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What's wrong with JP Morgan Chase? **Madoff**

The trustee liquidating Madoff's former investment firm sued JPMorgan Chase for \$6.4 billion over claims the bank aided and abetted the imprisoned con man's fraud. The lawyer appointed as trustee by a New York bankruptcy court, said in a statement that he sued JPMorgan yesterday seeking \$1 billion in fees and \$5.4 billion in damages. "JPMorgan was willfully blind to the fraud, even after learning about numerous red flags around Madoff"

"JPMorgan Chase was at the very center of that fraud, and thoroughly complicit in it". Those statements from the liquidating trustee are quite strong.



Dumbest Moments in Business 2010

- BP** After the disaster, BP's CEO, T. Haywards declares: "I just want my life back"
- Gap** Changes its logo, then changes its mind and reverse
- Apple** Steve Jobs tells iPhone 4 (that break) users "You're holding it wrong"
- Microsoft** Developed the "Kin" for \$1 Billion and dropped it after 1 month, bad sales
- Google** Launches buzz.google.com and drop it after 1 month, too many complaints
- Goldman Sachs** After it admitted the that it knew about the collapse of the sub-prime market and still advised investors -governments- to invest in
- Walt Disney** 30 minutes before the set-time a leak announced a 6.7% drop in profit, the stock immediately crashed
- Google** (again) launched Google TV... and (again) it's a disaster

Looking for Cash Flow? **6 High-Yielding Stocks**

- Bristol-Myers Squibb (BMY)** sitting on \$8.5 Billion cash the company pays a safe 5% dividend
- National Grid (NGG)** this British utility derives 50% of its sales from the US and pays a 4.7% dividend
- People's United Financial (PBCT)** grew its dividend during the financial crisis and pays 5%
- Unilever (UL)** \$57 Billions in sales and still growing, pays a 4% safe dividend
- France Telecom (FTE)** the French telecom company pays a hefty 8.2% dividend
- Telefonica (TEF)** the Spanish telecom company pays an impressive 7.5% dividend

Abandoning Euro? **Why Not Print "Assignats"?**

There are those in favor of abandoning the Euro and returning to the old European currencies (and why not to the oil lamp?) not realizing that the Euro has protected Eurozone countries from inflation. According to most experts going back to old currencies would

create huge inflation by way of defiance from the markets; like the **hyperinflation** that came with the disastrous creation of the **Assignats** during the French Revolution, leading to riots and quickly abandoned. Inflation was solved by Napoleon with... the Franc...

Crisis? **What Crisis?**

IMF sells 403 tons of its Gold reserves
Looking at assets which offer a better return, the IMF has sold 1/8th of its gold reserves in 2010. The bulk of the sale (200 tons) was sold to India.

Amazon (AMZN) at all-time high
The Internet retailer reached its all time week with a \$135.91 quote. Not so bad for a dot-com company during a crisis era. Of course Christmas sales are going well and pulling the company to the sky.





The struggle for Ivory Coast Presidency between Ouattara and Gbagbo is going on full speed, and it's getting nasty. Stock markets ended 2010 in fanfare with even the Nikkei up for the month. The year was positive for all major places except Paris and Tokyo. The "weak" Euro is still stronger and stronger. Construction is restarting in the UAE but prices are still depressed.

2010 according to **walnut**finance



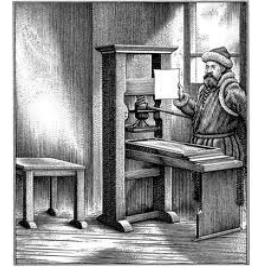
Louis XVI of France executed, **January** 1793

January

-  Burj Khalifa, world's tallest tower inaugurated in Dubai
-  Deadly earthquake hits Haiti, 230,000 dead

February

-  Winter Olympics start in Vancouver



Gutenberg invents printing Press, **February** 1468

March

-  South Korean navy ship sunk by North Korea

April

-  Polish President's plane crashes
-  Eyjafjallajökull volcano erupts
-  Deepwater Horizon platform explodes
-  Greece downgraded to junk by S&P




