
- Hyperinflation, 163
 preparation, 169–178
- Imperial Oil, 204–205
 oil prices, relationship, 205f
- India, 52–54
 nuclear power, 98–99
 risks, 54
- Industrial metals, 127–137
 investment, 128–129
- Inflation
 definition, 164
 evidence, 167–168
 guarantee, 178
 prediction, 165–169
- Infrastructure
 bill, impact, 283
 candidates, 83–93
 emerging markets, 81–83
 exchange-traded funds, 89–93
 stock ideas, 84–89
- Interest rates, increase, 241–243
- International Energy Agency (IEA), peak
 oil predictions, 199
- International equities, 226–228
- Investment
 blogs, introduction, 275
 concentration approach, 254–255
 diversification, 255–256
 losses, reduction, 261–262
 original target (attainment), sale, 260
 plan, 253
 sale
 split, 261
 timing, knowledge, 257–265
 strategy, trading strategy (contrast),
 280–281
 target attainment, 264
- Investor psychology,
 improvement, 283
- iPath Dow Jones–AIG Commodity Index
 ETN, 218
- iPath MSCI India index ETN, 55f
- Iranian Revolution, 35
- Iraq, impact, 189
- iShares Barclays 20-Plus Year Treasury Bond
 ETF, 254

- iShares Barclays TIPS Bond ETF, 166, 169–170
 - inflation hedge, 170f
 - rebalancing, 174–175
- iShares Dow Jones U.S. Medical Devices ETF, 152
- iShares FTSE/Xinhau China 25 Index ETF, 227, 227f
- iShares Morningstar Large Growth Index ETF, 225–226
 - S&P500, performance (contrast), 226f
- iShares MSCI Brazil Index ETF, 50f
- iShares Silver ETF, 122–124
 - increase, 124f
 - Market Vectors Gold Miners ETF, contrast, 125f
 - SPDR Gold ETF, contrast, 123f
- iShares S&P Global Infrastructure Index ETF, 90
 - rally, struggle, 91f
- JPMorgan Chase, Bear Stearns acquisition, 25
- Kazakhstan, frontier market, 187–188
- Kuwait
 - GDP, 189
 - stock exchange index, decline, 190f
- Lehman Brothers
 - bankruptcy, 26
 - collapse, 14f
- Lending practices, recklessness, 19–20
- Leveraged ETFs
 - usage, 223, 275
 - volatility, 243
- Limit order, 258
- Liquidity risk, 182
- Lithium, 133–135
 - Bolivia, deals, 134
- LME aluminum warehouse stocks, five-year level, 133f
- LME copper warehouse stocks, five-year level, 129f
- Long-term care facilities, 146–148
- Losses, reduction, 261–262
- Madoff, Bernard, 39
- Majors (energy sector), 206–209
- Market order, 258
- Market Vectors Africa ETF, 194–195
- Market Vectors Agribusiness ETF, 141–142, 232
 - stock chart, 142f, 233f
- Market Vectors Gold Miners ETF, 124–125, 166
 - uptrend, 126f
- Market Vectors Nuclear Energy ETF, 103–104
 - increase, 104f
- Market Vectors Russia ETF, 51
 - illustration, 51f
- Market Vectors Steel ETF, 138–140
 - stock chart, 139f
- Market weakness, 264
- Maximum Access Surgery (MAS), 149–150
- McDonald's Corp., uptrend (halt), 244f
- Mechel Steel Group OAO, 52
- Medical equipment, 148–152
- MEMC Electronic Materials, 109–110
 - breakout, 110f
- Merck, decline, 153
- Middle class, growth, 247–248
- Middle East
 - frontier market, 188–191
 - oil/war, stability, 189
- Monetary expansion, excess, 22
- Money management, 160–162
- Monsanto Company, 247–248
 - stock, shift, 248f
- Morgan Stanley, selection, 245
- MSCI Frontier Markets Index, 184
- Myriad Genetics, 159–160
 - earnings, 160f
- NASDAQ Composite, decrease, 3
- National HealthCare Corp., 146–147
 - downtrend, 147f
- Natural gas, 210–211
 - futures, bottom attempt, 211f
- NetEase.com, 250
- New Global Economy, 45
- Nigeria, 184–185
 - stock exchange, 185f
- Northwest Pipe Company, 65–66
 - stock chart, 66f

