

MONEYWATCH

ADVISORS

Newsletter to Clients

December 2010

MERRY CHRISTMAS, HAPPY HOLIDAYS AND HAPPY NEW YEAR. ALL OF US AT MONEYWATCH WISH ALL OF YOU AND YOUR FAMILIES A WONDERFUL HOLIDAY SEASON. LAST YEAR WE HOPED FOR AS GOOD A YEAR IN 2010 AS WE EXPERIENCED IN 2009. IN OUR OPINION, 2010 WAS PRETTY GOOD IN TERMS OF INVESTMENT RETURNS AND GROWTH OF CAPITAL.

Gold has performed well, reaching \$1,400 for the first time ever. Our gold fund has performed even better and we have been inclined to sell some of it and take our profits. Sales or profit taking was motivated not because it has a profit but to prevent it from becoming too large a holding in percentage terms in anyone's portfolio. Balance is the key when investing.

I said last year that rising gold was predicting higher interest rates and inflation. Our Government tells us we have no inflation. PNC Bank has a Christmas Price Index which indicates otherwise.

For 26 years, PNC Wealth Management has calculated the cost of the items in the song "The Twelve Days of Christmas" if purchased at current prices.

Over the years, trends have emerged and the Christmas Price Index (CPI) has often increased or decreased at a rate consistent with the other CPI, the Consumer Price Index, a measure of inflation produced by the U.S. Department of Labor. Showcasing the cost of items from a partridge to drummers, the Christmas Price Index is a fun way for students, children and adults to measure consumer spending and trends in the economy.

Well, this year's Index surged 9.2%

Moving to TINY: Harris & Harris, Inc. continues to perform well, being up about 20% from this year's low. I recently read a glowing prediction relating to future performance. Apparently, a group of analysts forecast a significant price rise in the future of a number of stocks and TINY was at the top of their list, increasing in price to about \$8.00 a share.

BGT increased its dividend to 7.5 cents per share monthly for payment on December 20. The change from the prior monthly dividend is \$0.0025 per month for an additional \$0.03 per year per share.

The economy continues to recover. The stock market continues to rise. Hopefully, change is coming to Washington. Stay tuned!!

Thank you for your continuing confidence and the referrals. ☺