

## WEEKLY INVESTMENT RESEARCH NOTES

Week ending:

01 November 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:** Stockmarkets ended the week almost flat following three weeks of gains. UK Breadth remained positive but in the US our Breadth indicator went back to neutral. Price Momentum remains upwards for both Markets but our Market Sentiment indicators are approaching overly optimistic levels which may become a concern. Bonds and Commodities remain relatively unattractive in our view. The Pound showed some short term weakness although improved against the Euro.

INVESTMENT SECTOR	Short	Long	RelValue	GENERAL COMMENTS:
<b>BONDS:</b>	↑	→	↓	<b>BONDS:</b> Still relatively poor - not attractive enough
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
<b>UK STOCKS:</b>	↑	↑	↑	<b>UK STOCKS: Strong</b>
UK Growth	↑	↑	↑	Strong short/long term outlook good relative value
UK Income	↑	↑	↑	Strong short/long term outlook good relative value
UK Large Cap	↑	↑	↑	Strong short/long term outlook good relative value
UK Mid Cap	↑	↑	↑	Good short/long term outlook good relative value
UK Small Cap	↑	↑	↑	Good 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 long term outlook good relative value
Japan	→	→	↓	Mixed outlook - better opportunities elsewhere
Asia Pacific	↓	↑	↓	Poor relative value
Emerging Markets	↓	→	↓	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	→	↑	↑	Improving short term and long term looks strong
Pound v Yen	→	↑	↑	Still strong longer term, possible short term weakness
<b>COMMODITIES:</b>	↑	→	→	<b>COMMODITIES: Still not attractive</b>
General Commodities	↓	→	↓	Poor
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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