- Not In My Backyard (NIMBY), 97
- Nuclear energy investments, 99–104
- Nuclear power, 96–104
 opposition, 97–98
- NuVasive, 150
 sale, 150f
- Obama, Barack, 78–79
 administration, investment considerations, 239
 market reaction, 240f
 stimulus package, 80
- Oil. *See* Peak oil
 embargo, 40
 global demand, 200–201
 level (2008), 198f
 price, CBOE Oil Index (contrast), 213f
 price increase
 factors, 200–202
 profit, 202–212
 pullback, occurrence, 198
 stagnant supply, 201–202
 underinvestment, 201
- Otter Tail Corp., 114–115
 breakout, anticipation, 115f
- Passive investment vehicles, 222
- Paulson, Henry, 28
- Peak oil, 197
 defining, 199–200
- Petrobras, 208–209
 commodity purchase, 210f
- Petro-Canada, Sunoco Energy
 acquisition, 203
- PFG Covered Call Strategy, 277–280
 design, 280–281
 income generator, 281
- Pfizer, decline, 153
- Pickens, T. Boone, 210
- Pickens Plan, The, 111
- PICO Holdings, 73–74
- Political risk, 181–182
- Polysilicon, price (decline), 110
- Population shift, preparation, 144–145
- Portfolio
 diversification, returns (2008), 255t
 rebalance, 264
- PowerShares DB Agriculture ETF, 176–178
 stock chart, 177f
- PowerShares DB Base Metals ETF, 130,
 172–174
 purchase, heavy volume, 174f
 rounded bottom, 130f
- PowerShares DB Commodity Index
 Tracking ETF, 229
 market lag, 230f
- PowerShares DB Energy ETF, 215–216
 base, building, 216f
- PowerShares DB Precious Metals ETF, 230
 pullback, 231f
- PowerShares DB U.S. Dollar Bearish ETF,
 231
 stock chart, 232f
- PowerShares Dynamic Building and
 Construction ETF, 92–93
 breakout, struggle, 93f
- PowerShares Emerging Markets
 Infrastructure ETF, 90–91
 stock chart, 237f
 stock level, increase, 92f
- PowerShares Emerging Markets Sovereign
 Debt ETF, 235–236
- PowerShares MENA Frontier Countries
 ETF, 192–193
 bullish saucer bottom, 192f
- PowerShares Water Resource ETF, 71–72
 stock, decline, 73f
- Precious metals, 121–127
- Prices, rise/fall, 164–165
- Producer Price Index (PPI), investigation, 164
- ProShares UltraShort Financials ETF, 275
 volatility, 276f
- ProShares UltraShort 20+ Year Treasury
 ETF, 233–234
 stock chart, 234f, 243f
- Public-Private Investment Program
 (PPIP), 31
- Q-Cells AG, 108–109
 stock chart, 109f
- Random Walk Down Wall Street* (Malkiel), 256
- Range Resources, 211–212
 natural gas, performance (contrast), 212f

