

## Taking Stock: Satellite Radio pitch aimed at space cadets

by Malcolm\_Berko

Dear Mr. Berko: I've got about \$8,000 that I've saved up since 1991; I'd like to invest in foreign currency. I've listened to advertisements on Satellite Radio about foreign exchange trading programs that make the entire process simple by using a "green-light" system that tells the investor when to buy and a "red-light" system telling him when to sell. I'd like to invest in foreign exchange and make \$1,000 to \$3,000 a day, too. What do you think of Blake Morrow and his Foreign Exchange Made Easy (forex or 4X) trading programs in which you use your personal computer with special software to make recommended trades? I know the American dollar is losing value so it would seem, especially now that it would be very easy to buy Japanese or English currency (using American dollars) and when their value increases, sell them and pocket the profits. The computer makes the decisions when to buy and the decisions when to sell and flashes either the red or green light. It appears to be very simple and the trading software only takes a couple of hours to understand. My wife thinks it's a scam but what have I got to lose except a few dollars to pay for the program. Please advise me.

G.D.

Kankakee, Ill.

Dear G.D.: I think you have no more sense than God gave a turnip.

I don't know the Murphy artist to whom you're referring, but I don't listen to Satellite Radio because I'm offended by their country-bumpkin advertising, which is full of bald-faced lies and half-truths. There isn't a week that passes in which I don't get at least one letter from a Satellite Radio listener who got snookered by someone claiming that to pay off a 30-year mortgage in five years or in five minutes teach unruly kids how to be respectful and do well in school. Satellite Radio advertising is insulting to anyone with an IQ of 98 or higher.

If you fall for this forex con artist's mishmash of half-truths and sewage you're going to pay about \$3,000 for the software and between \$30 and \$130 a month to hook into their data feed. I urge you to visit Commodities Futures Trading Commission Web site (a federal agency) and read what they have to say about the program you may hook into before it hooks into you. And I'll wager my first- and second-born that you'll feel like a fool if you do.

Meanwhile, if all you have is \$8,000 and you're willing to risk on that forex rot, then you are a fool. Foreign exchange trading is a professional's game and not for pilgrims like you. For some reason, I doubt that you will take my advice.

But for those who will take my advice, I have two suggestions. Florida-based EverBank has money market accounts and insured certificates of deposit denominated in euros, Swiss francs, Japanese yen, Indian rupees, Australian and Canadian dollars - and a dozen other currencies.

It's simple as Simon and doesn't require a computer or a software program. EverBank converts your U.S. dollar into the currency of your choice and you win if your currency choice increases in value against the dollar. The CDs range in terms three, six, nine and 12 months. They are Federal Deposit Insurance Corp.-insured and some pay interest (the South African rand pays 7.75 percent while the Japanese yen CDs pay nothing).

A more active alternative with greater profit potential are exchange-traded funds (ETFs) or currency shares, which are managed by Rydex Financial Services, a sophisticated broker/dealer home ported in Rockville, Md. Rydex manages currency ETFs traded on the exchange: the euro (FXE), the Mexican peso (FXM), the Swedish krona (FXS), the Australian dollar (FXA), the British pound (FXB), the Canadian dollar (FXC) and the Swiss franc (FXF). All pay dividends - the Mexican peso (FXM) pays 6.01 percent and the Australian Dollar (FXA) at 4.76 percent are the highest yielding currency shares.

These alternatives make a lot more sense than the scurrilous advertisements that you listen to on Satellite Radio. Good luck! However, it's been my experience that shortly after the public begins to get involved in a popular trend, the market begins to collapse.

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