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Emergency Summit: How to Profit From Record Government Spending and Capture This 19.2% Yield -- Right Now

The U.S. government is spending an unprecedented \$12.8 trillion, creating a historic opportunity for investors that know how to profit from it. But the time to act is now -- while there are still triple-digit gains and near-20% yields to be had.

Today, *Global Dividend Opportunities* is pleased to offer our readers a transcript of the Emergency Video Summit conducted by StreetAuthority co-founder and Chief Investment Strategist Paul Tracy and *Government-Driven Investing* newsletter editor Andy Obermueller. In it, they detail the most timely and profitable investments you can make as the tidal wave of government dollars begins to flow. *(Full Story Below)*

Also in Today's Issue...

Capture 14% Yields and Total Returns up to +185.6%

On the last trading day of 2009, 94% of the picks in this high-yielding portfolio were up. Most of them have returned more than +10%, and several have returned +100% or more. But the best part is that these picks carry stable yields of up to 14.3%!

[Go here to see for yourself.](#)

Turn a \$200 investment into \$1 Million

There's a reason penny stocks have been Wall Street's favorite hidden investment for years now: they give the best shot at winning it big.

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Income Notes

"Treasuries now are in a bear market, while bullish enthusiasm has taken hold in other parts of the credit market, including corporate bonds, municipals and mortgage securities, all of which had fallen from favor late last year. The 30-year Treasury, for instance, has risen to a yield of 4.10% from 2.82% at the end of 2008, cutting its price by 20%."

-- Barron's

Good yields don't last forever. While the yields on Treasuries have been inching up, other yields are drifting downward. The recent market rally has pushed the average yield on the S&P 500 Index down by over -100 basis points since March 9th.

-- GDO Research Staff

Emergency Summit: How to Profit From Record Government Spending and Capture This 19.2% Yield -- Right Now



Paul Tracy: Good Day, and welcome to this Emergency Video Summit. My name is Paul Tracy, and I'm the co-founder and Chief Investment Strategist here at StreetAuthority.

As you already know by now, the U.S. government has committed \$12.8 trillion of your hard-earned money to bail out our struggling economy. To put that number into perspective, consider this...

That figure represents more than we spent on World War I, World War II, the New Deal, the S&L bailout, the Iraq War and the Marshall Plan combined. It should come as no surprise then that this is the single biggest financial story of our lifetimes, and it's all over the news day-in and day-out.

One Stock a Month is All You'll Ever Need

For the entire 2009 calendar year 100% of Amy Calistri's *Stock of the Month* picks have been winners. ALL of her picks are up -- as much as +58.4% in just a few months. And her subscribers are making money hand over fist alongside her. One has made \$10,272... another is up \$46,002.

But if you're anything like me, you're probably fed up with this media frenzy. And if you are, then I don't blame you a bit.

The problem is that if you flip through the financial channels or if you read your local paper, you'll see plenty of debate about the size or scale of the government stimulus package, but almost NONE of the news you'll find is designed to help YOU as an investor profit from everything that's going on.

You see... when the U.S. government spends trillions of dollars, it creates more than just a healthy topic for debate -- it creates countless opportunities to invest in high-quality companies that are going to be on the receiving end of all of that spending. That's especially true for companies that operate in markets President Obama has targeted for massive spending... including alternative energy, infrastructure, and healthcare, just to name a few.

Stocks in these markets are likely to skyrocket as the government opens its wallet and pours billions into green power projects, new roads and bridges, plug-in electric vehicles, healthcare initiatives, and countless other projects.

And that brings us to the reason we're here today...

During the past few months our staff has answered literally thousands of emails and phone calls from readers just like you. And during that time, the vast majority of those questions have centered around ONE single topic -- how to profit from the U.S. government spending spree. The response we've gotten has been overwhelming.

We've listened to your comments and suggestions, and we've responded by giving you what you asked for -- a team of researchers focused 100% on government-driven investing opportunities.

In this shell-shocked economy, you need an edge that puts the odds squarely on your side. The best way to do that today... indeed the only way... is to limit your investments to those that are virtually guaranteed to succeed thanks to the daunting power of the federal government.

