A PEEK AT THE WEEK THAT WAS - January 18, 2014

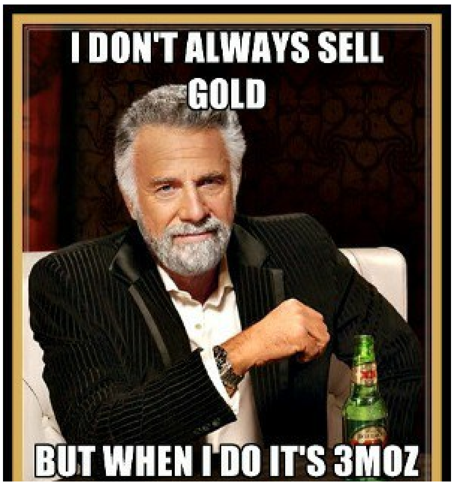
Patient Capital.... Positioned for Profit

"I'd be a bum on the street with a tin cup if the markets were efficient "
Warren Buffett (1930 -)

Club S&P was not particularly efficient this week...but it was interesting.

Mr. Market wasn't quite sure if his mood was up or down. By Monday afternoon, the 1800 flashing neon sign looked a bit dull as the S&P descended to 1,815. But by Wednesday, Mr. Market was back...still yearning to swing from the gleaming 1,900 chandelier...as the famous index breached a new nominal high of 1,850. Unfortunately, some of Mr. Market's energy waned later in the week with the S&P closing out at 1,838.70. Still, next week is a new week and Ben and Janet are still pouring like crazy. $75,000,000,000 every month is a lot of zeros. Stay tuned for more Mr. Market mania.

Ms. Bond was slightly more subdued, with her 10 year Treasury yield trading between 2.81% and 2.91% before closing out the week just south of 2.83%. Maybe Ms. Bond is concerned that Mr. Market is running out of steam and may not be quite up to swinging from that chandelier just yet. Even so, we suspect that Mr. Market will give it a darn good go at 1900. It's just too tempting at this point. But after that, we doubt that he will have much energy for much else at all. In fact, he may slip into one of his infamous manic depressive states. Perhaps Ms. Bond is sensing that too. You just never know with Mr. Market. Best to think like wily Warren when it comes to this guy. Bi-polar personalities with tendencies toward euphoria on the one hand and manic depression on the other, are not known for being overly efficient.



Meanwhile, down the street at the Gold Bar, things are looking up. Oh sure...the shiny stuff got slammed down by an inefficient paper seller on Tuesday, dropping from $1,254 to $1,242 in a matter of seconds but that happens all the time these days. Ho hum. Been there. Done that. What did impress the patrons at Bill Bullion's Gold Bar was the way that gold held its ground and actually bounced back on Friday to close out the week close to

unchanged. The precious metals miners also had the wind at their back as GDX crossed above its 50 day moving average and the wise guys at Citi declared that ***"we would rather be too early than too late in making this call"***...to buy the miners. Bond guru and CNBC darling, Jeffrey Gundlach, likes the shiny stuff and the companies that mine it as well. You can read more by clicking the WSJ MarketWatch link here.

