

The Gleason Report

10 May 2017

www.gleasonreport.com

Markets Overview

My S&P500 timing model remains invested. Logic and personal opinion tell me this is a scary market but my models have been consistently right on staying invested. It's not yet time to sell. I believe the US stock market is manipulated but so is gold and interest rates. Rigged markets are difficult because the normal market signals and asset cross-relationships aren't a useful metric.

My most simple model uses a moving average and it works. Many people are concerned about a sudden crash. I don't think that will happen for financial reasons but, if it happens, will more likely be triggered by something else – maybe an energy crisis or a political event.

My dividend model only sees slim pickings out there. As you may remember, I bought Suburban Propane (sph) over a year ago when it had a 13% yield. The price now is about the same and the company earnings call from a few days ago was quite positive. Today the yield is over 14%. SPH is an MLP and some investors avoid them because of the complex tax reporting. I own a minority interest in a successful private beer/restaurant business that owns historical property and so it reports on a K-1. To my happy surprise, the TurboTax software handled both K-1s easily so don't shy away from the K-1 world for tax reporting reasons.

The only other dividend stock that seems interesting is Target (TGT). It pays 4.2% which is close to its five year high yield. The stock price is \$58 and was \$75 a year ago. Yes, retail stocks are dicey but buying into fear is the only way I've been able to win big. I just assume all that negative stuff is priced into the stocks. TGT is in a price uptrend the last few weeks. Target could be a winner in the retail and mall property shakeout. It could pick up retail market share as competitors close and see its rents reduced as malls scramble to retain tenants.

<https://finance.yahoo.com/quote/TGT?p=TGT>

I've been watching the medical marijuana market. This is another trend picking up steam. California will allow recreational cannabis in 2018 as will Canada. A ganja ETF was introduced last month. It's hard for Americans to buy since it's listed in Toronto. Legal weed isn't popular with the Trump administration but the states taxing medical and recreational cannabis are pulling in a lot of tax dollars. This isn't going away.

<https://finance.yahoo.com/quote/HMMJ.TO/holdings?p=HMMJ.TO>

Gold

The metal was slammed again this past week. The banks sell massive shorts in the futures market every time the Fed wants it to go lower. They must keep the dollar looking relevant. Time's running out for the dollar according to the very smart Alasdair Macleod

<https://mises.org/blog/chinas-plan-subvert-global-dollar-standard>

Still, gold is up 6% year to date and I expect that trend to continue for some years or until the system is reset. Gold will have to be pegged much higher to anchor a repaired world monetary system.

The cost to extract an ounce of gold from the earth is over \$1100/oz so there isn't a lot of risk. If you don't own any, buy some. I think you'll do ok. If you're a nervous type then this is a good opportunity to learn some patience - an attribute that's required of all successful investors.

Oil

A while back I wrote an extensive report on the price of oil and how it will likely trend lower in the years ahead. I borrowed some charts from a well-done piece by <http://srsroccoreport.com>. I very much like his work and you may want to sign up for his free reports. I think my analysis on the oil topic was an easier to understand explanation. Oil will trend lower because the energy required to get a barrel out of the ground is rising relentlessly. The easy oil is long gone. The energy returned on energy invested is in a steep decline. We used to get over thirty barrels of oil for one each applied to oil drilling. Now it's about five. The world is getting poorer and people can't afford expensive oil so the price falls. Oil shale is not the answer. Here's my full report. <http://gleasonreport.com/emails/2016-12-tgr.pdf> I believe the analysis is correct and timely.

I am a believer in peak oil. It's obvious to me that the oil companies can't find cheap oil. Shale is expensive, dirty oil and they wouldn't be fracking if there was easy stuff to pump.

That said, I am extremely positive on the energy future and for good reasons.

Cheap Electric Vehicles Will Go Mainstream and Soon

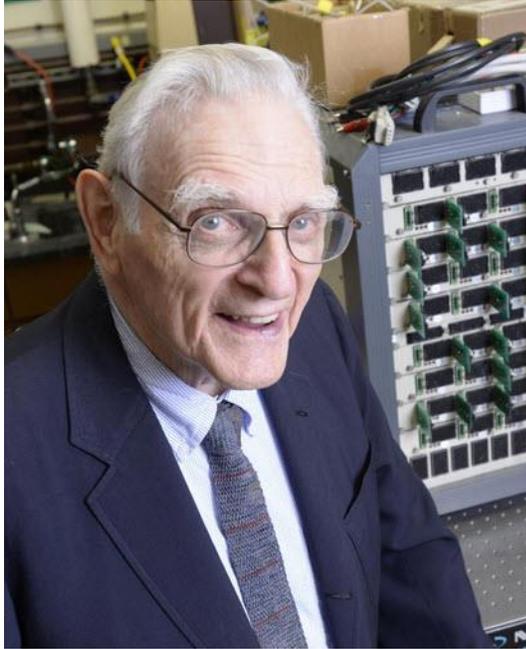
Tesla (tsla) cars cost \$70k to \$140k and have a range of up to 300 miles. The Nissan Leaf and Chevy Volt cars cost a lot less and have a range closer to 100 miles. The Tesla uses lithium-ion batteries whereas the others use nickel-metal hydride batteries. Lithium-ion has a fire problem caused by the electron transport liquid inside the battery. It's exacerbated in large configurations. Li-ion is why iphones suddenly burn up. NMH is safe but not very efficient.

