

WEEKLY INVESTMENT RESEARCH NOTES

Week ending:

24 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: Last week saw Global Stockmarkets post significant losses on the back of concerns about Emerging Markets following poor economic data from China and fears over the Ukraine crisis. Japan also reported its third largest trade deficit on record and speculation mounted that the US Federal Reserve will further restrict liquidity when they conclude their two day policy meeting this week. Bonds rallied (as did Gold and Silver) as investors moved away from risk based assets.

INVESTMENT SECTOR	Short	Long	RelValue	GENERAL COMMENTS:
BONDS:	↑	→	→	BONDS: Short term improvement
UK Gilts	↑	→	→	Improvement in the shorter time frame
UK Index Linked Gilts	↑	→	→	Turned positive 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
UK STOCKS:	↓	↑	↑	UK STOCKS: General weakness short term
UK Growth	→	↑	↑	Short term weakness good relative long term value
UK Income	→	↑	↑	Relatively improving
UK Large Cap	↓	↑	↑	Impacted by weak overseas markets
UK Mid Cap	↓	↑	↑	Prices hit hard last week
UK Small Cap	↓	↑	↑	Short term loss though better longer term relative value
OVERSEAS STOCKS:	↓	→	↓	OVERSEAS: Avoid Japan, Asia and Emerging Markets
North America	↓	↑	↑	Large cap weakness, better smaller companies
Europe	↓	↑	↑	Negative short term but better in the longer term
Japan	↓	→	↓	Outlook poor short term, neutral to poor longer term
Asia Pacific	↓	↓	↓	Poor outlook to be avoided
Emerging Markets	↓	↓	↓	Worst sector across global stockmarkets
THE POUND:	→	↑	↑	THE POUND: Generally neutral in the short term
Pound v US Dollar	→	↑	↑	Short term neutral, stronger longer term relative value
Pound v Euro	↑	↑	↑	Improving strength in the Pound v Euro
Pound v Yen	↓	↑	↑	Yen rallied against the Pound expect short term weakness
COMMODITIES:	↑	↓	↓	COMMODITIES: Gold & Silver rally shorter term.
General Commodities	↑	↓	↓	Short term rally though still poor longer term
Gold	↑	↓	↓	Short term positive though still very weak 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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