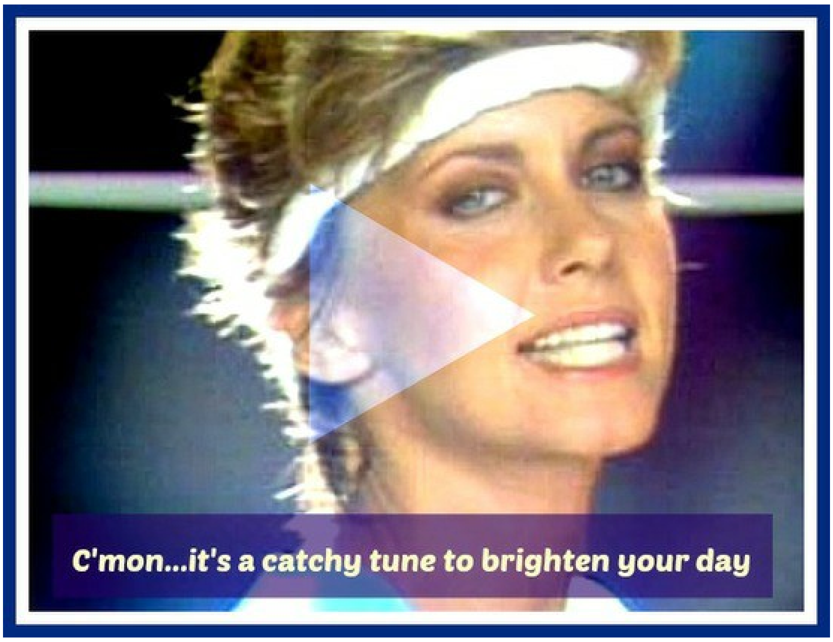
Will the shiny stuff get slammed down again? You can pretty much bet that the commercial thugs will certainly give it a darn good try.

The Goldman gang has been pretty vocifierous about gold going down and they don't like to disappoint. Morgan Stanley and UBS are the same, even though the general consensus, at least according to a Thomson Reuters GFMS survey is for gold to average $1,350 per ounce in 2014, which, to our sturdy Gold Bar patrons clutching their cocktails in one hand and gold pieces in the other, sounds pretty good right now Others think that the Aussie analysts at the third biggest bank downunder, ANZ Bank, might have had too many cocktails themselves. They are predicting $1,450 gold at year end. You can read about the Goldman - ANZ differential by clicking here.

Who will be right...Goldman at $1,050 or ANZ at $1,450? We suspect that they will both be right...at some point throughout the year. The thugs will try to slam the shiny stuff down hard at least one more time and may succeed. But after that, which might be the last really good buying opportunity of its current secular bull market, gold could be off to the races.

As we have written frequently, while the demand, especially in Asia, is fierce, the ostensible supply on the COMEX is fabricated. It's only a matter of time before sweet Olivia Newton John's big hit song, ***Physical*** becomes relevant again when a whole lot more folks start singing..."let's get physical" about their gold deliveries.

Sorry, but now that you've started humming that song in your mind, you might as well listen to the whole thing...just click here.



Wow, it's hard to believe that was 1981!

Hmmm...gold's average price in 1981 was $460, which, converted to modern Yankee dollars, is about $1,233, close to where it is now. Amazing how history rhymes. The smarties at Goldman, some of whom have been known to sneak a peek at our Peek from time to time, would argue that 1981 also represented somewhat of a zenith for the shiny stuff. The Aussies at ANZ, on the other hand, would be quick to point out that the US national debt at that time of big hair and too tight lycra was around $998 billion and that even converted to modern dollars ($2.7 trillion), it pales in insignificance to the current US national debt that is over 6 times that amount at 17.3 trillion. They say, forget the scissors...this is purely a rock verses paper exercise. Just ask the Germans. OK...we will, a little later.

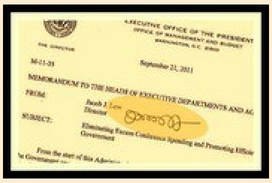
If you would like to check our numbers or just reminisce about the "good old days" of big hair and tight lycra, click here for historical gold prices and here for a nifty inflation adjustor.

And while we're on about the national debt (again) let's not forget that we're just about to hit the debt ceiling (again). And right on cue, Jumping Jack (Lew), our formidable Treasury Secretary, is seeking a raise (again) as he warns that we'll hit the limit in February (7th) and not March (again). Click here for the story on Jumping Jack.

