

November 2011

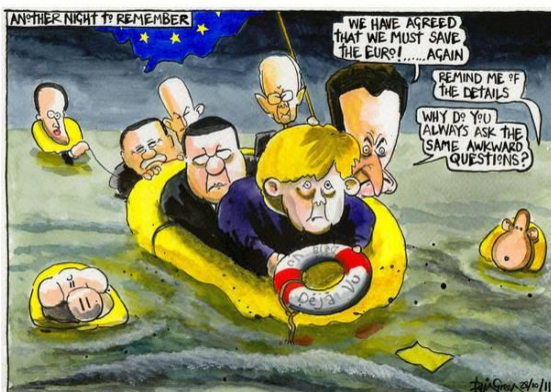
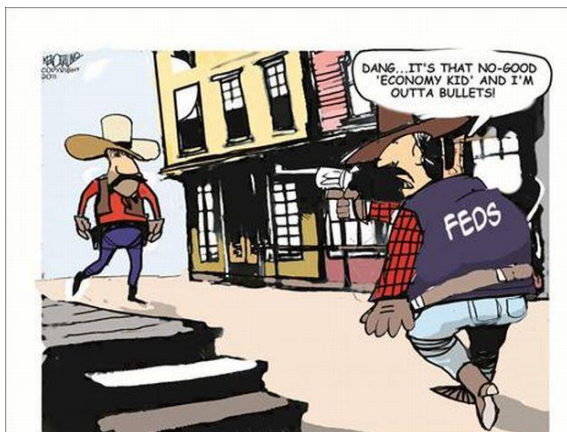
Key: The Euro seems to be saved (temporarily)?

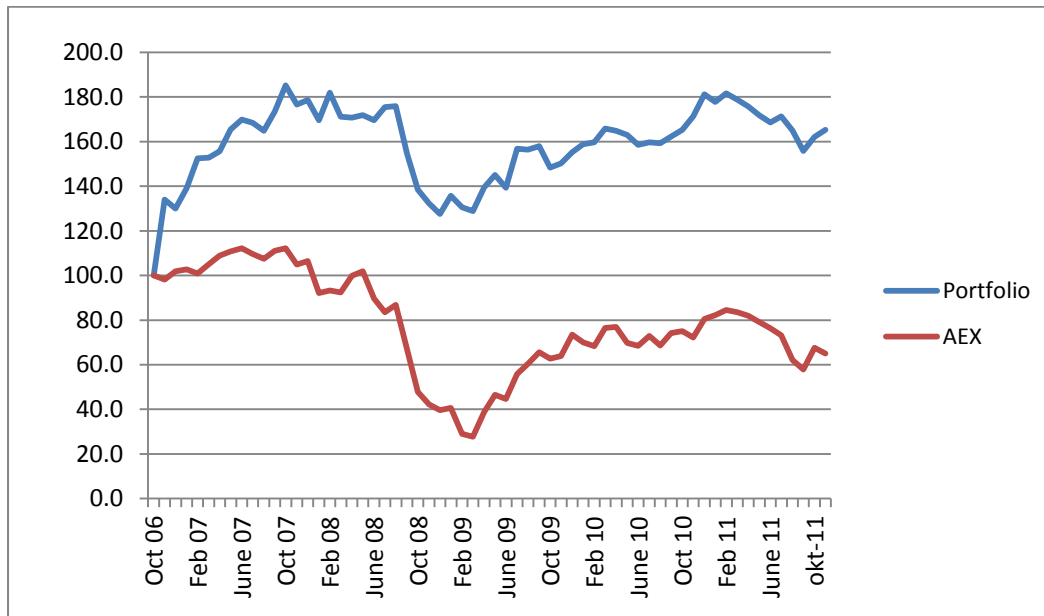
Outlook: How hard will the European recession be?

I would be grateful if you would subscribe to my site <http://goedbeleggen.wordpress.com/> , on the right hand side below the picture.

Have a look at my stockpicks; <http://home.tiscali.nl/victorgoossens.nl//>

Any comments or ideas are welcome.





