

**Happy Valentine's Day!**  
**We're Giving You \$100 for Five Days Only!**

**U.S. Consumer Demand is Creeping Up.  
Global Food Prices are Escalating!  
And BIG U.S. Companies are Moving to China.**

**What does all this mean for Investors?**

Dear Fellow Investor,

Like all Americans, I am encouraged by the modest growth of the U.S. economy in the last quarter. That growth is boosting hopes for a stronger 2011. But it's still too meager to ease our high unemployment rate.

The Commerce Department reported an annual growth rate of 3.2% from Oct to Dec—better than 2.6% growth in the previous quarter. For all of 2010, the economy grew 2.9%, which was the most since 2005.

**And it was an enormous improvement from 2009, when the economy suffered its worst drop in more than 60 years!**

Some economists expect consumer spending (which contributed to Q4 growth) to rise 3.2% or more in 2011. This is almost double last year's anemic rate. But this growth is still not good enough to drive down unemployment.

Some estimates say the growth rate will have to be closer to **5% for a full year** to drive down our unemployment rate by just 1 percent.

Like the rest of the country, I'm also concerned that spiraling commodity prices could wreak havoc on our economic growth. The Federal Reserve doesn't seem to be worried, as they press on with an aggressive bond-buying campaign in an attempt to push inflation higher and to decrease unemployment.

Research from Credit Suisse shares my concern, saying **“the common global concern of the moment is commodity price inflation.” Many emerging markets are stockpiling grains, due to anticipated shortages.**

Atlanta Fed President, Dennis Lockhart, recently said “concern about inflation is rising because of higher gasoline prices and higher commodity prices, including food commodities. He added that Fed officials are hearing stories about businesses that incur higher input costs may pass them on to retail prices.

To combat higher costs for raw materials, many companies have started to stockpile. The idea, of course, is to insulate them from inflation, but it could actually contribute to it. (As an investor, you’ll feel it when wearing your consumer hat to the grocery store.)

Businesses, like McCormick & Co, the spice-maker, are buying more ingredients and hoarding them in an effort to beat inflation, instead of buying to meet consumer demand. Dehydrated garlic powder more than tripled and black pepper more than doubled since March 2009. They are afraid prices will continue on the upswing.

McCormick’s grocery-store customers bought \$10 million of orders, during fourth quarter of last year, in order to avoid the 3% price increase

Lockhart, the Atlanta Fed President, doesn’t think higher inventory costs will translate to broad inflation of consumer goods and services and expects only a modest rise in inflation through 2012.


Well, if Mr. Lockhart is right, “thank you, McCormick and to all those kind U.S. retailers.” But, if he’s wrong, we can all expect to pay more for goods and services this year and probably the next, including food and energy.

The head of the European Central Bank, Jean-Claude Trichet, voiced a cautious note in a recent Wall Street Journal interview, saying that “central banks must be very careful that there are no second-round effects” on domestic prices.

**Let’s take a look at the global food crisis and escalating prices that’s all over the news currently ...**

The global supply of wheat tightened last year due to Russia’s drought and export ban. And heavy rains in Australia have reduced the quality of wheat output, making much of it only good enough for animal feed.

This year, the global wheat market prices are up 13%, since the start of December and are expected to keep rising. The U.S. ‘wheat belt,’ is taking a beating because of too little rainfall in November through January -- and now there’s insufficient snow to insulate it against freezing temperatures.



A whopping 33% of Kansas' winter wheat crop is rated poor or very poor, according to the U.S. Department of Agriculture.

A global deficit of 19 million metric tons in the 12 months ending in July, which will cut wheat stockpiles by 11%, is driving up prices even more.

We just witnessed the uprising in Egypt and Tunisia. Food-price inflation played a part in creating unrest in these two places and portends more stockpiling from these and other countries. Already Algeria and Saudi Arabia have said they will increase stockpiles of wheat and other crops.

So, what's the problem with hoarding a little wheat? Well, when there's a short supply, together with export bans, countries' inventories become even more valuable and drive prices up even more.

Hoarding and export bans taken to the farthest extent can lead to the kind of riots we've just seen in Egypt. Then the situation goes from an investor's dream to a political nightmare.

**Understanding this delicate balance is the key. Everything has an affect on everything else.**

For you, as a consumer, you have one set of concerns. And, as an investor, you've got others... primarily, where can you enjoy the greatest financial returns?

At our [\*Wealth Summit\*](#) this year, we intend to help you with the latter. All of the KCI analysts will give you the benefit of their thinking and their analyses of all the forces that bear on your investing decisions.