And all this just after our own Jack warned the Japanese about the potential calamity of currency mismanagement. Actually, since assuming the high chair from former Secretary, Tiny Tim Geithner, Jack has been on quiet a lecture tour. Here are some highlights, courtesy of ZeroHedge:

> To Japan...
>
> *LEW SAYS JAPAN CAN'T RELY ON FX RATE FOR ECONOMIC ADVANTAGE
> *LEW SAYS JAPAN NEEDS TO `GET THEIR DOMESTIC ECONOMY GROWING'
>
> To China...
>
> *LEW SAYS CHINA IS CONCERNED WITH PACE OF ECONOMIC CHANGE
> *LEW SAYS CHINA'S GOAL SHOULD BE TO OPEN MARKETS
> *LEW SAYS FX AND OTHER REFORMS ARE GOOD FOR CHINA'S ECONOMY
> *LEW SAYS CHINA IS INTENT ON PATH OF ECONOMIC REFORM
>
> To Europe...
>
> *LEW SAYS SOME EUROPEAN NATIONS NEED TO DO MORE TO BOOST DEMAND
> *LEW SAYS EUROPE NEEDS TO GET GROWTH TO HIGHER LEVEL
> *LEW SAYS EUROPE IS NOT COMPLETELY OUT OF THE WOODS

Give us a break Jack. What's that they say about glass houses...or casting the first stone. And for Heaven's sake, please work on that wimpy signature.



Anyway, onto more serious things.

This week we'll take an updated look at who actually owns all our debt (suckers) and learn that the Chinese are still **idioto numero uno**, even though they have cut back enormously. The next biggest idiot happens to be Japan, who are having a bit of minor fued with the Confucians right now. Makes for interesting theater and hopefully it remains only that.

We'll also take a further peek at Europe where, mon Dieu, Monsieur Hollande is daring to utter the unspeakable..."laissez-faire"! Well, not quite, but he is uttering something about business, which, in and of itself, is something of a headturner for Francois and for very many fancy les Francais. But France still has major issues and if there is one country most likely to bring down the EU, we believe it is La Belle France.

After that, we'll sneak across the pond, where the Pommies are talking about doing a Scotalona (that is Scotland / Catalona, of course) and holding a referendum of their own. It must be something in the water...or the wine...or the scotch. Or is it just economics?

We'll peek at a concession to the Volcker Rule that we think actually makes sense...and we'll look at more big banking rackets in the US.

Over to China, we learn that those canny Confucians and their central committee have been pouring even more than our own Bartender Ben. Can that be possible...and what does it mean for our lonely planet, especially now that they seem to have mastered the ability to shoot a missile bearing glider across the stratosphere at 10 times the speed of sound?

And if we have time, we'll inquire as to why the Germans are losing their patience as they wait for their gold to be returned. Perhaps they will suggest a moratorium on NSA spying until 2020, when their shiny stuff is finally returned from its "safe-keeping" in the USA.

Our chart of the week is actually a list of countries and how they rate in terms of "economic freedom". And no, sadly, the US is not even in the top 10.

Let's get started....after a giggle of course (once again courtesy of the great Ed Steer).

The guy on the right reminds us of some rugby players we've met over the years

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"I've seen more people fail because of liquor and leverage - leverage being borrowed money. You really don't need leverage in this world much. If you're smart, you're going to make a lot of money without borrowing."

Warren Buffett (1930 -   )

Wise words Warren. Perhaps you should be lecturing our legislator pals in Washington DC about leverage, if not liquor. They have us leveraged to the hilt.

As the next debt limit debate beckons, let's look at who our current creditors might be. Well...no prizes for guessing China as #1 foreign creditor yet again. From FOX Business, January 16. 2014:

> ***China Now Owns a Record $1.317T of U.S. Government Debt***

To us, at least, it is not the astounding top line number that is important. What is important is how little that level of debt has increased in recent years. Back to FOX:

> *The $1.317 trillion figure exceeds China's previous record high in July 2011 of $1.315 trillion, according to the government data.*

So what Uncle Rupert (Murdoch's) henchmen are telling us is that in over two years, those commercialized communists have added just $2 billion in lending to good ol' Uncle Sam. Why...the noive of those guys. That's preposterous We made them. They were nothing without us. They can't stop lending to us. The noive!

