

WEEKLY INVESTMENT RESEARCH NOTES

Week ending:

13 December 2013

INTERPRETATION: Below is a summary of our research on the outlook for various asset classes based on Short - Long Term time frames for Sterling based Investors. The RelValue indicator gives an indication of how much "Relative Value" can be achieved by investing in this asset at this time when compared to all other available assets. General Comments apply to asset classes.

GENERAL OBSERVATIONS: The Pound weakened against the Dollar and Euro this week though remained strong against the Yen. Global stockmarkets remain nervous that the Fed will start withdrawing liquidity through the QE program. Bonds remain poor value and should be avoided. Commodities look very poor with Precious Metals approaching recent 2 year lows reinforcing our negative stance on this sector, a position we have held for months.

INVESTMENT SECTOR	Short	Long	RelValue	GENERAL COMMENTS:
BONDS:	↓	↓	↓	BONDS: Poor Value - best to avoid for now
UK Gilts	↓	↓	↓	Poor relative value
UK Index Linked Gilts	→	→	↓	Slight improvement though still relatively flat
Global Bonds	↓	↓	↓	Still poor relative value
UK Corporate Bonds	↓	→	→	Outlook is neutral to negative
UK High Yield Bonds	↑	↑	↑	Best of the category, relative value is improving
UK STOCKS:	↓	↑	↑	UK STOCKS: Small Caps still continue to perform
UK Growth	↓	↑	↑	Short term weakness longer term relative value
UK Income	↓	↑	→	Short term weakness, longer term neutral
UK Large Cap	↓	→	→	Now weakest sector in the short term
UK Mid Cap	↑	→	→	Short term relatively improving
UK Small Cap	↑	↑	↑	Strongest UK sector positive outlook good relative value
OVERSEAS STOCKS:	↓	→	↓	OVERSEAS: Avoid Japan, Asia and Emerging Markets
North America	→	↑	→	Short term weakness, longer term relative value
Europe	↓	↑	↑	Short term weakness, better longer term relative value
Japan	↓	→	↓	Continued Yen weakness gives a negative outlook
Asia Pacific	↓	→	↓	Poor outlook - better opportunities elsewhere
Emerging Markets	↓	→	↓	Poor outlook - better opportunities elsewhere
THE POUND:	↑	↑	↑	THE POUND: Short term weakness in GBP is evident
Pound v US Dollar	↓	↑	↑	Short term weakness longer term relative value
Pound v Euro	↓	↑	↑	Short term weakness in the Pound v Euro
Pound v Yen	↑	↑	↑	Significant Yen weakness - further strengthens the Pound
COMMODITIES:	↓	→	↓	COMMODITIES: Gold & Silver still poor.
General Commodities	→	→	→	Poor outlook - better opportunities elsewhere
Gold	↓	↓	↓	Very poor outlook across all readings
Silver	↓	↓	↓	Very poor outlook across all readings

INVESTMENT OUTLOOK - LEGEND

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

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