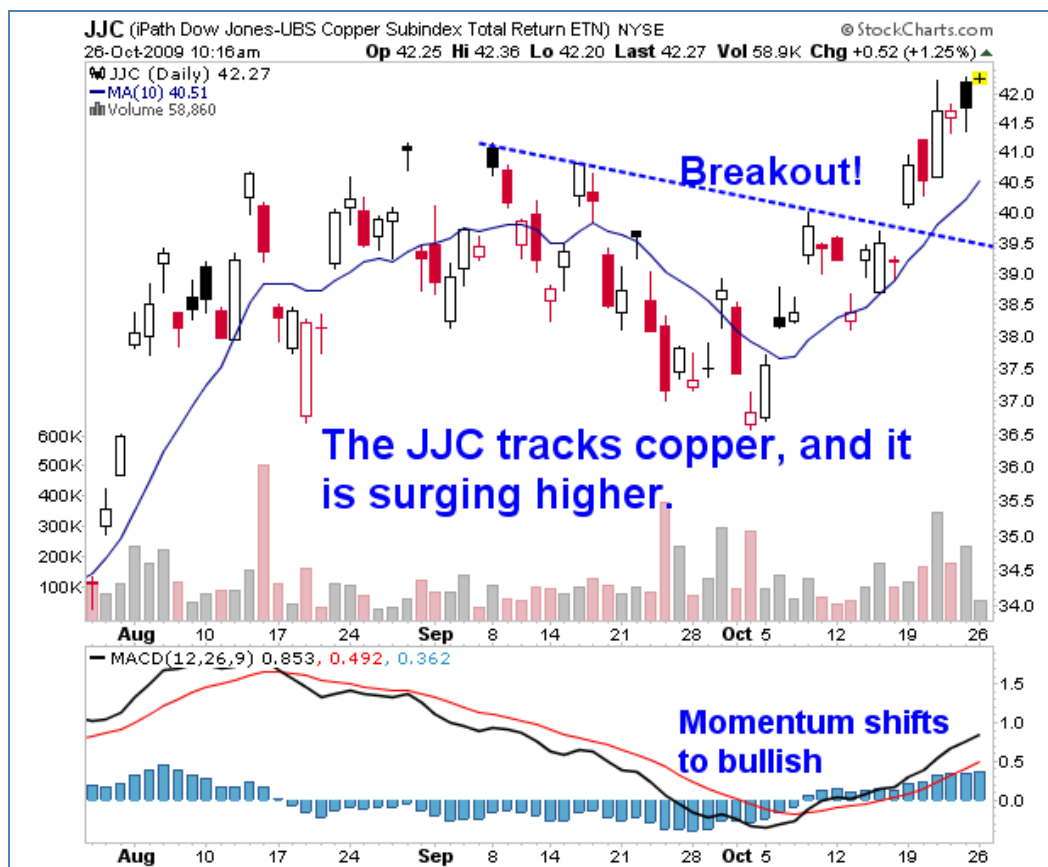


UWD Video 102709 Psst ... Here's What China Is Buying Now rough transcript

Hi, this is Sean Brodrick for UncommonWisdomDaily.

According to reports in the Chinese press, China's \$200 billion sovereign wealth fund, China Investment Corporation is stepping up its rate of investment in overseas companies. We know what the Chinese like to buy – hard assets. And the action we're seeing in one metal tells me the Chinese are buying it, even though they say they have enough.

Let's take a look at a chart of the iPath Dow Jones-UBS Copper Subindex ETN. It's a mouthful of a name for a fund that does a very simple thing – it tracks the price of copper.



You can see that the JJC is breaking out to the upside. Copper just hit a 13-month high. This is being helped by a miner's strike in South America, but also by the fact that inventories of the metal in Shanghai warehouses are shrinking.

Copper is an industrial metal. China says its economy grew by 8.9% in the third quarter, and industrial production in China rose 13.9 percent in September from a year earlier. China's copper demand is increasing.

The funny thing about copper is it's a manipulated market – even more than oil. The Chinese always plant stories and otherwise talk down their copper demand. But the truth is in the price – which keeps

going up. So what is China buying? I think they're buying copper now, and I think soon they'll be buying copper miners.

There are a number of ways to play this. The easiest one is to buy the JJC the next time it pulls back to the 10-day moving average. We already own this fund in Red-Hot Commodity ETFs, so do your own due diligence and make sure this fund is right for you.

This is Sean Brodrick for UncommonWisdomDaily. Thanks for watching.