Sorry folks, but those canny Chinese have been doing just that.

In 2013, they added $500 billion to their own reserves, taking their total to $3.8 trillion. You would think we should have received more. Perhaps Jumping Jack Lew should be more circumspect in his comments, lest he be derided by a bunch of insolent Chinese students, just as Tiny Tim was back in 2009. Click here for the unpleasant memory.

The Chinese are not taking the empire seriously, which makes for serious stuff.   Empires don't like to be ignored...or worse still...challenged. Case in point (other than hoarding all the gold they can) those clever commies have spent good money that they could have been lending to us, on, Heaven forbid, **developing a new hypersonic missile delivery vehicle capable of delivering nuclear warheads with record breaking speeds**.

From Russia Today, January 18:

> *"Our planned scientific research tests conducted in our territory are normal,"* said the Beijing Defense Ministry as cited by Reuters on Wednesday. *"These tests are not targeted at any country and at any specific goals."*
> The ministry's statement confirmed a report by the Washington Free Beacon on Monday. The newspaper cited US Pentagon officials saying that a hypersonic glide vehicle (HGV) was detected flying at ten times the speed of sound over China on January 9.
> The officials added that the ultra-high speed missile vehicle is aimed at *"delivering warheads through US missile defenses."*

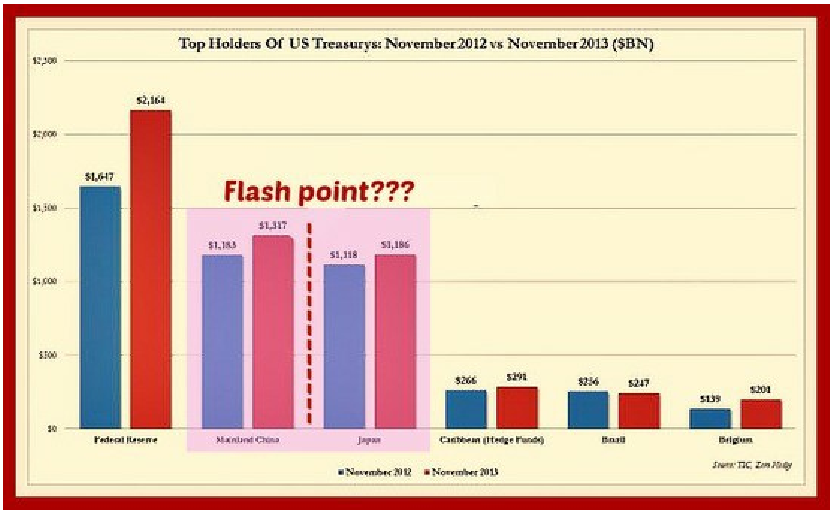
Hmmm....we could have used that money to fund our record breaking SNAP sustenance system. Certainly far more important than hypersonic gliders bearing nukes.

Now, take a look at the chart below, again courtesy of ZeroHedge, which chronicles who is owed what in which amounts. Notice who is owed the most...the Fed. How do those guys get away with it? Has to be the greatest racket in history. But enough of them for now. They are at least local.

Next to the Fed, we owe the Chinese the most. A very close second is Japan. China and Japan have a history of not getting along all that well, especially during the past century. The Chinese have declared quasi- sovereignity over the Senkaku / Diaoyu / Diaoyutai / Pinnacle Islands in the East China Sea, which everyone in the region, including Japan, seems to lay claim to as well. In the meantime, in an act of defiance / idiocy, Japanese Prime Minister Abe concluded that it would be a good idea to pay homage at the Yasukuni war shine...to the Chinese, an infuriating reminder of past aggressions.

One wonders about politicians sometimes...actually, all the time. We wonder what would happen if Caesar Barackus was forced to choose between creditors. Japan, a former enemy is now an alliance chum, who we have sworn to defend. China, a wartime ally in the last great conflict, is now considered a chump. If these two economic heavyweights decide to square off, which corner is Uncle Sam in?