Gagarin, first man in space **April** 1961



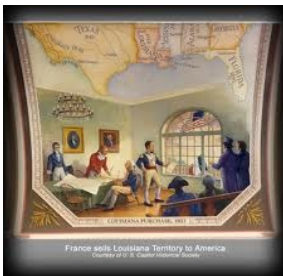
Bordeaux surrenders to England **March** 1814

May

-  *Nude, Green Leaves and Bust* by Picasso sells for \$106.5 million in New York

June

-  FIFA World Cup held in South Africa



France sells Louisiana to America **May** 1803



Galileo forced to abjure before Inquisitors, **June** 1633

July

-  Heavy rains flood Pakistan, over 1,600 killed

August

-  Worst heat wave ever in Russia



Vasco de Gama sails to India **July** 1497



1st atomic bomb ever, Hiroshima **July** 1945

September

-  7 killed and more than 100 missing after landslide in Mexico

October

-  33 Chilean miners rescued after being trapped for 69 days



Axis Powers alliance between Germany, Italy and Japan **September** 1940



1st satellite Sputnik launched **July** 1945

November

-  North Korea shells South Korean island
-  €85 million EU rescue package for Ireland

December

-  WikiLeaks hits the news



WWI Armistice signed **November** 1918



Pearl Harbor attacked **December** 1941

walnutfinance *Investments*

Fund	Last	Month	YTD	2009	2008
Man Directional Series 2 USD Income	\$ 1.0159	+2.70%	n.a.	n.a.	n.a.
Man AP Enhanced Series 2 USD	\$ 1.0938	-3.20%	+10.30%	-7.80%	-12.90%
Man-IP 220 EUR	€ 1.4063	+6.00%	+17.20%	-10.50%	+13.40%
Man AP Enhanced Series 3 EUR Capital	€ 0.9676	-0.60%	+7.30%	-1.20%	-15.60%
Man Directional USD Income	\$ 0.9424	+2.80%	+4.00%	n.a.	n.a.
Man IP 220 Series 5 USD	\$ 0.9986	+1.00%	+20.30%	-17.30%	+0.40%
Man AP Stratum Series 2 USD	\$ 0.8980	-2.40%	+13.20%	-11.90%	n.a.
Man IP 220 Series 6 USD	\$ 1.0437	+3.50%	+14.40%	-8.70%	n.a.
Man IP 200 Series 7 USD	\$ 1.1343	+5.10%	+13.40%	n.a.	n.a.
FIM Brazil	€ 32.79	+3.50%	+20.24%	+135.60%	-57.80%
FIM India	€ 49.56	+3.10%	+28.66%	+71.00%	-61.20%
FIM Russia	€ 110.44	+10.05%	+49.32%	+152.30%	-69.10%
FIM Emerging Europe	€ 16.38	+5.61%	+14.39%	+44.20%	-56.50%
FIM China	€ 13.43	-1.32%	+19.06%	+40.60%	-51.20%
FIM Sahara	€ 12.04	+6.55%	+28.09%	+31.70%	-49.80%
FIM Ukraine	€ 2.85	+4.24%	+22.27%	+15.20%	-91.60%
FIM Brands	€ 13.78	+2.55%	+14.90%	+40.93%	-44.63%
Swiss-Asia Marco Polo Hedge Fund	\$74.75	+2.10%	+0.91%	+12.82%	n.a.

The World according to *walnutfinance*

Europe



Ireland Close to bankruptcy. Again... €85 Billion aid package from EU.

UK The Prince and the Princess have announced a royal wedding for the Summer.

France S&P affirmed France's AAA rating confirming it as one of the world's safest borrower.

Estonia Estonia become the 17th member of the Euro Zone, the first of the former Soviet states to do so.

Russia Michael Khodorkovsky, the jailed Russian tycoon has been sentenced to stay an additional 7 years in jail in a trial widely considered as a farce.