Electric car technology is 120 years old. We've gone from lead-acid batteries to nickel-hydride (Toyota Prius, Chevy Volt) to Lithium-Ion (Tesla). There are a couple of big problems with today's battery technology. A NMH battery pack has a 100 mile range which isn't enough to interest retail buyers. The 300 mile range Li-ion models are expensive and take a long time to charge. The core consumer issues are battery technology, safety, and getting the car price really low.

An electric automobile should sell for much less than an internal combustion model. That's because a heavy gas engine and a complicated transmission add a lot of weight and cost to a standard car. Electric cars have fewer parts, are lighter and have fast, quiet acceleration. Think golf cart. A mass produced electric car shouldn't cost more than \$20,000 and will last for decades requiring only module replacements and tires.

Here's the good news! A new battery technology is about to change our world.

The Lithium-ion battery was co-invented in 1982 by Dr. John Goodenough. Interestingly, he was told by his college advisor in 1946 that he was too old to go into physics at age 24. Fortunately for the world, he ignored that advice. He's back.



A team of engineers led by 94-year-old John Goodenough, professor in the Cockrell School of Engineering at The University of Texas at Austin and co-inventor of the lithium-ion battery, has developed the first all-solid-state battery cells that could lead to safer, faster-charging, longer-lasting rechargeable batteries for handheld mobile devices, electric cars and stationary energy storage.

Goodenough's latest breakthrough, completed with Cockrell School senior research fellow Maria Helena Braga, is a low-cost all-solid-state battery that is noncombustible and has a long cycle life (battery life) with a high volumetric energy density and fast rates of charge and discharge. The engineers describe their new technology in a recent paper published in the journal [Energy & Environmental Science](#).

<https://news.utexas.edu/2017/02/28/goodenough-introduces-new-battery-technology>

If this battery technology makes it past the prototype stage and can do as claimed, which seems extremely likely, we could see a tripling of battery performance. That means low cost, safe, electric cars with a range exceeding 300 miles per charge. It gets better. It takes 75 minutes to fully charge a Tesla using a super-charger at one of their hard to find stations. Home charging can take six hours. 99% of drivers will never buy this clumsy technology.

The new batteries have three times the capacity and can use cheap sodium rather than lithium. They charge in minutes and will operate at below zero temperatures.

Combine light, fast electric cars with driverless technology and the auto industry could be transformed within a decade. Electric cars could quickly replace the internal combustion engine in passenger cars and many trucks.

What about the grid? Power lines lose 50% of their electric current to heat during transport. The solid-state battery will transform the energy grid. Solar panels can quickly charge a solid-state battery making off the grid living practical in many areas of the world.

In the future, new houses may not need to be connected to the grid. We could have solar panels and solid-state battery packs. Electricity lines and power utilities will still exist to run heavy industrial applications. For some consumers, the grid as we know it may become a legacy technology.

Energy storage at the utility level has also advanced greatly with the introduction of industrial scale Vanadium-flow batteries. This is a big deal.

<https://www.forbes.com/sites/jamesconca/2016/12/13/vanadium-flow-batteries-the-energy-storage-breakthrough-weve-needed/#3610c3a55bde>

The sun blesses us with enough energy for everybody. Innovation can replace oil but there's a lot of infrastructure and costs involved. Let's get going!

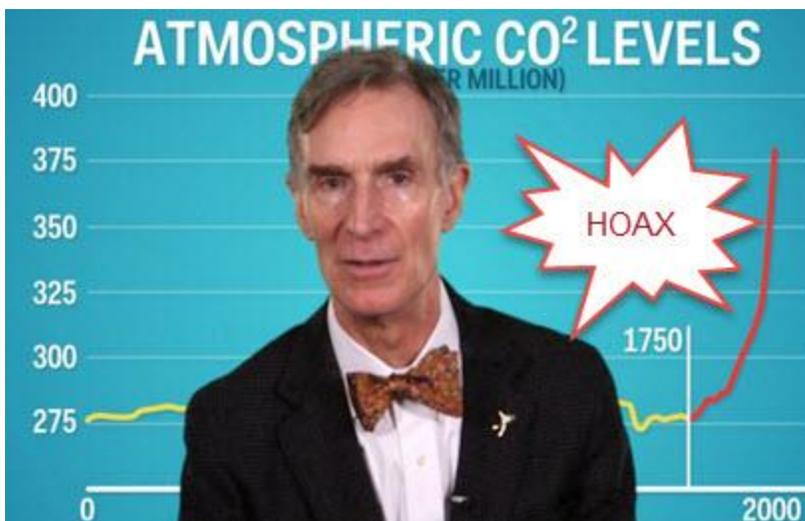
Big Opportunity for President Trump

President Trump wants an infrastructure plan that can create jobs and transform America. Here it is. Once the prototyping is proven, he should put his imprimatur on a new energy plan. Trump knows how to think big and this is huge. The Trump Energy Plan: New cars, new road technology, new home energy solutions, and new jobs. New battery technologies are a bigger change agent than the 1950s Interstate Highway System, rural electrification, and horizontal drilling – all combined. It will change how we live and what we do.