In this emergency summit, we're going to show you exactly how to profit from the government spending spree. We'll review seven specific sectors that are going to receive the biggest cash injection from Obama and Congress. And throughout this briefing, we'll also provide the names and ticker symbols some of our favorite government-oriented investments right now.

Taking the lead on this research project is StreetAuthority's senior investment analyst, Andy Obermueller. Andy's background and track record are ideal for this project. He's spent nearly a decade doing political and investment research for several major newspapers. And thanks to his in-depth knowledge of complex government-related topics, his input has been sought after by congressional and presidential candidates, speechwriters and campaign staffers.

But what's impressed me most about Andy is how he's translated his knowledge of how the government works directly into profitable investing ideas -- ideas that have already made our subscribers a lot of money.

For example, last year Andy created a complex financial model based on data from the Federal Deposit Insurance Corporation -- commonly known as the FDIC. Using this data, he identified two banks that were financially sound and were destined to rally back from their recent lows. One of them was National City, which was bought out last year at a significant premium. In the process, Andy pocketed a +125% gain. Another was Wells Fargo, which Andy recommended when the stock was trading in the single digits. The stock has since rallied back up to \$25 per share, helping our readers capture a +200% gain in just a few short months.

When we saw the profits Andy was locking in on his government-related

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By Andy Obermueller
May 6, 2009

The S&P 500 has mounted an impressive rally -- up +35% from its March ebb. By most accounts, that's pretty good news. But is the overall market's advance sustainable? You won't have to worry about that once you discover this asset class. You could just sit back and start collecting your double-digit payout today.

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[Looking For A Great Dividend Play? Easy! Just Ask Uncle Sam](#)

By Andy Obermueller
May 6, 2009

It takes a lot of work to find a solid company with a rich, dependable dividend stream. So why not let the government do the heavy lifting? Government databases have a wealth of valuable information about companies, including which ones are likely to outperform. You don't even have to be a hacker to tap into them. The data is yours -- for free, including information about this dividend-paying gem.

[Read On...](#)

We're Finding Stocks Paying \$26,500 a Year in Dividends

Now is a great time to

picks, he soon became our lead analyst on this topic. And for the past few months Andy has been working with our research team on a special project here at StreetAuthority.

Andy's spent countless hours pouring through the latest government data... and what he's discovered is absolutely shocking. His newest government-related investment ideas are so compelling that we've decided to hold this Emergency Video Summit to get you up to speed.

Andy, thanks for joining us today. If you can, let's talk first about the size of the opportunity here...



Andy Obermueller: What we're talking about is the biggest financial story ever. If you look just at the funds allocated by the stimulus package on a list, you'll notice that a word is missing. That word is million. These programs start at a billion dollars and go up from there. The line items for infrastructure, alternative energy and health care are in the scores of billions. \$30 billion for the power grid. \$19 billion for digital medical records. \$18 billion for water projects, \$8 billion for railroads, \$30 billion for roads. I think people are starting to become immune to these big numbers, but they are going to have a real impact on people's portfolios.

Think about the Dow -- that's the nation's top 30 companies. There isn't a company there that would thumb its nose at a billion dollars in business. But the stimulus spending alone would give \$1.5 billion not just to the Dow but to every member of the Fortune 500. For some of those companies, that'd be a 30% pop in revenue. This is a tremendous amount of money. For 500 companies. And that's just the stimulus package, not the multi-trillion 2010 federal budget before congress.

If there's one thing to remember, to write down, it's this: Every time a public dollar is spent, a private-sector profit is realized. The bailout is in the tens of trillions. That means, conservatively, hundreds of billions in profits.

And the bailout was hardly the first time what happened on Capitol Hill or in the West Wing had an effect on the floor of the stock exchange. In the mid-1990s, the government started to modernize its technology. Oracle and Dell were the main suppliers. Those lucrative government contracts kick-started strong growth at both companies. Investors who got on board Oracle back then earned 1,200%. Dell did even better. A \$10,000 chunk of Dell stock had shot up to \$800 grand by the end of the decade.

PT: And you think this was purely because of government action?

AO: The government was the tipping point. Both companies were good, but the government contracts took them to great.