We want you to escape the rigors of the everyday and luxuriate in the opulence that is the [\*Mandarin Oriental Hotel\*](#) in Las Vegas! You and your spouse/guest will enjoy food fit for kings and queens. Your room's décor and stunning views will take your breath away!

Our cocktail party on Friday evening will be in the spectacular Mandarin Bar, with amazing views of the Strip below.

You can even have lunch or dinner with Roger Conrad or Elliott Gue... IF you hurry! Seats are extremely limited for the "Lucky 7" at each table.

I'll tell you more in a moment, including my **BIG Valentine's Special Discount**. It's my way of letting you know how much we appreciate your business.

But first...



**Let's look at some BIG Opportunities for investing in U.S. companies, taking advantage of the exploding demand in developing economies.**

I want to emphasize the fact that demand from emerging markets is not just a 'beyond our borders' phenomenon. Quite the contrary, there are so many U.S. companies benefitting from this buying frenzy that you may find one that fits your investing goals.

When you buy U.S. stocks, with exposure to developing countries, you're reaping the benefit of these economies' skyrocketing consumer demand.

There are many U.S. companies, profiting from global demand, who do not open offices or factories in these countries. But for my purposes here, I'll just mention a few well-known American companies, operating in China.

Everyone knows **Wal-mart**, which opened 59 stores in China in 2009 alone. It's the USA's largest retailer and operates under many different brands internationally. They have a presence in Japan and plan to expand to India very soon.

Ever heard of **Yum Brands**? Think Pizza Hut, KFC and Taco Bell – they've added more than 1,800 restaurants in China since 2005. Operating profit for its China division surged to \$602 million in 2009, up from \$20 million in 1998.

Yum Brands announced on January 18, they are selling off Long John Silver and A&W Root Beer to raise money for their China expansion.

Pharmaceutical giants, like **Pfizer and Eli Lilly**, are expanding to China and India. For any health-related company—population equals BIG business. And with rising personal incomes, along with the Chinese government making health care more affordable to its citizens... well, it's a 3-way win!

The pharmaceutical industry is expected to grow by 3% to 6% in developed markets, but **by 14% to 17%** in emerging economies like China and India.

**The auto industry** in China overtook the U.S. last year as the world's largest auto market, growing by 50%, after the government gave up \$15 billion in auto incentives. In fact, strong Chinese sales helped offset carmakers' weak U.S. results, according to the American Automotive Policy Council, a trade group for the Detroit carmakers.

Because of China's growing middle class, and its strong demand for cars, many analysts believe they will remain the largest auto market in the world—greatly benefitting GM and Ford, which both operate in China.

**And move over Las Vegas...** Macau, an archipelago only an hour's ferry ride from Hong Kong, is home to U.S. gaming companies such as Las Vegas Sands (LVS) and Wynn Resorts. The Las Vegas Sands had \$3.3 billion in net revenue in Macau in 2009, which was almost three times more than its Vegas properties.

LVS expects as much as 85% of its profitability will come from Asian properties. And that includes a newly-opened \$5 billion casino, *Marina Bay Sands*, in Singapore as early as next year.

Not to be outdone, Wynn Resorts collected 60% of its \$3.1 billion in net revenue from Macau last year. The remainder came from its Las Vegas properties.

When we decided to have this year's *Wealth Summit* in Las Vegas at the *Mandarin Oriental Hotel*, we chose this headline: 'Where East Meets West... in Las Vegas,' which was designed to support the theme: *The Rise of the State*, based on the book by Yiannis Mostrous, Elliott Gue and David Dittman.

But we weren't fully aware that Las Vegas had literally moved to the East to set up shop there. How serendipitous.

When you go to our [Summit website](#), you'll see a video of Elliott Gue on the home page. Be sure to watch that because it's a sneak preview of what's in store for you at the *Wealth Summit*. (April 1-2, 2011) As you'll see, Elliott was talking about global food and water shortage back in August of last year!

As the old Chinese proverb says, "May you live in interesting times," we live in times of unprecedented change and upheavals the world over. At the Summit, you'll learn how to profit from these stupendous changes.

It is my belief that America is in crisis. I don't see how the Federal Reserve can keep on printing money and not understand the ripple effects this foolish act has all over the world.

As mentioned above, global food commodity prices are going through the roof... many experts see that as a direct result of U.S. inflation run amok. Case in point is the U.S. subsidized ethanol production that is drastically driving up corn prices. Corn is a staple, like wheat, and is used in hundreds of processed foods as well as animal feed.

Our own commodity prices are expected to soar—some brought about by stockpiling just like the 3rd World Countries are doing, in an attempt to survive.

I'm not advocating for Democrats or Republicans. Like you, I just want to pay a fair price for the things I need to buy for my family and me. I want to run my business the way I see fit and not dictated by too much government.

