

## WEEKLY INVESTMENT RESEARCH NOTES

Week ending:

17 January 2014

**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:** Bonds, Gold, Silver and general Commodities all improved last week, though still not strong in the longer term. Longer term Equities, particularly UK, offer better value. Emerging Markets and Asia still offer poor value and should be avoided. The Pound weakened last week against the Dollar and Yen though remains strong longer term against most currencies.

INVESTMENT SECTOR	Short	Long	RelValue	GENERAL COMMENTS:
<b>BONDS:</b>	→	↓	↓	<b>BONDS: Short term improvement</b>
UK Gilts	↑	↓	↓	Slight improvement in the shorter time frame
UK Index Linked Gilts	→	↓	↓	Neutral outlook in the shorter term
Global Bonds	↓	↓	↓	Still poor relative value
UK Corporate Bonds	↑	↑	→	Outlook has started to improve shorter term
UK High Yield Bonds	→	↑	↑	Longer term fine, short term weakness
<b>UK STOCKS:</b>	↑	↑	↑	<b>UK STOCKS: UK Equities are still the strongest sector</b>
UK Growth	→	↑	↑	Short term weakness but good relative long term value
UK Income	↑	↑	↑	Weakest sector in UK Equities
UK Large Cap	↑	↑	↑	Large Caps still improving
UK Mid Cap	↑	↑	↑	Generally strong
UK Small Cap	↑	↑	↑	Positive outlook good longer term relative value
<b>OVERSEAS STOCKS:</b>	↓	→	↓	<b>OVERSEAS: Avoid Japan, Asia and Emerging Markets</b>
North America	→	↑	↑	Generally strong though short term weakness
Europe	↑	↑	↑	Positive outlook across both short and longer term
Japan	→	→	↓	Continued Yen weakness gives a negative outlook
Asia Pacific	↓	↓	↓	Poor outlook - better opportunities elsewhere
Emerging Markets	↓	↓	↓	Poor outlook - best avoided
<b>THE POUND:</b>	↑	↑	↑	<b>THE POUND: Generally neutral in the short term</b>
Pound v US Dollar	→	↑	↑	Short term neutral, stronger longer term relative value
Pound v Euro	→	↑	↑	Short term strength in the Pound v Euro
Pound v Yen	→	↑	↑	Yen weakness - strength in the Pound longer term
<b>COMMODITIES:</b>	↑	↓	↓	<b>COMMODITIES: Gold &amp; Silver rallied shorter term.</b>
General Commodities	↑	↓	↓	Short term improvement though still weak longer term
Gold	↑	↓	↓	Short term rally though still poor longer term
Silver	↑	↓	↓	Short term rally though still poor longer term

### INVESTMENT OUTLOOK - LEGEND

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

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