

Why The U.S. Will Recover...

Monday May 25, 2009

Hello Everyone,

Thirty-eight years ago, in 1971, President Richard Nixon declared the last Monday in May a federal holiday — a day to remember and honor America's fallen soldiers, as well as other loved ones who have passed away.

So yesterday, the U.S. markets were closed. Stocks, bonds, the dollar, gold, oil did not rise or fall here in the United States. There were no battles between the bulls and the bears. No wars fought in the markets yesterday.

For me, I can't help but think of my father, now 82 years old, who was in World War II and my great uncle, who fought at Normandy.

Or my husband's draft number for the Vietnam War that put him within a whisker of being sent to Nam in 1970.

Had he been drafted, I'm not sure how I would have handled him going off to war. One never knows how they will confront a crisis until they pass through it.

But there's one thing I do know. It's because of the men and women who have fought in defense of our country and those who have lost their lives protecting our freedom that the United States is resilient, tough but flexible, and still the greatest nation on the planet.

And our resilience is why I have no doubts, whatsoever, that the U.S. has what it takes to get through the worst financial crisis of all time, prevail as the great nation that it is, and emerge stronger and more nimble than ever before.

But getting there won't be easy. Sacrifices will have to be made.

We may have to get used to a lower standard of living, saving more and spending less, counting less on government to help, and most of all, experiencing some of the wildest market swings that we have ever seen.

And when it comes to the markets, my job is to help you sort out the wheat from the chaff. To impart uncommon insights into our economic past, present and future so we can not only protect your money, but profit handsomely as well.

For today, I leave you with a short update on all of my forecasts, which remain on track:

- Ø Stocks should head higher into June before another leg down in the bear market unfolds.
- Ø The dollar will continue to weaken as central banks around the world collude to devalue the greenback in an attempt to kick start the U.S. economy and inflate away bad bets via a cheaper currency.
- Ø Gold and oil are preparing for new legs to the upside, largely in anticipation of dollar devaluation.
- Ø Commodities and natural resource-based stocks remain the strongest and best investments. Tangible assets are the best insurance you can buy against a devalued dollar.

I expect a very profitable post-Memorial Day trading period, one that could easily spin off gains in gold and silver.

In the meantime, the entire team here at *Cascade Financial Group*, sends warm wishes to you and your family on this Memorial Day.

Talk to you next week,

Valerie Holcomb, President
Shari Hooper, Senior Vice President
Cascade Financial Group

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