

The Rutledge Report

Weather Map Investing

by John Rutledge

(NAPSA)—Weather systems are the best metaphor for economic change. We all know what happens when high and low pressure systems come into contact—thunder, lightning, tornadoes and hurricanes.



John Rutledge

Investing is a weather map exercise, too. High and low returns on different assets attract the attention of investors. They sell low-return assets, which drives their prices down. They use the money to buy high-return assets, which drives their prices up. The lucky investor who got there first gets both the higher return and the capital gains.

The trick is to identify a storm system that's powerful enough, and likely to last long enough, to produce significant capital gains before it happens. Then, simply move your money into position to take advantage of the approaching storm.

These storm systems usually start in Washington, where changes in tax rates, regulatory policies, government spending or monetary policy play havoc with asset returns. Other countries create storms too as they jockey to compete for the capital they need to grow.

Right now, I'm tracking seven storms on my weather map: the election, jobs, tax cuts, deficits,

telecom, Iraq and China.

Of those seven, telecom policy may be the biggest weather system on the map.

In fact, telecom policy is one of the main reasons American jobs have been moving to China, India and other countries.

Why? While other countries have been pouring money into modern high-speed broadband networks, outdated regulations here have undermined returns and discouraged investment. It's embarrassing that, although we invented the technology, 10 countries now have more advanced telecom networks than the U.S.

This is important because the businesses that will create the

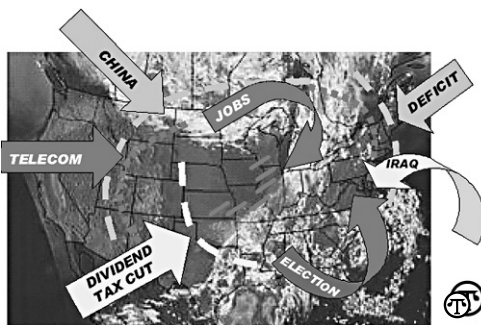
high-paying jobs of the future in health-care and technology rely on communication speed to compete for customers.

Without access to broadband, your job and your business are at risk.

Our leaders may be waking up to the fact that America needs to be No.1—not No. 11—in telecom networks. If they change regulations to encourage investment, productivity, growth, and jobs will all soar and investors will make huge gains in the stock market.

This is one storm system I'll be watching very closely in the coming months.

John Rutledge is a White House advisor and chairman of Rutledge Capital. To learn more, visit www.rutledgecapital.com.



Note to Editors: John Rutledge will be writing a regular monthly financial column, available in *Featurttes*. A color version of the map is available at www.napsnet.com.