Another story I like is Amgen. It made a killing when the government gave biotech a boost in the 1980s. It was a government scientist, working in partnership with Amgen, who discovered what became Amgen's first blockbuster drug.

If you'd bought a thousand shares of Amgen back in the 1980s, that stake would be worth \$3.6 million today. The list of stories like this is pretty much endless -- as you can imagine from a country that was initially founded by a for-profit corporation.

And the profits investors can earn don't necessarily have to come from big government contracts. Regulation, legislation, court cases -- they all can and do propel certain companies' stock prices.

The problem is that the government is literally too big for individual investors to keep track of. Obama's latest budget proposal is 20,000 pages long, for heaven's sake! That's a lot of paper to keep track of, and it's nearly

invest. Every dollar we're investing is giving us two, three, four even five times as much income as it did just a year ago -- it's as if a giant "multiply your money" certificate has dropped into our laps.

[Click here to learn more.](#)

Reader Favorites

[Escape the U.S. Financial Turmoil](#)

By Andy Obermueller

[How to Add a Margin of Safety to Your Stock Portfolio in a Tumultuous Market](#)

By Andy Obermueller

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The *StreetAuthority Investor Update* is a free weekly newsletter designed to help you track down the market's most profitable stocks, funds, and ETFs. Sign up today and you'll also receive a free in-depth research report -- *The Next Way the Government Will Make Investors Rich*.

impossible for investors to keep up with all of it by themselves. That's what my research team and I are here for.

PT: You mentioned that changes in government regulation can make stocks soar. I know at StreetAuthority we've had success in this area.

AO: In 2002 -- seven years ago -- we saw how Moody's benefits from government regulation on who can enter the credit ratings market. It's basically a government-protected racket that Moody's shares with Standard & Poor's. Five years after we recommended buying Moody's, its shares were up +185%.

PT: And Warren Buffett must have seen this potential too, because he is a huge owner of Moody's.

AO: Buffett owns more than a fifth of the company. He likes what he always calls sustainable competitive advantages, and if Uncle Sam is limiting your competitors, that's a pretty good guarantee your business is going to do well. In fact, it's the best guarantee out there.

PT: We've covered a lot of government-related investing ideas over the past few years -- and a lot of these ideas have come from our satellite office down here in Austin, Texas -- not just our headquarters in Washington D.C. Can you fill us in on a few of those?

AO: There's an old song here in Texas: I was country, when country wasn't cool. So you might say we were talking about the government before talking about the government was cool. In June 2004, we picked five defense stocks we thought would do well under Bush. They did.

The next year we determined which companies would do well from expanded Homeland Security spending. The three stocks we identified were up an average of +47.4% a year later. To put that in context, our picks did ten times as well as the S&P 500.

PT: How about some more recent picks?

AO: In October, we recommended United Healthcare. It's been a huge winner, up +34%. Meanwhile, the broader market has gone nowhere.

And one thing I ought to make clear -- we don't care about politics, we care about profits. We're on both sides of the aisle. We made money with Bush and we've made money with Obama. Since President Obama has been in the White House, our top Obama-related picks have delivered gains of up to +33%. And since the stimulus bill was signed in February, all nine of the infrastructure picks we highlighted have moved higher... with the top gainers soaring 32 and 42 percent.

PT: Do you expect gains like these to keep happening as the government continues to spend money?

AO: It's been going on for the past 230-some years. The government just gets bigger, especially these days. The biggest financial story of our lifetimes is playing out before us at this very moment. Right now.

You can tell the effect just by listening to the way people talk -- where did the word trillion come from all of the sudden? Astronomers don't even use the word trillion very much. But now we're hearing it on the news all the time these days. TRILLION IS THE NEW BILLION. Washington alone has already spent, lent, or committed \$13 trillion to pump up the economy. If you don't grab your piece of the pie, someone else is going to eat it.

Consider this: Obama's 2010 budget, in the form currently before a Congress that is in the president's pocket, calls for \$400 million an hour in spending. The federal government can't get a good night's sleep for less than

\$3 billion.

PT: What investing opportunities have been created from this huge 'rescue' plan -- and what sectors are likely to benefit the most?

