

STOCK MARKET REPORT

February 15, 2012

Arab Spring II

"They are afraid, the Empire is afraid. The Empire is afraid that the people of the United States might find out about the truth, they are afraid that something like that could erupt in their own territory -- a Bolivarian movement"

-Hugo Chavez - President of Venezuela

Israeli Prime Minister Benjamin Netanyahu said Wednesday that Iran is destabilizing the world and its aggression must be stopped. At Israel's parliament, Netanyahu reiterated Israel's claims that Iran was behind explosions this week that targeted Israeli diplomats in India and the former Soviet republic of Georgia, as Israeli officials strongly suggested Iran was behind bomb blasts in Bangkok Tuesday. "If this aggression isn't halted, ultimately it will spread to many other countries," Netanyahu said. "Iran's terror operations are now exposed for all to see," Netanyahu added, according to the Israeli newspaper *Haaretz*. "Iran is

undermining the world's stability and harms innocent diplomats. World countries must condemn Iran's terror acts and draw a red line."

The Israeli leader spoke as Iranian state television reported that Iran would on Wednesday unveil a new generation of domestically made uranium enrichment centrifuges. "The fourth generation of domestically made centrifuges have higher speed and production capacity," state TV said, according to Reuters. Israel has accused Iran of waging a campaign of state terror and has threatened military strikes on Iranian nuclear facilities. Iran has blamed the Jewish state for the recent killings of Iranian atomic scientists and has denied responsibility for all three plots this week.

Not everyone is buying into the accusations though. Unfazed by US sanctions and Israel linking Tehran to the attack on an Israeli embassy car in New Delhi, India is set to ramp up its energy and business ties with Iran, with a commerce ministry team heading to Tehran to explore fresh business opportunities. India is expected to send a team to Tehran later this month to discuss steps to expand India's trade with Iran, part of a larger strategy to pay for Iranian oil, said highly-placed sources. Despite the US and European Union sanctions on Iran, India recently sealed a payment mechanism under which Indian companies will pay for 45 percent of their crude oil imports from Iran in rupees. Not just oil, India is also stepping up the refurbishing of the Chabahar Port in Iran and a strategic railway link that will offer it direct access to Afghanistan and the energy-rich Central Asia. In recent years, India has taken care to insulate its multi-faceted ties with Iran from the West's collision with Tehran over its nuclear program. The West accuses Iran of

average price of 101.00 on Monday's close and will stay with it unless I see a close below 99.98.

With respect to gold we saw another effort to push the price down below 1,720.00 yesterday and it failed once again:



The spot gold closed at 1,723.30 and that is a closing low for the eight-day decline. I happen to believe that it was also a bottom and an end to the

consolidation of previous gains. ***If I use the closing top to yesterday's closing bottom, gold fell a grand total of 38.00, and that is less than 3%!*** This morning spot gold is up 10.00 and I now believe that we're on our way to a second test of resistance from the old high at 1,767.10. I will admit that I was somewhat surprised by the amount of negativity coming from a 3% correction, but then again nothing should surprise me anymore.

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