Month	Portfolio In %	AEX Index	AEX in %	Relative Performance	Month	Portfolio In %	AEX Index	AEX in %	Relative Performance
Oct 06		486.6			Jan 10	4.1	323.8	-3.4	7.6
Nov 06	21.8	477.7	-1.8	23.6	Feb 10	1.0	318.3	-1.7	2.8
Dec 06	-2.8	495.3	3.7	-6.5	Mar 10	7.0	344.2	8.2	-1.1
2006:	19.0	495.3	1.8	17.2	Apr 10	-1.1	345.9	0.5	-1.5
Jan 07	6.4	499.8	0.9	5.5	May 10	-2.0	320.7	-7.3	5.2
Feb 07	9.6	490.2	-1.9	11.5	June 10	-4.8	316.8	-1.2	-3.6
Mar 07	0.2	510.5	4.1	-3.9	July 10	1.3	330.6	4.4	-3.0
Apr 07	2.1	530.8	4.0	-1.9	Aug 10	-0.5	316.5	-4.3	3.8
May 07	7.3	540.4	1.8	5.5	Sept 10	3.5	334.4	5.7	-2.2
June 07	3.3	548.2	1.4	1.8	Oct 10	3.4	337.2	0.8	2.5
July 07	-1.1	534.0	-2.6	1.5	Nov 10	6.8	327.4	-2.9	9.7
Aug 07	-2.7	522.7	-2.1	-0.6	Dec 10	9.0	354.6	8.3	0.7
Sep 07	6.5	541.0	3.5	3.0	2010:	27.7	354.6	5.7	22.0
Oct 07	9.4	547.9	1.3	8.2	Jan 11	-3.3	360.8	1.7	-5.1
Nov 07	-7.0	507.6	-7.3	0.4	Feb 11	3.9	369.1	2.3	1.6
Dec 07	1.6	515.8	1.6	0.0	Mar 11	-2.9	365.6	-1.0	-2.0
2007:	35.6	515.8	4.1	31.4	April 11	-3.0	359.9	-1.6	-1.4
Jan 08	-7.4	441.3	-14.4	7.0	May 11	-4.0	349.4	-2.9	-1.1
Feb 08	10.6	446.5	1.2	9.5	June 11	-3.3	339.7	-2.8	-0.5
Mar 08	-9.4	442.4	-0.9	-8.5	July 11	2.8	329.2	-3.1	5.9

Apr 08	-0.3	475.6	7.5	-7.8	aug-11	-6.4	292.9	-11.0	4.6
May 08	0.9	485.5	2.1	-1.2	Sept 11	-9.2	280.2	-4.4	-4.8
June 08	-2.2	425.9	-12.3	10.1	Oct 11	6.4	307.5	9.8	-3.3
July 08	5.8	400.0	-6.1	11.9	Nov 11	3.2	299.7	-2.5	5.7
Aug 08	0.5	412.8	3.2	-2.7	2011:	-16.2	299.7	-15.5	-0.7
Sep 08	-20.6	331.5	-19.7	-0.9	Return since start:	62.3	299.7	-38.4	100.7
Oct 08	-15.5	267.7	-19.2	3.8	Average per annum	12.2	%		
Nov 08	-5.6	252.6	-5.7	0.0					
Dec 08	-4.3	245.9	-2.6	-1.7					
2008:	-47.5	245.9	-52.3	4.8					
Jan 09	7.4	248.6	1.1	6.3					
Feb 09	-4.7	219.8	-11.6	6.9					
Mar 09	-1.6	217.0	-1.3	-0.3					
Apr 09	9.6	240.8	11.0	-1.3					
May 09	5.0	259.5	7.8	-2.8					
June 09	-5.2	254.7	-1.8	-3.4					
July 09	15.5	283.2	11.2	4.3					
Aug 09	-0.4	296.2	4.6	-5.0					
Sep 09	1.4	311.4	5.1	-3.7					
Oct 09	-9.8	302.4	-2.9	-6.9					
Nov 09	1.7	305.9	1.2	0.5					
Dec 09	5.1	335.3	9.6	-4.6					
2009:	24.1	335.3	36.3	-12.3					

Portfolio:

Increased with 3.2 % (Outperforming the AEX with 5.7%) 2011: -16.2% AEX -15.5% Since inception Oct 2006 +62% (a 101% outperformance to the AEX) or 12.2 % per annum on a weighted average basis.