Middle East



Qatar Qatar Airways announced it could go public through an IPO with a 50% share sale in 2012.

Iran Petrol prices saw an unexpected 300% rise in Iran as government aims at scrapping subsidies.

Asia



China China hiked rates in order to fight surging prices.

Africa



Ivory Coast A month of chaos as both contenders consider themselves elected and riots start making victims.

walnutfinance Panel

	\$/€	Dow	NASDAQ	Nikkei225	FTSE100	CAC40
Last	1.3385	11,577.51	2,652.87	10,228.92	5,899.94	3,804.78
1-Month	▼ -3.11%	▲ +5.19%	▲ +6.19%	▲ +2.94%	▲ +6.72%	▲ +5.38%
Year-to-Date	▲ +6.57%	▲ +11.02%	▲ +16.91%	▼ -4.00%	▲ +9.00%	▼ -3.34%
12-Month	▲ +6.57%	▲ +11.02%	▲ +16.91%	▼ -4.00%	▲ +9.00%	▼ -3.34%
5-Year	▼ -13.11%	▼ -6.20%	▲ +20.29%	▼ -37.74%	▲ +5.00%	▼ -19.31%

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Alassane Ouattara
 He made it!



Larry King
 Retires from CNN



Alexander Lukashenko
 Belarus President



Laurent Gbagbo
 Bad Loser

walnutfinance \$100K Portfolio vs. Markets

Index	December 2010	Year-to-date	Since January '09*
wf 100K Portfolio	Best +12.66%	Best +56.84%	Best +212.06%
S&P500	+6.53%	+12.78%	+39.23%
CAC40	+5.38%	-3.34%	+18.24%
FTSE100	+6.72%	+9.00%	+33.02%

*Inception of WF 100K Portfolio

walnutfinance \$100,000 Portfolio

Company	Symbol	Shares	Paid	Last	Value	P/L
Monster Wde	MMW	2,000	\$23.50	\$23.63	\$47,260.00	\$260.00
Power Shares	QQQQ	750	\$54.30	\$54.46	\$40,485.00	120.00
Bk America	BAC	3,250	\$11.60	\$13.34	\$43,355.00	\$5,655.00
Microsoft	MSFT	1,300	\$25.20	\$27.91	\$36,283.00	\$3,523.00
Citigroup	C	6,000	\$4.70	\$4.73	\$28,380.00	\$180.00
JPMorgan Ch.	JPM	1,250	\$41.25	\$42.42	\$53,025.00	\$1,462.50
Wendy's	WEN	6,500	\$4.80	\$4.62	\$30,030.00	(\$1,170.00)
Cash + Net Dividends Earned					\$32,885.07	
Portfolio Net Value as of December 31, 2010					\$312,063.07	\$212,063.07

(**\$100,000 invested on January 1, 2009 evenly split over five securities**)

Heavy trading in this last month of 2010. The portfolio, like all indexes has enjoyed a healthy rise. The portfolio ended the year well ahead of the major indexes.

December Trades	
Sold	Bot
INTC \$22.00 - ENSG \$21.75 - JNPR \$37.60 NSM \$14.90 - NVDA \$15.00 - ALSK \$11.50 BRCD \$5.40 - ADBE \$30.75	BRCD \$5.10 - ADBE \$29.00 - MMW \$23.50 ALSK \$11.00 - QQQQ \$54.30 JPM \$41.25 - C \$4.70

Quote of the month

"China is a big country, inhabited by many Chinese" (???)

Charles de Gaulle, French Politician

Annualized Return Since Inception:
+73.65%

2009 >>> **+98.97%**

2010 >>> **+56.84%**

On January 1, 2009, **walnut** finance invested \$100,000 split evenly into five different US-listed securities. The table on the right gives the result of that investment as of December 31, 2010. Dividends are net and not re-invested. Total profit is +212.06%.

Current Value:

\$312,063.07

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