Don't bother to ask who will referee...we already know that Vlad Putin will be delighted to take that on.



Incidentally, you may be interested to learn that our Chinese "chums" have also been manufacturing money. In fact, they are #1 in that department too. Turns out that Bartender Ben and Jaunty Janet are slovenly slouches compared to those abacus wielding fiends at the Peoples Bank of China.

From the New York Times, January 15 [emphasis ours]:

> *Move over, Janet Yellen and Ben Bernanke. Step aside, Mario Draghi and Haruhiko Kuroda. When it comes to monetary stimulus, Zhou Xiaochuan, the longtime governor of* ***the People’s Bank of China, has no rivals****.*
>
> *The latest data released by China on Wednesday show that t****he country’s rapid growth in money supply has continued.*** *Mr. Zhou and his colleagues at the Chinese central bank have only begun* ***the difficult and dangerous task of reining it in****.*
>
> ***The amount of money sloshing around China’s economy****, according to a broad measure that is closely watched here,* ***has now tripled since the end of 2006****. China’s tidal wave of money has powered the economy to new heights, but it has also helped* ***drive asset prices through the roof****. Housing prices have soared, feeding fears of a bubble while* ***leaving many ordinary Chinese feeling poor and left out****.*

Trust us when we tell you that easy money pushing assets like real estate to sky high, unaffordable levels never ends well, especially when so much of it essentially unregulated...via the so-called "shadow banking system". We seem to recall that we had our own shadow system alive and flourishing until 2007.

Yes, the Chinese have greater patience than the average American but they also have hundreds of millions of disenfranchised citizens. China invented gun powder and ironically the massive country is now increasingly becoming an economic powder keg. Who knows what might create a spark?

Honey is sweet but bees sting.

French Proverb

President Francois Hollande was elected by offering the honey pot of socialism to his constituents. In so doing, he either forgot or failed to recognize the famous saying of the Iron Lady herself, former British Prime Minister, Margaret Thatcher...***the problem with socialism is that you eventually run out of other people's money!***

Well, maybe Monsieur Hollande, who is having his own Clintonian moment right now, has seen the light...at least when it comes to socialsim, if not sex. From The Telegraph (UK) January 18:

> ***Francois Hollande vows 'supply-side' assault on French state, doubles down on EMU austerity agenda***

From The Guardian (UK), January 14:

> *Hollande's solution was to offer French business a deal. Public spending will be cut by €50bn (£41.5bn) and the use of state resources made more efficient. Red tape will be cut. The social costs that businesses face will be cut by €30bn. But in return, firms will have to expand their workforces, guarantee to offer decent wages and provide better training.*

What this means is that he is going to try to give business a break and hope that the new growth trickles down in the form of greater employment and increased taxes. He has learned that he can't directly tax his way to prosperity. The rich folks just leave. It also means he is cozying up to Germany. The Left Wing of his party are understandably not too cheery, but with his popularity rating down to 20%, what has he got to lose...except maybe a girlfriend of two?

While things may be looking up in places like Spain, Portugal and Ireland (the Spaniards recently sold nearly $7.2 billion in five-year debt in the open market at an astoundingly low 2.41%,and the Irish were oversubscribed on their bond offering), France is the truly sick man of Europe and it is big enough to spread its germs far and wide.

Time and space prohibit us from explaining why right now but If you don't believe us, you can click here or here or here. And...if you're heading to Paris, watch where you step.

Bieber tosses eggs when he is upset...les Francais dump manure...a lot of manure...when they are miffed

Meanwhile, across the pond, the conservatives in the Pommie land government are threatening to hold their own referendum on continuing EU membership. Scotland has a referendum coming up. Catalona in Spain is threatening to do the same in November this year. What on this good earth is going on?

