

## WEEKLY INVESTMENT RESEARCH NOTES

Week ending:

22 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 continued to remain strong as better economic data helped lift prices. The UK market remained flat as breadth and momentum did not improve. Hopefully if the US market continues to improve this will eventually lift global stockmarkets higher. Bonds and Commodities continued to deteriorate throughout the week with Gold falling by more than 3.5%. The Pound gained against most currencies, notably the Yen and the Australian Dollar.

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	↓	↓	↓	Very poor relative value
UK Corporate Bonds	↓	→	→	Outlook is neutral to negative
UK High Yield Bonds	↑	↑	→	Best of the category, relative value has improved
<b>UK STOCKS:</b>	↓	↑	↑	<b>UK STOCKS: Short term weakness - better longer term</b>
UK Growth	↓	↑	↑	Short term weakness longer term relative value
UK Income	↓	↑	↑	Short term weakness, good longer term
UK Large Cap	↓	↑	↑	Short term 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
<b>OVERSEAS STOCKS:</b>	↓	→	↓	<b>OVERSEAS: Avoid Japan, Asia and Emerging Markets</b>
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
<b>THE POUND:</b>	↑	↑	↑	<b>THE POUND: Generally strong</b>
Pound v US Dollar	↑	↑	↑	Short term 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
<b>COMMODITIES:</b>	↓	→	↓	<b>COMMODITIES: Further weakness in this sector</b>
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.	↓

### Disclaimer

Financial Themes LLP is a directly authorised firm regulated within the UK under the Financial Conduct Authority [Registration Number 510065]. The content of this overview is intended as a guide on how we believe investment markets have performed. Our opinions are intended to serve merely as a guide to investors. Financial Themes LLP cannot accept any responsibility for any losses incurred should investors decide to use this data for their own purposes. Investors should note that investments can fall as well as rise and that past performance is no guarantee for future investment returns.