- Recession
 - 1980, six-month recession, 35–36
 - 1981–1982
 - illustration, 37f
 - severity, 36–38
 - 1990–1991, 34
 - illustration, 35f
 - 2001, 32–33
 - illustration, 33f
 - Clinton, impact, 19
 - comparison, 31–43
 - contributing factors, 18–23
 - ending, impact, 168
 - inflation, impact, 37–38
 - mid-1970s, 39–41
 - occurrence, 17
 - opportunity, relationship, 2
 - 1970s, illustration, 40f
 - 1980s, 35
 - timeline
 - (2007–2009), 24f
 - (2008–2009), 23–31
- Relative weakness, impact, 263–264
- Research in Motion
 - popularity, 4
 - vultures, profit, 5f
- Roosevelt, Franklin, 41
- Royal Gold, 125–127
 - Market Vectors Gold Miners ETF,
 - contrast, 127f
 - transformation, 127f
- Rule of 72, 280–281
- Russia, 50–52
 - GDP, contraction, 51
 - investment, political risk, 50
- Sell orders, types, 258–260
- Sell signals, 262–265
 - competition/product change, 264–265
 - market weakness, 264
 - reason, change, 262
 - relative weakness, impact, 263–264
 - target, attainment, 264
- Sell strategies, 260–261
- Shanda Interactive Entertainment LTD,
 - 249–250
- Shanghai Index, 56f
- SJW Corp., 74–75
 - stock level, change, 75f
- Solar energy, 104–110
 - benefits, 106–107
 - investments, 107–110
- SPDR FTSE/Macquarie Global
 - Infrastructure 100 ETF, 89
 - lag, 90f
- SPDR Gold ETF, 121–122, 166, 170–172
 - increase, 122f, 173f
- SPDR Gold Trust, 171
- SPDR Lehman High Yield Bond ETF,
 - 234–235
 - stock chart, 236f
- SPDR Select Sector Financial ETF, 254
- SPDR S&P Biotech ETF, 155–157
 - uptrend, establishment, 156f
- SPDR S&P Emerging Europe ETF,
 - 195–196
 - doubling, 195f
- Stagflation, 155
- Standard & Poor's 500 (S&P500)
 - bull market (1982–2000), 38f
 - decrease, 3
 - gain, 7–8
 - intraday low (3/9/2009), 7–9
- Steel, 137–140
- Stock market, globalization, 45
- Stocks
 - buying process, 265–267
 - buying time, 269
 - front-month call option, sale, 279–280
 - price, chasing (mistake), 266–267
 - purchase, 277–279
 - investor avoidance, 2
- Stop limit order, 259
- Stop order, 258
- Stryker, 151
 - stock chart, 152f
- Suncor Energy, 203–204
 - oil price, relationship, 204f
- Superpower, term (usage), 46
- Syngenta, 140–141
 - stock chart, 141f
- Technical analysis, usage, 262
- TED Spread, 25–26

- 10-year bond yield, decline/rally, 242f
- Trading strategy, investment strategy (contrast), 280–281
- Trailing stop-loss sell orders, usage, 260=261
- Trailing stop order
 - dollar amount, 260
 - percentage, 259
- Trend investing, 9–10
- Troubled Asset Relief Program (TARP), 27, 245

- Unemployment, increase, 37
- United Arab Emirates (UAE), stability, 190
- United States, foreign company invasion, 57–59
- United States Gasoline ETF, 214–215
 - price, increase, 215f
- United States 12-Month Oil ETF, 213–214
 - entry, identification, 214f
- Uranium
 - prices, decline, 100f
 - spot price, 100f
- URS Corporation, 88–89
 - stock chart, 88f
- U.S.-based multinationals, 244
- U.S. dollar, weakness, 120, 243
- U.S. economy, recession entry (NBER declaration), 29

- Van Eck Africa ETF, rebound, 194f
- Vanguard Emerging Markets ETF, 228
 - attraction, 228f
- Vestas Wind Systems, 115–116
 - relative strength, 116f

- Vietnam
 - GDP (IMF peg), 186–187
 - stock market, 186f
- Vimpel Communications, 51–52
- Volatility
 - impact, 271–281
 - information, timing (impact), 275
 - investor relationship, 273
 - measurement, 272
 - presence, 276–277
 - reason, 274–277
 - usage, strategy, 277–282
 - usefulness, 273–274
- Volatility Index (VIX) (CBOE), 28–29
 - peak, 272f
- Volcker, Paul, 37
- Vulture investing, 3–6

- Water (commodity)
 - infrastructure, 64–68
 - investment sectors, 64–75
 - problems, 62–64
 - rally, 61
 - utilities, 68–72
- Water Project, The (statistics), 63–64
- Watershed investments, 73–75
- Wealth, redistribution, 246–252
- Wind power, 111–118
 - capacity (2008), 112f
 - investment, 114–118
 - issues, 113–114
- Winning positions, sell strategies, 260–261
- World photovoltaic market (2007), 105f
- World Water Council, statistics, 63–64