And, finally, just like you I want to invest in a free market. Not one that's crippled by Washington's infringement.

You will hear from all our analysts, who know much more about how to invest wisely to preserve your wealth and get back in the game, if you've been sitting on the sidelines for a few years.

**So, here's the deal...**

To show our appreciation, I'm offering you my **Valentine Special discount** of \$100.

**You have until midnight on February 14th, Valentine's Day, to register and save \$100. After that, the price reverts to \$795... so don't be left out!**

And, the hotel rooms are going like hotcakes at the special room rate we secured of only \$215/night. (Regular price for these luxurious rooms is \$725/night.) The deadline for hotel reservations is March 8th, but the GREAT deals won't last that long, I imagine.

You'll meet Yiannis Mostrous, Elliott Gue, Ben Shepherd and, of course, Roger Conrad—the income guru everyone has come to trust over the years. You won't want to miss Roger's GLOBAL income-investing insights.

Other speakers include Jim Fink on options and David Dittman on Canadian income trusts. You'll also hear from executives from Atlantic Power, Linn Energy and Vermilion Energy, giving you an inside view—along with EverBank's Frank Trotter, who will speak on geopolitics and profligate politicians—and where to look for profits now.

You'll have two days chocked full of information and networking with fellow investors from all across the nation.

We're hosting a **cocktail party** on Friday evening—bring yourself and your spouse/guest. (Included in your registration fee.) Mix and mingle with all our analysts and other well-heeled investors. It'll be an honor for us to meet you!

This is a one-time opportunity for our valued subscribers to get the chance to taste what our *Wealth Society* members enjoy every year at a different resort—it's part of their exclusive membership. And it can be yours, too.

You're invited to attend just this one time, as a non-member. Then you may apply for membership and the opportunity to attend every *Wealth Summit* from now on.

[Go here](#) and check it out for yourself. Seats are going F-A-S-T for non-members, so do make your plans now—and **save \$100** in the process!

What better time than right now to make your decision to join us in Las Vegas at the exotic [Mandarin Oriental Hotel](#). You'll feel like you've stumbled into an Asian paradise.

You will find the agenda, the speakers, the hotel information and everything else online to help you decide. Then, [reserve your seat](#), while they're still available.

After this **Valentine Special**, you'll really be gambling on getting a seat... or to get the BEST hotel rates we've reserved. I fully expect everything to be filled to capacity—so ACT now!

Then there's the other surprise... you can have lunch or dinner with Roger Conrad or Elliott Gue, IF you're one of the FAST-ACTION-TAKERS! There aren't many spots left for the "Lucky 7," so hurry and make your choice when you [register](#). It's first come, first serve!

We're starting a new year and, more importantly, a new investing paradigm. And we don't want you to get left behind.

By the way, when you register, we'll send you an autographed copy of the new book, ***The Rise of the State: Profitable Investing and Geopolitics in the 21st Century***, written by Yiannis G. Mostrous, Elliott Gue and David Dittman.

One of our KCI Wealth Society members told us that he intended to pass his copy of ***The Rise of the State*** on to his grandnephew, in the hope that it might serve as something of a primer as the younger generation adapts to a rapidly changing world.

Maybe you, too, have children or grandchildren and will someday pass down your copy of the book. Add to your own knowledge base, as well as contribute to the future investors in your family.

Whatever you do... don't wait too long and regret it later. Resolve to carve out the time and be a part of the action. Just do it right now, while you're thinking about it! We look forward to seeing you April 1–2, 2011, in Las Vegas!



Phil Ash,  
Chairman, *KCI Wealth Society*

P.S. If you attend this year's *Wealth Summit* and later decide to apply for *Wealth Society* membership, we will credit your entire registration fee toward your membership.

Simply join the Wealth Society within 30 days following the Summit on April 1–2, 2011 to take advantage of this one-time-only offer.

Whatever you do for your investing education this year—do this! Make it a mini-vacation. Meet myself, the analysts and make friends that can last a lifetime.

We are committed to bringing you potential double- or triple-digit gains in 2011 and beyond. So don't miss out.

Visit us at [www.InvestingSummit.com/Love](http://www.InvestingSummit.com/Love) and get all the particulars—the speakers’ topics, the agenda, the hotel information and more.

And **ONLY** pay \$695... that’s a **\$100 savings** on perhaps the most important thing you will do for yourself and your family this entire year.

**P.P.S.** We have an additional treat for you. How would you like to have your portfolio selected for expert (and anonymous) review in our Portfolio Analysis session?

This is on a first come, first serve basis, so the sooner you get yours in, the more likely you’ll be chosen. [Register now](#) to receive all the details.