

**John (Jack) R. Venrick**

---

**From:** "Sovereign Society's Offshore A-Letter" <info@sovereignsociety.com>  
**To:** <JACKSRANCH@skynetbb.com>  
**Sent:** Thursday, January 07, 2010 7:31 AM  
**Subject:** Avoid these six countries...

THE SOVEREIGN SOCIETY  
**OFFSHORE A-LETTER**



*Delivering Profits, Liberty and Prosperity Since 1988*



[Home](#)

[Services](#)

[Bookstore](#)

[Conferences](#)

[Log](#)

**YOURS FREE: 4 Crisis-Proof Investment Alerts! Full Details in Free Report**

The Sovereign Society Offshore A-Letter  
 Thursday, January 7, 2010

## Dubai is Not Alone...

**Six Debt-Laden Countries to  
 Avoid in Your Bond Portfolio**

*By Andrew Packer*



*From London, England*

Dear A-Letter Reader,

In [Tuesday's](#) A-Letter, we saw this week that Dubai is simply "kicking the can" of it down the road by strategically defaulting on its Dubai World debt. And their creditors are on board with that...hoping that in, say, six months, a brighter outlook may lead to a better outcome than outright foreclosure.

But Dubai is not alone.

The world is swimming in debt, if not drowning following massive sovereign debt issuances in 2009. 2010 looks to continue that trend...

---

Internal Sponsorship

### **Collapsing Dollar Creates the Biggest Stock Opportunity In Years...**

Accurate 55 of 56 times, this signal has given investors a chance to turn a \$2,100 stake into \$29,400 more, simply by betting against the right stocks at the right time.

### Hot Topics a Recent Reader

[Can a new Tax Save Swiss Banking Secrecy](#)

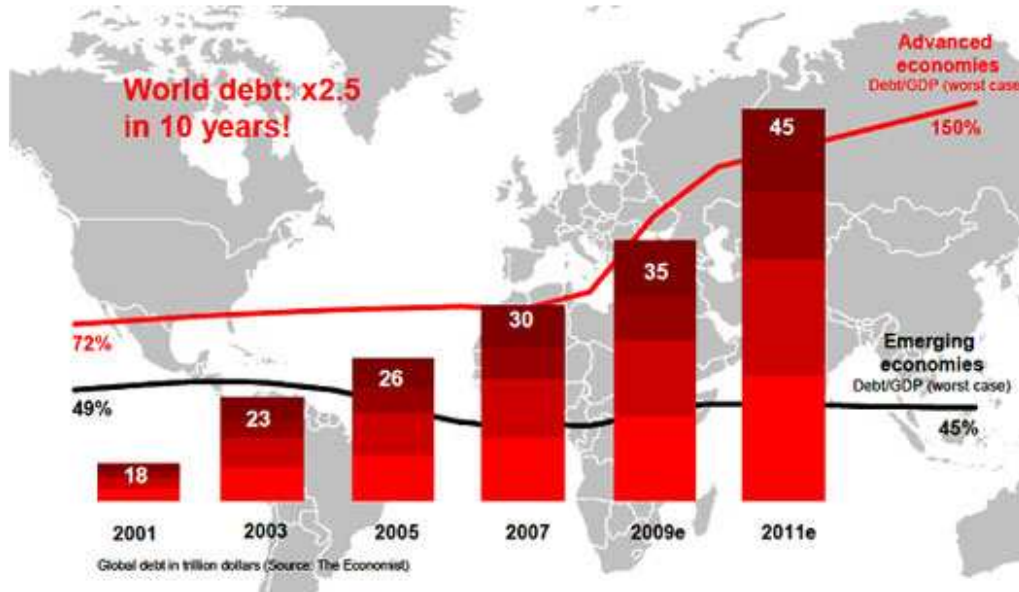
[It's 2007 All Over Again](#)

[What it's Really Like to Expatriate](#)

But now the collapsing dollar is throwing fuel on this fire...and the 30 stocks we have on our exclusive watch list could blow-up at any time...making savvy investors a small fortune.

[Click here](#) to be notified when the next “nearly sure thing” burns down and makes scorching profits.

In fact, just by looking at the rate of the increase in global debt, it seems pretty compelling that we're in a bubble of sovereign debt. The worst part is that this debt is piling up in advanced economies with slower growth prospects...



Dubai was supposed to fit into the second category: a fast-growing emerging economy wisely diversifying away from petrodollars into a global financial powerhouse with a real estate market to rival London, New York, and Hong Kong.

But in reality, Dubai was neither—it was a mirage of wealth created by the perception that skyscrapers in the sea were worth billions and that oil would zoom past \$148 a barrel to \$200 and beyond.

There's a whole laundry list of countries with unmanageable debt loads that have the potential to default in 2010. Examples include Greece, Spain, Portugal, and Ireland... better known by the acronym PIGS.

A default by any of these countries could force other E.U. members to come to the rescue, and, in the process, derail the euro. There's also trouble in Eastern Europe, from last summer's narrowly avoided default in Latvia.

### The Dubai of Dubais...

But the worst offender of all—the Dubai of Dubais—is the United States.

Rather than build skyscrapers in the ocean, the U.S. has taught its citizens to dream big while the government offered mortgage deductions and other tax breaks to subsidize the bubble.

Instead of a nation building unnecessary skyscrapers in the desert, low interest rates caused a nation of unnecessary housing in the desert. Places like Mesa, Arizona and the Las Vegas region are America's

Dubai World.