Here's your speech, Donald. *"When I ran for president, I promised that my administration would make America great again. I'm introducing a plan to transform America within one generation. It begins today. We have within our grasp new technologies that will change transportation, how we power our homes, and how we will clean the air and water. We will put people back to work."*

End the Global Warming Hoax

I've often scorned man-caused climate change as a hoax. How can anyone believe that carbon dioxide is a pollutant? CO₂ is plant food and required for photosynthesis. CO₂ makes up .04% of the atmosphere – less than ½ of 1%. It's been much higher in the past. If it goes much below .03% plants will start dying. We need MORE CO₂ not less.



The climate change hoaxers have plans for carbon taxes paid to a global government run by socialist overseers. Like always, it's about money and control. Banker-run carbon trading exchanges are part of the scam. They want to tax

everybody on the planet.

The “War on Carbon” is rooted in the most outrageously dangerous, dishonest and degenerate anti-science bunk that’s ever been shoveled into the minds of the masses. Far from being a “pollutant,” carbon dioxide is the “Miracle Molecule of Life” for re-greening the planet through reforestation. This essential molecule supports the entire web of life on our planet, and without it, all plants, animals and humans would die.

Yet, despite this undeniable scientific fact, nearly all climate change activists and “environmentalists” have been brainwashed into believing that carbon dioxide is an evil gas that will destroy the planet. They have been brainwashed into believing exactly the opposite of what is true. That’s the power of the dishonest media, corrupted science and government-run science myths and depopulation narratives that function as not just a war on facts, but even a war on logic and reason.

<http://www.naturalnews.com/2017-05-09-carbon-dioxide-revealed-as-the-miracle-molecule-of-life-for-re-greening-the-planet.html#>



Why do some ‘scientists’ and politicians push global warming? Because they make money off it. They write books and get paid to give lectures to naïve college students. It’s profitable work. Honest scientists have been denied career

advancement for exposing the global warming lie and that’s a fact! We need to confront the global warming scammers with science by real scientists.

It’s time for the climate hoaxers to put their rhetorical skills to better use. Get on board with the new technologies. You’ve already squeezed millions out of the climate scam with your bullshit fear mongering. It’s time for you guys to make an honest living.

Russian Interference in Elections

All this ass-twitching about Russia is political theater. The great powers are always meddling in foreign countries ‘honest’ elections. And let’s not forget the US controlled NGOs that use social media to stir up trouble in Russia.

It’s bogus nonsense by Trump haters in congress and their collaborators in the US fake news. The United States and Russia have been meddling in elections for decades. How do I know this? There are actually people who keep track of these things. A researcher at UCLA has written a paper on 117 US/Russian election interventions since 1946. He uses statistical analysis to

determine the effect on the election outcomes and describes when overt or covert meddling is the best approach [Thank You subscriber Denise B.]

“What are the electoral consequences of attempts by great powers to intervene in a partisan manner in another country’s elections? Great powers frequently deploy partisan electoral interventions as a major foreign policy tool. For example, the U.S. and the USSR/Russia have intervened in one of every nine competitive national level executive elections between 1946 and 2000. ... I argue that such interventions usually significantly increase the electoral chances of the aided candidate and that overt interventions are more effective than covert interventions. I then test these hypotheses utilizing a new, original dataset of all U.S. and Russian partisan electoral interventions between 1946 and 2000.”

- Dov H. Levin University of California, Los Angeles

Here’s the full paper. <http://gleasonreport.com/documents/sqv016.pdf>

Summary

We are on the doorstep of a clean energy future. Truth and science will lead the way. We don’t need any more neocon oil wars. The oil age is ending. Technology will permanently reduce the need for massive oil imports. Goodbye neocons and their oily Middle Eastern slaughters. Goodbye fears of Russian energy dominance.

Earth’s climate changes due to our planet’s orbit and the sun’s energy output. The sun drives climate. There is no proven correlation between carbon dioxide levels and long term air temperature. Zero. We don’t need carbon taxes, Obama, or Al Gore. Those agendas only serve to enrich bankers and politicians. Whenever you see a politician talking science you can be sure it’s not about science. It’s about suppressing the truth to gain an advantage.

It’s been a rough twenty years for Americans. Corruption, declining earnings, a congress owned by bankers, and an untrustworthy news media fronted by vapid, mega millionaire talking heads controlled by the CIA. It’s a kakistocracy.

Kakistocracy: noun, plural kakistocracies. Circa 1820

1. A form of government in which the worst persons are in power.

They all hate Trump because he wants to drain their fetid swamps. I hope enough good people come forward and push back on the war mongers and liars.

I believe we will soon see a vast reorganization of the world economy. Who will be the winners and losers? That’s a question I can’t answer and I’m very interested in your opinions.

Best regards,

Tom Gleason

The Gleason Report www.gleasonreport.com