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http://www.marketwatch.com/story/dont-miss-the-energy-technololution-2011-12-28?link=MW_latest_news

Don't miss the energy 'technololution'

2012 marks the year that the United States accelerates its transformation from a military super power with forces deployed on active duty around the world to a natural resources super power which is able to support peace without as much use of its armed forces.

Last week the last U.S. combat soldiers left Iraq. In the next few years the United States will exit Afghanistan as well. While America will station troops around the world indefinitely, she has entered into a lower conflict period. Balances of power, including increased responsibility in the middle east for China and Russia, are allowing the United States to exit some of its military commitments, while maintaining its key role as a leader in world diplomacy.

Key to the United States being able to fulfill her role, sought or not, as the world's main protector of freedom and security, is a great emerging export economy based upon natural resources including metals, energy and agriculture.

As the world becomes more populated and resources become more scarce, the United States is in an increasingly strong position to project its moral authority globally by leveraging her resources. While many can argue that morality, the simple truth Americans know is that we too simply want to live peacefully with a comfortable standard of living. In order to keep peace and support our own standard of living, Americans are willing to spread our bounty.

In reducing its active combat soldier allotment and ramping up exports of natural resources, the United States is engaging in two major changes to domestic economics: lowered military spending and increased export income.

The reduced military spending, along with pending entitlement reform, will help flatten America's budget over the next decade. The increased exports will lead to improved job creation, investment returns and tax revenues. These changes will create the bulk of the savings and new income for a stretched American budget which is seeking ways to pay for the baby boomer retirement.

Investors who are invested will feel the positive effect of this transition in coming years. Those who keep their financial posture back-end up and head in the sand will miss this investment opportunity of a lifetime. Not since the early 1980s have we seen valuations so low across the boards and developing economics so positive.

Those who fret over the American domestic budget or European woes are

missing the big picture. The world is not ending financially. It already did. What the world and United States in particular are going through now is the slow painful process of rebirth.

As the exports ramp, the United States will see its currency strengthen with an accompanying rise in interest rates to historically normal levels (which will finally hurt existing bonds as Bill Gross predicted a bit too early). This may seem counterintuitive to some who believe that exports need a weaker currency, but that is simply not the case if you are exporting high value goods, like metals, energy, food, transportation technology and chemicals.

In the years to come, America via what I have dubbed the *Energy Technolution* will offer some of the most important economic changes in the modern industrial period:

- Internal combustion engines will become dramatically more efficient and lead to a global fleet of hybrids by around the early 2020s.
- Natural gas production will continue to ramp for another couple of decades acting as a bridge fuel which will lower dependence on environmentally damaging coal.
- Solar energy will hit full grid parity by the middle of this decade and a massive surge in solar installations by late decade will see that industry enter an unprecedented boom.
- Local suburban food production in the United States, largely powered by solar and wind, will continue to develop, enabling mass production farms to export even more of their harvest (and Americans to eat fresher).
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These are only the broad brushes. But these stokes are becoming more visible each week. Investors ought to use today's market volatility to develop a strategy for buying some of the more attractive assets.

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The solar industry is priced for liquidation. Folks, the solar industry is consolidating, not disappearing. If you are one of the shorts in solar, I suspect you are covering, or ought to be. At the discount prices you can fetch the ... Solar ... , investors will be kicking themselves in five years if they don't buy it soon. This is a huge opportunity.

Similar to ... is the Powershares Wilderhill Clean Energy ETF which has also been left for dead as panic filled investors fled. This fund is more diversified than ... , investing in many of the new technologies hitting the market today.

... and the ETFs mentioned above are a great way to get started on revamping your asset allocation or getting back into the markets sooner than later.