

April 30, 2006

Compliments of Barron's

**A Metal Like No Other** by Gene Epstein

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April 28 - 29, 2006

Exotic Mortgages Begin to Reset - Look Out Below!

The Daily Reckoning - Weekend Edition

Baltimore, Maryland  
by Kate "Short Fuse" Incontrera

**VIEWS FROM THE FUSE: EXOTIC MORTGAGES BEGIN TO RESET - LOOK OUT BELOW!**

For those still not convinced that a real estate bubble exists in the United States today, consider this fact:

Last year, more than 40% of the buyers in the real estate market were in it for the first time.

That means almost half of all home purchasers have never previously owned a home - and with good reason. They couldn't afford to.

But lack of money and knowledge never stopped the masses at the height of a bubble. Especially when lenders were waving the promise of "creative financing" under these subprime borrowers noses. Few could resist the lure of adjustable-rate mortgages or interest-only loans.

And the evidence of the aftermath of this 'buy now, think later' mentality is everywhere. The number of foreclosures is up nationwide. Rising interest rates have made it harder for homeowners to keep up with their mortgage payments. After all, ARM's increase monthly payments right behind interest rates, pushing a once-affordable mortgage payment just out of reach.

No one has been more affected by defaults on loans and subsequent foreclosures than Wayne County, Michigan. The Detroit News reports:

"After recording more than 9,000 foreclosures in 2005, Wayne County ended January with 3,364 homes in active foreclosure, the highest of any county in the nation by more than 1,000.

"Katherine Ben-Ami...an attorney for the Wayne County Sheriff's Office...supervised the auction of 379 foreclosed Wayne County homes in 35 minutes on Wednesday."

These foreclosures don't just affect the homeowner. The lenders are then stuck with the home, and can lose up to \$50,000 per house as they sell them at below-market prices. That, in turn, lowers property values in the neighborhood, pushing more homeowners out, and eventually hurts property tax collections for local governments.

379 foreclosed homes. In ONE day. This would make Wayne County ground zero for the real estate bubble, an example of the absolute worst-case scenario. But watch out for the ripples of defaults to be felt throughout the country.

Short Fuse  
The Daily Reckoning

P.S. The only thing that continues to keep this real estate bubble afloat are the overseas lenders who have socked away nearly \$2 trillion worth of U.S. Treasuries and dollar reserves. Unfortunately, these foreign investors are starting to give up on America - already, the Chinese are talking about "shifting away from exposure to the dollar." Once they do, we will be in full economic crisis mode - and you'll want to make sure you have the proper "wealth insurance." Get it here:

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April 27, 2005

Thanks to our friend Dr. Michael Berry for his excellent [\*\*Morning Notes\*\*](#)

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April 27, 2005

Compliments of PIMCO...

[\*\*As GM Goes, So Goes the Nation\*\*](#) by Bill Gross

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April 27, 2005

Bill Miller, Manager of The Legg Mason Value Trust, [\*\*Market Comments: April 2006\*\*](#)

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April 27, 2005

Compliments of Bloomberg...

[\*\*Marc Faber Says Gold May Rise 10-Fold If Dow Triples\*\*](#) by James Poole in Sigapore

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April 26, 2005

Thanks to our friend Dr. Michael Berry for his excellent [Morning Notes](#)

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April 25, 2005

Compliments of the Globe and Mail...

**[A place that doesn't hold back its best](#)**

Walloped by massive job losses, the region still thrives on innovation and perseverance -- showing the rest of Canada how to become warriors in the global fight for growth, GREG KEENAN, GORDON PITTS and HEATHER SCOFFIELD report

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April 25, 2005

Thanks to our friend Dr. Michael Berry for his excellent [Morning Notes](#)

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April 24, 2005

Thanks to our friend Dr. Michael Berry for his excellent [Morning Notes](#)

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April 21, 2006

**[CASH IS TRASH!](#)** by Puru Saxena

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April 21, 2005

Thanks to our friend Dr. Michael Berry for his excellent [Morning Notes](#)

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April 18, 2005

Thanks to our friend Dr. Michael Berry for his excellent [Morning Notes](#)

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April 18, 2005

Compliments of The New York Times

**Benchmark Unsought: Oil Over \$70**

by Jad Mouawad

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April 17, 2005

Thanks to our friend Dr. Michael Berry for his excellent **Morning Notes**

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April 13, 2005

Thanks to our friend Dr. Michael Berry for his excellent **Morning Notes**

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April 12, 2005

Thanks to our friend Dr. Michael Berry for his excellent **Morning Notes**

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April 11, 2005

Thanks to our friend Dr. Michael Berry for his excellent **Morning Notes**

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April 10, 2005

Thanks to our friend Dr. Michael Berry for his excellent **Morning Notes**

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April 10, 2006

Compliments to Michael Santoli and Barron's for this superb article...

Minting Money

**The Goldman Sachs Way** by Michael Santoli

**Part 1** and **Part 2**

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April 8, 2006

Compliments of the Globe and Mail

**Ex-shareholders got dragged into Stelco sinkhole** by Eric Reguly

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April 7, 2005

Thanks to our friend Dr. Michael Berry for his excellent **Morning Notes**

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April 6, 2005

Thanks to our friend Dr. Michael Berry for his excellent **Morning Notes**

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April 5, 2006

Compliments of the Globe and Mail

**Is Stelco worth current price? Only if everything goes right** by Derek DeCloet

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April 4, 2005

From Bill Cara's excellent website **billcara.com**

**Stelco makes a mockery of equity markets**

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April 4, 2005

Thanks to our friend Dr. Michael Berry for his excellent **Morning Notes**

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April 3, 2006

Thanks to Chantal for this enlightening article... Good evening John,

Just finish reading this newsletter on commodities that you could find interesting.

**Commodities Bull Portfolio Design** by Adam Hamilton

(March 17, 2006)

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April 3, 2005

Thanks to Dr. Bob and compliments of Hussman Funds

**Garbage Stocks** by John P. Hussman, Ph.D

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April 3, 2005

Thanks to our friend Dr. Michael Berry for his excellent **Morning Notes**

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