

## WEEKLY INVESTMENT RESEARCH NOTES

Week ending:

25 October 2013

**INTERPRETATION:** The tables below provide a summary of our research on the outlook for various asset classes based on Short and Long Term time frames. The RelValue indicator gives an indication of how much "Relative Value" can be achieved by investing in this asset when compared to all other available assets. General Comments apply to each asset class.

**GENERAL OBSERVATIONS:** This week saw further improvements in most investment categories. Stockmarkets showed further signs of improving conditions as investors were willing to take on more risk. Bonds at the higher risk end also improved. The Pound showed some short term weakness, notably against the Euro though longer term the outlook remains positive. Commodities improved this week.

INVESTMENT SECTOR	Short	Long	RelValue	GENERAL COMMENTS:
<b>BONDS:</b>	↑	↓	↓	<b>BONDS: Poor Value - best to avoid for now</b>
UK Gilts	→	↓	↓	Poor relative value - avoid
UK Index Linked Gilts	→	↓	↓	Poor outlook
Global Bonds	↑	↓	↓	Poor relative value - short term improvement
UK Corporate Bonds	↑	↑	↓	Improving outlook, though still poor relatively
UK High Yield Bonds	↑	↑	→	Best of the category, though relatively value is mixed
<b>UK STOCKS:</b>	↑	↑	↑	<b>UK STOCKS: Strong value especially in small/mid cap</b>
UK Growth	↑	↑	↑	Strong short/long term outlook good relative value
UK Income	↑	↑	↑	Strong short/long term outlook good relative value
UK Large Cap	↑	↑	↑	Good short/long term outlook good relative value
UK Mid Cap	↑	↑	↑	Strong short/long term outlook good relative value
UK Small Cap	↑	↑	↑	Strong short/long term outlook good relative value
<b>OVERSEAS STOCKS:</b>	→	→	→	<b>OVERSEAS: Strong European sector the rest is mixed</b>
North America	↑	↑	→	Improving Short/Long Term outlook, relative value mixed
Europe	↑	↑	↑	Strong short/long term outlook good relative value
Japan	→	→	→	Mixed outlook - better opportunities elsewhere
Asia Pacific	→	→	↓	Mixed outlook - poor relative value
Emerging Markets	→	→	↓	Mixed outlook - poor relative value
<b>THE POUND:</b>	↓	↑	↑	<b>THE POUND: Lost ground recently, strong longer term</b>
Pound v US Dollar	→	↑	↑	Still strong longer term, possible short term weakness
Pound v Euro	↓	↑	→	Euro is getting stronger, short term pound weakness
Pound v Yen	→	↑	↑	Still strong longer term, possible short term weakness
<b>COMMODITIES:</b>	↑	→	→	<b>COMMODITIES: Improving short term, longer term mixed</b>
General Commodities	↑	→	→	Outlook improving, longer term, relative value mixed
Gold	→	→	↓	Outlook improving, longer term, relative value mixed
Silver	↑	↑	→	Best of the category short term, relative value still mixed

### INVESTMENT OUTLOOK - LEGEND

Strongly Positive.	↑
Positive.	↑
Neutral.	→
Negative.	↓
Strongly Negative.	↓

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