Well, it seems that not everyone is happy with being part of the EU or something bigger than themselves...Spain to Catalona, the United Kingdom to Scotland. Seems they are striving for independence because they simply don't like being managed by bureaucrats out of some away place, like London or Brussels. Sounds fair enough to us.

From the EUobserver.com website, January 15:

> **'Reform or we leave EU,' warns British chancellor**
>
> The UK will leave the European Union if the bloc refuses to reform, the country's chancellor George Osborne said on Wednesday (15 January).
> Speaking at the start of a two day conference on EU reform organised by the Open Europe think tank, Osborne said that the EU had to decide whether to "reform or decline".
> "*It is the status quo which condemns the people of Europe to an ongoing economic crisis and continuing decline,"* he added.

Independence is all about economics folks. Yes, there may be a degree of tribal hegemony involved, but ultimately it comes down to economic freedom. Freedom to enjoy the fruits of one's own labor and toil. Freedom from long distance bureaucratic burglary and bungling. It is a precious thing and at its most basic level, is the foundation of sustainable democracy. Economic freedom should be a fundamental human right, but sadly, in many parts of old Europe and even in the bastion of capitalism, the USA, it is dwindling.

More on that in our chart of the week section. Suffice to say that, in the Eurozone, some natives are restless...and a lot more twenty somethings are unemployed. Let's hope Monsieur Hollande gets it right...the economics that is. The other stuff is his problem.

Meanwhile, the Germans are miffed at being spied upon...and they are still asking for their gold. As you may recall from former writings, the Fed said they would get it back to them...by 2020. The Germans are owed about 1,500 tons, We agreed to ship them about 90 tons in 2013...you know...as a good faith effort at repatriation.

Of course, they are wondering...If it's there, why is it so hard to just ship the darned stuff immediately? Well, apparently we couldn't even muster up more than 37.5 tons to send them last year. Worse still, it had been re-constituted (melted down) so all the Germanic insigna that was presumably on it when it was entrusted to our care is no longer there.

This is so fishy we can't begin to tell you...but someone who gets paid to, certainly can...and tell it very well. Enter Glenn Beck. Personally, we prefer our Becks in a bottle but in this case Mr. Beck does an excellent job of explaining what he (and a lot of other people) believe is going on. It will take about 20 minutes to watch the video so grab your favorite coffee or adult beverage and take a chair. If you are the least bit interested in this ***riddle wrapped in a mystery inside an enigma*** it will be well worth your while, even if Olivia is far easier to look at. Just click on the image above.

Hell, there are no rules here-- we're trying to accomplish something.

We have written about the Volcker Rule before. You know the one designed to keep the big banks in check. Fat chance of that. Of course, when you cast a wide enough net, you catch both big and small fish, even though you were only after the big ones. The big banks know this. They routinely use stifling over-regulation to crush their smaller and less flush competition.

And so it was with a certain part of the Volcker Rule, that got small community banks particularly uptight.

From Dealbook, January 14:

> ***Regulators Ease Volcker Rule Provision on Smaller Banks***
>
> *Federal regulators on Tuesday bent to the will of the banking industry and some lawmakers and revised a rule that would have forced community banks to take write-downs on a security that many had invested in before the financial crisis.*
>
> > *The revision to the Volcker Rule, announced late Tuesday by five regulatory agencies, would permit banks to continue to hold on to a special type of collateralized debt obligation.*
> >
> > *The Volcker Rule, as approved by regulators in December, would have forced banks to rid themselves of C.D.O.'s backed by trust-preferred securities, or TRuPS. The provision set off an uproar from the banking industry, which said it violated the intent of the Volcker Rule, which was meant to rein in risk-taking by big Wall Street banks and not to result in a financial hit to smaller ones.*

You can read the full story here.

This may sound like mumbo jumbo to many readers but basically, imposition of the rule on smaller banks could have impaired their capital and effectively put them out of business, while the big banks (you know, the too big to fail, too big to manage, to big to understand variety) could have weathered the storm quite comfortably. After all, the Fed has their back.