And all the while the debt issuance continues unabated, insufficient to meet current government spending as well as unfunded liabilities. It's estimated that with Social Security and Medicare's unfunded liabilities, total debt in the United States currently stands at over \$100 trillion dollars.

Damn. That's a big number. Let's break it down. To about \$900,000 per household. Good thing you keep that much spare change lying around, right?

Not only is Dubai not alone, it's one of the littlest kids on the debt block, defaulting on \$20 billion or so of its total \$90 billion debt load. Just wait until the United States or another advanced economy defaults. It'll make Dubai look like the garden spot of the world it wanted to become when it embarked on its Dubai World projects.

Debt has to be backed by some tangible collateral that can be seized by creditors in the event of default. And no appetite for debt is insatiable—eventually rates will have to rise, government "services" curtailed, and pitiful, pandering political promises laid by the wayside.

Stay Sovereign,

Andrew Packer  
*Managing Editor of The Credit Crunch Short Report*

P.S. With so many countries already on the edge, I've been preparing my subscribers for the inevitable... [click here to find out how...](#)

Internal Sponsorship

**We were right 55 out of 56 times (or a 98% success rate!)  
And small investors had the chance to turn \$2,100 stakes into upwards of \$29,400**

After months of back-testing and research, we've uncovered an exclusive shorting formula that lets us predict (with a 98% success rate!) the next stock to plummet in this overinflated market.

By just following along the system's recommendations, you could have turned a \$2,100 stake into \$29,400.

But it's about to get even better. The next major stock correction is right around the corner...the dollar continues to plummet...real estate sits on the brink of another major collapse...gold is hitting heights never even considered...

And our system has already identified 30 stocks ready to fall (while we are recommending only four positions).

[Click here](#) to be notified the next time our exclusive formula reveals the next stock ready to plummet and earn the next round of profits.

***Global Investor: Silver must  
confirm the Gold Rally...***



*By Eric Roseman*

To confirm gold's bull market run, silver must settle above \$20.78 an ounce.

Silver hit \$20.78 an ounce back in March 2008; while gold also hit a nominal high that month, it surpassed contract highs 12 months later while silver stalled.

If there's an ounce of doubt still apparent in the nine-year bull market for the precious metals it's silver's failure to confirm the primary trend in gold prices. Silver has failed to confirm the rising trend in gold over the last four months because it didn't hit a new high last year whereas gold did.

Historically, gold and silver have rallied together in all precious metals' bull markets since WW II. I can't find a period when one metal rallied at the same time the other declined. Though gold is a monetary metal – silver is more tied to the economic cycle because of its industrial usage – the latter nevertheless plays a role amid an uncertain monetary environment. Supplies for both metals remain at historically low levels as production continues to decline.

Any bear market rally for the dollar must be viewed as yet another opportunity to sell the dollar in exchange for gold, silver and the mining shares. I would also add to my holdings in Canadian dollars and Norwegian kroner on any intermittent dollar rally.

---

## Unsubscribe

To end your A-Letter email subscription, and associated external offers sent from the A-letter, [visit this address](#).

---

**THE SOVEREIGN SOCIETY OFFSHORE A-LETTER**  
 Erika Nolan, Publisher \* Bob Bauman, Legal Counsel  
 Matthew Collins, Managing Editor \* Eric Roseman, Investment Director  
 Sean Hyman, Currency Analyst

**SUBSCRIBE** to The A-Letter for FREE or send to a friend at  
 LINK: <http://www.sovereignsociety.com/>  
 Please DO NOT respond directly to The A-Letter.  
 Send e-mail to: [EDITOR@SOVEREIGNSOCIETY.COM](mailto:EDITOR@SOVEREIGNSOCIETY.COM)

To make sure you receive each and every A-Letter, [click here](#) to 'whitelist' The Sovereign Society.

The A-Letter provides accurate information on the subject matter covered and advertisements displayed, so far as we can ascertain. We cannot certify the absolute accuracy of referenced articles nor do we necessarily endorse products advertised herein. The Sovereign Society advocates full compliance with all applicable tax and financial reporting laws. All LINKS are operative at time of publication. Nothing herein should be considered personalized investment advice. Although our employees may answer general customer service questions, they are not licensed under securities laws to address your particular investment situation.

**LEGAL NOTICE:** Also, please note that due to our commercial relationship with EverBank, we may receive compensation if you choose to invest in any of their offerings. This document is based on SEC filings, current events, interviews, press releases, and knowledge gained as financial journalists and may contain errors. Investment decisions should not be based solely on this document. The Sovereign Society expressly forbids its writers from having financial interests in securities they recommend to readers. The Sovereign Society, its affiliated entities, employees, and agents must wait 24 hours after an initial trade recommendation published on the Internet, or 72 hours after a direct mail publication is sent, before acting on that recommendation.

**THE SOVEREIGN SOCIETY Ltd.,**  
 98 SE 6th Ave., Suite 2, Delray Beach, FL 33483  
 TEL: 888-856-1403

Send comments to [editor@sovereignsociety.com](mailto:editor@sovereignsociety.com)

(c) 2009 Sovereign Offshore Services LLC. All Rights Reserved. Protected by copyright laws of the United States and international treaties. This Newsletter may only be used pursuant to the subscription agreement and any reproduction, copying, or redistribution (electronic or otherwise, including on the world wide web), in whole or in part, is strictly prohibited without the express written permission of Sovereign Offshore Services, LLC. 98 SE 6th Ave., Suite 2 Delray Beach, FL 33483