AO: Dozens of sectors will be affected. I've filtered this list down seven sectors that stand out, but this is by no means a full list, just a taste on a very long banquet table.

The first sector I like is alternative energy -- that's wind and solar. President Obama loves it. We're using more of it, and the stimulus bill had a generous tax credit for it. Solar, for example, is a new industry with a lot of little players who are all trying to develop the next big thing. The companies that make solar easy and affordable are going to make a king's ransom -- seriously, they're going to make Dell and Amgen look like losers.

In the wind power space, a few established industry players are going to run the table. And this is a high-stakes game -- those big wind turbines you see from the highway cost a couple of million bucks apiece. Obama wants 20% of our energy to come from them. Right now, we're at just over 1%. Utility customers are ordering turbines by the dozen. The winners here will be Vestas (PINK: VVDRY), which is based in Denmark, and General Electric (NYSE: GE), which has the leading U.S. market share.

Then there is infrastructure. Our country's roads and bridges have been neglected for decades. We're looking at a \$1.6 trillion repair bill in the next five years. We need power lines and water mains. You know, we still move cargo by barge, and a lot of critical river locks are unusable. A national engineering group has given the U.S. infrastructure a failing grade -- and it's going to cost us to fix the things that most of us take for granted.

This is true in a lot of developed countries, too -- it's easy to ignore this stuff until something goes wrong. On top of that, most developing countries can't build things like roads and airports fast enough. The thing is, there are only a few companies with the know-how and ability to build an airport, a nuclear plant or an interstate highway system. I'm investing in several of them.

The third sector is Healthcare. Healthcare makes up something like 12% of our Gross Domestic Product.

If you look at the top U.S. companies by revenue -- and I just grabbed these numbers from the new Fortune 500 list -- four out of the biggest 25 companies are health-care related. It's always been big business, and the stimulus is adding to it. Of the \$787 billion Obama is spending, more than \$140 billion will go toward health care.

PT: That's three big areas. What else?

AO: The fourth sector that stood out to me is government-guaranteed mortgages. These things caused the financial meltdown, and so most people think they're toxic. That's not true, though. A relatively small percentage of mortgages went belly up, and Uncle Sam stepped in to guarantee a lot of them.

I like two obscure companies that buy mortgages. A government-guaranteed-mortgage basically has Uncle Sam as a cosigner, so there is no risk of the loan going bad. These companies borrow at a low rate and lend at a high rate and pocket the spread. It's a beautiful business plan -- I call it the financial Mona Lisa -- and the best part is both of these companies offer a double-digit dividend yield. My favorite here is Capstead Mortgage (NYSE: CMO) -- with a current yield of 19.2%!

PT: Wow. And if this is just the start, I can see now why you're so excited about these investing opportunities. The fifth sector is quite unusual. Why don't you tell us a bit about it?

AO: Not everything that's out there is stimulus related. Get this, Paul. There are so many people in jail that the government pays private prisons to take them in. This is a \$37 billion a year business. Our government, the land of the free, imprisons more people than Russia under communism or South Africa under apartheid. The federal prison system is operating at something like 35% beyond the capacity it was designed for. So there are companies that are building prisons as fast as they can. States just don't have the money to build prisons, and more and more they're outsourcing the problem. And as a result, some of my favorite prison operator stocks are soaring.

The sixth sector is a little-known part of the automotive industry. And it's about to get a serious cash injection with the help of Washington. The president's future is one with green cars -- vehicles that have about twice the fuel economy we have today. In fact, part of the support the government is giving Chrysler in its bailout is contingent on it producing a vehicle that gets 40 miles to the gallon. You hear the term "carbon footprint" a lot these days, which refers to the amount of greenhouse gas something emits. Obama wants to seriously reduce cars' carbon footprint -- he thinks this will create jobs, reduce dependence on oil and help the environment.

Obama's problem is that none of the U.S. automakers like small fuel efficient cars because they've never made any money with them. So they're not going to move an inch toward being green unless they're forced to -- or unless there is a huge government incentive. And there is. Just days ago the government reached a deal that will provide \$4500 to consumers to get them to trade in gas guzzlers for more fuel efficient models. That's a big incentive that people are going to jump on. It's also just one more reason I think that Obama ultimately has to save GM.