Rarely do we agree with regulators but in this case it is the sensible decision. The USA and the world needs small banks and small bankers. They perform a worthy service to the community and even if they wanted to, the couldn't bring down the world's financial system if they tried. Not like some others we know. And speaking of which, let's look at another huckster trick that the big bankers have been up to.

You've surely heard about all the big settlements that the Federal and various state governments are obtaining from those bad, bad big banks. You know, the JPMorgan $13 Billion thing and others like it. Yes, those big numbers are impressive but when you drill down, they lose their luster. In fact, they are quite bogus. From the LA Times, January 10 [emphasis ours]:

> *The dirty little secret of those **eye-popping fines and penalties** the government has been extracting from banks and Wall Street firms for financial wrongdoing is that they **cost the firms only a fraction of the top-line numbers**.*
>
> *The worst recent example of a settlement that looks tough on the outside but comfy on the inside may be the $13-billion settlement JPMorgan reached with regulators in November over its chicanery in the mortgage securities market. As we observed at the time, the regulators crowed that it was "the largest settlement with a single entity in American history," to quote the Department of Justice.*
>
> *But it wasn't what it seemed. First, o**f the $13-billion total, $7 billion was tax deductible** by JPMorgan, which could **save the company nearly $2.5 billion**.*

> ***Another $4 billion represented a settlement the bank reached earlier with the Federal Housing Finance Agency**, the regulator overseeing Fannie Mae and Freddie Mac.*
>
> *Another $4 billion wasn't a cash outlay, but **included $2 billion in forgiveness of principle for homeowners with underwater mortgages** -- borrower relief sure to save Morgan money in the long run, for there's nothing more costly for a mortgage lender than having borrowers go into foreclosure. **Another $2 billion involved "credits" the bank will receive to bump up lending in low-income communities.***
>
> *So **what looked like $13 billion really penciled out at around $6.5 billion**.*

Make 6.5 Billion look like 13 Billion...now that's why those bankers get paid the big bucks.

And according to our clever chums at PF2 Securities, these settlements are just a drop in the bucket compared with the damage caused and the fees garnered by these big banks.

But now apparently a couple of congressional hound dogs are on the trail...one from the left (Lizzie Warren) and one from the right (Tommy Coburn). Let's hope that Lizzie, a career academic turned politician, is more effective at this reform than she was at the Consumer Financial Protection Bureau.

Hey, at least it's a start. Maybe? Stay tuned on this one.

CHART OF THE WEEK

The basis of a democratic state is liberty.

Aristotle (384 BC - 322 BC)

As we wrote above, freedom is all about economics folks. The freedom to go about one's business to try to earn an honest return on one's efforts, without undue restraint, punitive taxation and administrative interference. While much of the world moves slowly towards that hallowed state, our good old USA is seemingly rushing in the opposite direction. From the WSJ, January 13:

> ***America's Dwindling Economic Freedom***
> ***Regulation, taxes and debt knock the U.S. out of the world's top 10.***
> *World economic freedom has reached record levels, according to the 2014 Index of Economic Freedom, released Tuesday by the Heritage Foundation and The Wall Street Journal. But after seven straight years of decline, the U.S. has dropped out of the top 10 most economically free countries.*

You can read the rest of the story by clicking here. And you can go to the heritage.org site for a lot of great information on the **Index of Economic Freedom**.

But in reality, this is sad folks. Caesar and way too many of his congressional compatriots have never run a business. Our Federal Reserve is a repository of academics. The reach of government...federal, state and local is ever expanding. And all this is happening within a global environment which is becoming increasingly competitive and cut-throat.

The following chart tells the whole story. While we're a long way from the worst, the trend is not good. We were once the world's leader but now we can't even make the top 10. Yikes...we can't even beat Mauritus or Estonia, let alone New Zealand or Chile

We hope that the slide can be reversed. If not, well...Denmark sounds nice and Oz is always inviting!