Cash: 34% of the portfolio. Note these above mentioned performances were made with an average cash position of 28% (so average market exposure has been 72% since Oct 2006)

Winners: Noront +19%, Amerisur +17%, Prodigy gold +16%, Grontmij +13%, Grange res +5%

Losers: Great basin gold -34%, Rare earth metals -32%, North American gem -24%, AND -24%, Rampart -21%

Exits: CFE (part), Corinthian college & Silvermex

Trades: FAZ etf (Result -0.1% on the portfolio)

Hedging the portfolio with FTI's result: 3.2% on the portfolio

Initial position taken in: Grontmij

Increased position in: Exact, Kendrion

Largest positions (in size):, 1. Probe mines, 2. Noront 3.CFE, 4. Boskalis, 5. Redstar gold, 6.Amerisur 7.Rainy River, 8. Grange resources 9. Kendrion, 10. Imtech, Nautilus, Fission Energy, Hathor, Victoria Gold, VMS Ventures, AMG, Octoplus, BAM, Great Basin Gold, Rockhopper exploration, RPT, Intern Stem Cell corp, AND, UNG ETF, Brasil ETF, Fairstar, Regal Petroleum, Duluth metals, Goldsource mines, Fancamp, Kodiak, Ryland oil, Fairstar, Thenergo, Celtic minerals, North American Gem

Good money was made on Noront & Amerisur.

Lost money on Great Basin Gold & Nautilus

The month:

Sharply higher interest rates of the weaker European countries indicated the fall of the Euro was near, with huge implications and costs running sky high, plus the risk of pushing the world economy into a recession. European politicians are running around like headless chicken trying to compromise a solution to save the Euro. I wonder how much money is spend on food, security, overwork etc on these (top of the top) meetings.. MF Global which gambled and went broke on PIGS debt weighted heavily on the intra month low of 271 (down -12% to October)

Near to the end of the month sentiment was so negative, indications of a (temporary?) save of the euro and very strong US black Friday sales brought a rebound (+10% from the low on the 24th of Nov).

Risks:

Further downgrades of individual countries and banks (France, Italy and now also Spain & Belgium) in Europe could trigger a Lehman effect on the European and American banks and stock markets.

Resurrection of US debt problems

Europe risks a deep recession (& risks to drag the rest of the world with it) if an adequate solution isn't found

Upsides:

New plans for Quantative easing in Europe and USA?

A real solution to stem the PIGS contagion, 1 Huge European Bond market(not likely at the moment), substantial increase of EFSF?

Outlook:

Germany, by refusing to increase the money supply (either or via the ECB) thinks we might be close to 1923 (huge hyperinflation), but effectively it looks more like the 1930's (deflation, contraction, trade wars etc). With that thought we risk getting sucked in a deflation scenario, making problems even bigger than we are in at the moment. Assets will decline and lose value, stocks, real estate, raw materials etc. Banks are also selling assets to improve their financial position, without issuing new shares (at the levels). Debt will increase in value, making it impossible to pay back all the debt in the world. I worry now that highly regarded consultancy firms like the Boston consultancy group are publishing papers on debt write downs and starting afresh... If deflation hits, all printing presses of the world central banks will open up to save the world, induces high inflation within 2 to 3 years.

The proof is in the eating, what's next to austerity in Europe and fines if certain numbers aren't met? Without extra stimulus and cash injections (in the banking system) the envisaged

2012 recession in Europe will be hard. If the money is running out for the poor countries, how can they ever pay the fines? One might think a revolt could arise if these countries are driven in a hard recession and they will not pay the interest or pay back the principal amounts... (The European spring?)

Recent macro data is turning positive, specially for the US and in a weaker mode for Europe. On the other hand China sees a slowdown (will additional stimulus measures follow, now inflation seems to be under control?). Brazil is slowing and India has a lot of problems from inflation to corruption.

On a 5 to 10 year view we could see very sluggish growth for the developed countries (like the 70's) and a more moderate growth for developing nations. Commodities can play a good hedge in this scenario.

In my December note I will try to find the right asset allocation for 2012 and the years beyond. It looks it will be hard to attain a 5% or more return on assets.

Strategy; I occasionally cover my portfolio with futures.

Technical Analysis; Gann <http://goedbeleggen.wordpress.com/gann-trader-technische-analyse/>

expected last Sunday (19 Dec) a strong improvement in the markets for this week (which is actually happening). Ask for a free report via this email: vgoossens@ziggo.nl

Key points to follow: US & Pigg's debt problems, Unemployment (& Consumers spending), House prices & sales, Commercial real estate, Debt, ISM producers index, Health of the banks & Real growth of companies sales & earnings. And of course QE or money expansion in Europe.

I would be very helpful if you can send me your comments, Ideas and Investment proposals. Stock picks are of course very welcome ;-)

Good luck,
Kind regards,

Victor Goossens
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Interesting stories and advice what to do, in Dutch; <http://goedbeleggen.wordpress.com/> or <http://www.1beleggen.blogspot.com/>

Interesting links and Portfolio stories: www.victorgoossens.nl

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