Now, speaking of GM, one of the things that company has done right -- one of the very few things -- is to develop a car that has interested the president. That's the Chevy Volt, which can run 40 miles on one charge and no gas. It's the cutting edge U.S. technology.

But here's the thing. Even though the Volt is a good start, it's not the best thing out there. And it's not the best thing out there for one reason -- the battery.

The battery is the most expensive and most important part of any green car.

The leading battery producer -- the same company that makes the battery for your phone and iPod -- has cracked the code. It's already producing batteries that are cheaper and more energy efficient than anything else out there. And the kicker is that the things aren't toxic. They're totally recyclable. In fact the CEO of the company that makes this battery literally drinks the battery fluid to show that it's harmless. He admits it doesn't taste very good. Now, that's kind of a weird demonstration, but this company's products line up with the president's vision and the inevitable future of the hybrid automobile. This company will be the first in line to supply batteries, and believe you me it's going to make investors a fortune.

PT: While most people are gambling on the big 3, you're looking beyond all that to the "New Detroit." I like it. What about your final sector?

AO: The last area worth mentioning is ripped from the headlines. The government response to swine flu will inevitably open the door to billions in revenue, particularly for two drug makers. This is one of those stories that didn't turn into what the nation's news directors were hoping for. I mean, the media went nuts. Bureaucrats and health officials took the right steps and adopted a measured tone and, miracle of miracles the thing didn't wreak much havoc.

But the administration isn't going to just let it go -- they're going to

stockpile flu vaccine in huge quantities, and a couple of drug makers are going to see a nice earnings pop because of it.

PT: So the bottom line for our subscribers is that there's plenty of money to be made out there. But, it's not easy to keep up with all of the government's latest actions, is it?

AO: There's a lot of opportunity, and it's immediate. Some of the companies that will begin to benefit will ride the government train for years. Investors who act stand to make the same sort of strong profits that Amgen or Dell delivered.

And to reiterate -- I can't stress this enough -- Every time a public dollar is spent, a private-sector profit is realized. It seems simple, but the hitch for most investors is keeping up with the government spending trail, plus all of the regulations, legislation and court cases.

PT: Andy, thanks for the update. This went by too quickly -- but I think we covered enough information to show our viewers out there the tremendous investing opportunity we're looking at today. I certainly hope we can do this again sometime soon...

AO: I'd be happy to.

PT: Thanks Andy.

If you're wondering what your next step should be -- what you should do as investor to make sure that you don't miss the boat on the biggest financial story of our lifetimes -- then you need to read Andy's latest report, ["How to Profit from the \\$12.8 Trillion Government Spending Spree."](#)

His report goes into detail on several of the sectors we discussed today, and it reveals several more specific picks that you DIDN'T hear about in today's video summit.

For example, you'll get the names of two companies that are profiting from massive government spending on infrastructure. Since the stimulus package was signed into law on February 17th, these two picks have moved up quickly. One's a worldwide construction company that's already gained +32% to date. The other makes critical copper, aluminum and fiber optic cables... and shot up +41% in a matter of just weeks. You'll get both of their names in Andy's latest report.

But that's not all you'll get...

You'll also get the name of a firm that should see a flood of new business as the Obama Administration rolls out new environmental policies like the cap-and-trade system. And you'll also get the name of the firm that's uniquely positioned to capitalize on two of the world's most powerful trends, wind power and water shortages. With the Feds pouring billions into shoring up our capabilities in both areas, this stock could skyrocket.

You're just seconds away from getting the names of these winners and so much more -- for free! But the only place you'll find these picks are in Andy's latest report, ["How to Profit from the \\$12.8 Trillion Government Spending Spree."](#)

And perhaps best of all, in this report, you'll learn -- in no uncertain terms - - what we consider to be the SINGLE BEST WAY to profit from government action today.

All you need to do is [click here](#) to view this special report immediately. So take that next step right now.

Thank you for joining us today... Now let's profit together from the biggest

financial story of our lifetimes...

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