2014 Index of Economic Freedom

1. Hong Kong
2. Singapore
3. Australia
4. Switzerland
5. New Zealand
6. Canada
7. Chile
8. Mauritius
9. Ireland
10. Denmark
11. Estonia
12. United States
13. Bahrain
14. United Kingdom
15. Netherlands
16. Luxembourg
17. Taiwan
18. Germany
19. Finland
20. Sweden
21. Lithuania
22. Georgia
23. Iceland
24. Austria
25. Japan
26. Czech Republic
27. Botswana
28. United Arab Emirates
29. Macau
30. Qatar
31. South Korea
32. Norway
33. Saint Lucia
34. Colombia
35. Belgium
36. Bahamas, The
37. Malaysia
38. Uruguay
39. Jordan
40. Brunei
41. Armenia
42. Latvia
43. Macedonia
44. Israel
45. Barbados
46. Cyprus
47. Peru
48. Oman
49. Spain
50. Poland
51. Hungary
52. Saint Vincent and the Grenadines
53. Costa Rica
54. Albania
55. Mexico
56. Jamaica
57. Slovakia
58. Malta
59. El Salvador
60. Cape Verde
61. Bulgaria
62. Romania
63. Dominica
64. Turkey
65. Rwanda
66. Ghana
67. Kazakhstan
68. Montenegro
69. Portugal
70. France
71. Panama
72. Thailand
73. Trinidad and Tobago
74. Slovenia
75. South Africa
76. Kuwait
77. Saudi Arabia
78. Paraguay
79. Madagascar
80. Dominican Republic
81. Azerbaijan
82. Swaziland
83. Guatemala
84. Samoa
85. Kyrgyz Republic
86. Italy
87. Croatia
88. Zambia
89. Philippines, The
90. Sri Lanka
91. Uganda
92. Gambia, The
93. Vanuatu
94. Namibia
95. Serbia
96. Lebanon
97. Mongolia
98. Burkina Faso
99. Fiji
100. Indonesia
101. Bosnia and Herzegovina
102. Nicaragua
103. Morocco
104. Tonga
105. Gabon
106. Tanzania
107. Côte d'Ivoire
108. Cambodia
109. Tunisia
110. Moldova
111. Kenya
112. Honduras
113. Benin
114. Brazil
115. Belize
116. Bhutan
117. Seychelles
118. Djibouti
119. Greece
120. India
121. Guyana
122. Mali
123. Yemen
124. Malawi
125. Senegal
126. Pakistan
127. Niger
128. Mozambique
129. Nigeria
130. Suriname
131. Bangladesh
132. Papua New Guinea
133. Guinea
134. Mauritania
135. Egypt
136. Cameroon
137. China
138. Liberia
139. Tajikistan
140. Russia
141. Burundi
142. Comoros
143. Guinea-Bissau
144. Laos
145. Maldives
146. Algeria
147. Vietnam
148. Sierra Leone
149. Nepal
150. Belarus
151. Ethiopia
152. Togo
153. Micronesia
154. Lesotho
155. Ukraine
156. Haiti
157. São Tomé and Príncipe
158. Bolivia
159. Ecuador
160. Angola
161. Central African Republic
162. Burma
163. Uzbekistan
164. Kiribati
165. Solomon Islands
166. Argentina
167. Chad
168. Equatorial Guinea
169. Congo, Republic of
170. Timor-Leste
171. Turkmenistan
172. Congo, Dem. Rep.
173. Iran
174. Eritrea
175. Venezuela
176. Zimbabwe
177. Cuba
178. North Korea

Not Ranked

- Afghanistan
- Iraq
- Kosovo
- Libya
- Liechtenstein
- Somalia
- Sudan
- Syria

Source: Wall St. Journal

Til next week...

"Ignorance is the curse of God. Knowledge is the wing wherewith we fly to Heaven."
William Shakespeare

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