

WEEKLY INVESTMENT RESEARCH NOTES

Week ending:

15 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: The US Market finished strong this week in contrast to the UK which remained flat as Breadth and Momentum further deteriorated. Hopefully strength in the US market will help to lift global stockmarkets higher. Europe advanced whilst Asia Pacific and Emerging Markets remain unattractive. Bonds and Commodities still remain relatively weak in our view. The US Dollar has rallied in the last few weeks. Our Pound index remains strong, particularly against the Yen.

INVESTMENT SECTOR	Short	Long	RelValue	GENERAL COMMENTS:
BONDS:	↓	↓	↓	BONDS: Poor Value - best to avoid for now
UK Gilts	↓	↓	↓	Poor relative value - avoid
UK Index Linked Gilts	↓	↓	↓	Poor outlook
Global Bonds	↓	↓	↓	Poor relative value
UK Corporate Bonds	→	↑	→	Outlook is neutral
UK High Yield Bonds	↑	↑	→	Best of the category, relatively value has improved
UK STOCKS:	→	↑	↑	UK STOCKS: Short term weakness - better longer term
UK Growth	→	↑	↑	Short term relative weakness longer term relative value
UK Income	↑	↑	↑	Relative short term improvement, good longer term
UK Large Cap	→	↑	↑	Short term relative weakness longer term relative value
UK Mid Cap	↓	↑	→	Weakest short term and poor relative value
UK Small Cap	↑	↑	↑	Strongest UK sector positive outlook good relative value
OVERSEAS STOCKS:	↓	→	↓	OVERSEAS: Avoid Japan, Asia and Emerging Markets
North America	↑	↑	→	Short term improvement, longer term relative value mixed
Europe	↓	↑	↑	Short term weakness, good longer term relative value
Japan	↑	→	↓	Short term improvement - better opportunities elsewhere
Asia Pacific	↓	→	↓	Poor outlook - better opportunities elsewhere
Emerging Markets	↓	→	↓	Poor outlook - further short term weakness
THE POUND:	↑	↑	↑	THE POUND: Generally strong apart from the US Dollar
Pound v US Dollar	↓	↑	↑	Short term Dollar strength longer term relative value
Pound v Euro	↑	↑	↑	Further short term weakness in the Euro
Pound v Yen	↑	↑	↑	Strong Short and Long term significant Yen weakness
COMMODITIES:	↓	→	↓	COMMODITIES: Further weakness in this sector
General Commodities	→	→	→	Poor outlook - better opportunities elsewhere
Gold	↓	→	↓	Poor short term, poor relative value
Silver	↓	→	↓	Poor short term, poor relative value

INVESTMENT OUTLOOK - LEGEND

Strongly Positive.



Positive.



Neutral.



Negative.



Strongly Negative.



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