Weekly Market Comment

11 May 2018

Lothar Mentel

CHIEF INVESTMENT OFFICER

Jim Kean

HEAD OF INVESTMENTS

Samuel Leary

FUND MANAGER

Isaac Kean

INVESTMENT WRITER

www.tattoninvestments.com Twitter: @TattonIM

125 Old Broad Street, London EC2N 1AR. Tel: 0207 190 2959

Source: Bob Moran; Worst deal competition; 10 May 2018, Political Cartoon Gallery Putney

Batten-down-the-hatches?

We recently received a number of questions from investors on whether we thought the economic and capital market cycle is coming to an end. Basically, is it time to ‘batten down the hatches’? The UK’s uncertain post Brexit trading position was another source of concern, with some fears going as far as anticipating the reappearance of 1970’s style capital controls. After years of quite pleasing investment returns, there is clearly a growing private investor sentiment of ‘should I take what I have and run before the pain begins in capital markets?’

We discussed in last week’s lead article how the slowing of global economic growth, together with a return of some inflation, is currently having a sobering effect on stock markets world-wide, following their short but concerning fling with ‘irrational exuberance’ in January. This week’s postponement of a second rate rise by the UK’s central bank (Bank of England / BoE) on grounds of diminishing economic growth and inflationary pressure has added to the sense that all is no longer well in the global economy.

Donald Trump’s renewed assault on global diplomatic consensus by withdrawing the US from the Iran nuclear deal, which took 10 hard years of negotiations, adds to the fear of potential unwelcome external shocks. After opening the prospect of a trade war with China in April, his pouring of oil onto the lingering flames of the tensions in the Middle East now increases the possibility of military conflict between the various regional hotheads. Predictably, the price of oil hit a new high for the year – its highest in 3 ½ years.

What was our answer then to the queries, in light of all this disconcerting news-flow? Well, as always, it was to take a step back and point investors to the bigger picture. We see that picture by asking how likely it is that the current economic cycle will come to a sudden end, which would lead to falling corporate profits or losses. While activity levels are undoubtedly slowing, and this cycle is now the second longest of the last 100 years, it is worth remembering that cycles do not ‘die of old age’. They come to an end either because of (1) economic overheating, (2) central bank policy errors or (3) external shocks. The 2008 Global Financial Crisis (GFC) and the 1970 oil price shock are prime examples for the external shock scenario (3). The premature hiking of US interest rates in 1994 are the most cited example of a recent central bank error (2) causing recession (although we would argue that central bank's complacency during the pre—GFC structured debt bubble could also be seen as a policy error). All remaining cycle ends go back to the well understood boom to bust overheating scenario (1).

What's the likelihood of any these three causes happening soon? In our view, overheating is not a big risk, given the recent return to very pedestrian rate of economic growth. Nevertheless, the tightness of labour markets that leads to cycle-ending levels of runaway inflation can be observed in some western economies, particularly in the US. However, it is not (yet) leading to particular inflation pressures – possibly because businesses can so far maintain their profit margins without pushing up prices through productivity enhancing capital goods investments and employees' reluctance to change jobs in search of better pay. Wage developments need to be watched because they can often cause inflation, but the latest uptick in inflation to the 2% (in the US) was caused by oil price increases, not wages.

On the second cause, the risk of central bank error, we just learned from the BoE that central bankers remain willing and able to go back on their previous so-called 'forward guidance' and adapt their policy to changing data flow. As a result, monetary policy around the world remains more accommodative relative to prevailing economic activity levels than it has historically ever been. So, it is hard to argue that they are committing a policy error by overtightening monetary policy. To be sure, monetary conditions have tightened recently, as economic growth no longer outpaced central bank's gradual tightening, as was the case in 2017. However, with central bankers continuing to prefer to err on the side of caution and with stable longer-term debt yields, conditions remain accommodative and therefore unlikely to cause recession.

This leaves the vulnerability, and perhaps probability, of external shocks. Here, the US president's highly disruptive 'Trumplomacy' foreign policy style can be perceived as the proverbial 'Bull in the China shop' in terms of shock risk. We recently discussed on these pages how his bullying negotiation style is becoming increasingly predictable and thus potentially less disruptive than it may seem. Iran's increasing hegemonic behaviour since the lifting of the sanctions has been highly disappointing and arguably requires push back. Whether Trump's 'carpet bombing' style sanctions approach – through which the entire Iranian population will suffer more economic hardship – is the best way to achieving this is highly questionable.

We observe that Trump's 'bark' continues to be much more disconcerting than his actual 'bite'. We would therefore agree with the muted market reaction which implies that, for the time being, not much immediate economic harm is expected from his unorthodox foreign policy actions.

The UK's very own external shock scenario is the Brexit dilemma and the fear of crashing out of the world's single largest economic free trade zone. Shockingly little progress has been made on either side, which is finally resulting in businesses across the whole of Europe raising their game and leaving the cosy cover of not wanting to upset either side of the highly polarised public. This, together with the already-reached agreement for a 2 year 'standstill' transition period, makes a shock scenario highly unlikely in the medium term.

There are some who believe that, if the value of £-Sterling was to collapse (through Brexit or a Labour government), the UK's position could deteriorate back to 1970s-style capital controls. But this is a fundamental misconception of the UK's 21st century position in the world – the same misconception shared by those Uber-Brexiteers who believe that the UK can succeed in today's world fending entirely on its own.

Neither the dire conditions of the 1970s, nor the 19th century global superpower position, are at all realistic prospects for the UK's medium-term future in today's interdependent global economy, of which the UK now makes up just over 3%. We would, however, agree with the BoE's view that economic growth is most likely to lag behind the Global pace as a result of the lingering uncertainty over Brexit detail and/or further political polarisation between the UK's metropolitan and rural parts of society.

This reflection on the medium-to-longer-term drivers of the current economic cycle leads us to answer the questions at the top with: 'not very likely'. Thus, a withdrawal from capital markets would likely result in similar opportunity costs as in the pre and post Brexit referendum period of 2016.

This does not mean that the remainder of 2018 and (in particular) the coming months will be plain sailing for investors. Capital markets have over the short-term the unfortunate habit of not following long term economic fundamentals, but sentiment swings around how the long term may or may not change relative to previous predictions.

Slowing economic growth, gradually returning (yet still benign) price inflation and the concern that Trump's high-risk policy approach may eventually cause collateral damage will at times sour market sentiment. And on the other side, (bullying) policy successes, continued economic growth, corporate earnings growth and measured but supportive central bank action will attract 'fast money' back into the market.

In conclusion, we expect that, following the extended 2016/2017 period of sustained capital market growth, sentiment will swing much more widely, with slightly more down- than upside risk in the coming months. By the autumn, we would expect it to have become clearer that the global economic expansion is continuing and the recent slowdown has been nothing more than yet another one of the numerous mini-cycles we have experienced since the end of the 2008/2009 GFC.

In such an environment, we believe the best way of adding value to the investment portfolios of our long-term investors is through the tactical asset allocation and fund selection positions as they are at work at the moment. We are therefore maintaining our emerging markets underweight in anticipation of the continued adverse effect of the rebounding US$ on these regions, as well as the overall equity underweight and cash overweight. The latter will provide us with the ability to buy into downside overreactions of the markets, while currently reducing the capital volatility experienced.

Iran Sanctions Spill into Oil Market

As widely expected, Donald Trump decided to pull out of the Iran nuclear deal this week. Advice from European allies and even multiple pats on the back from France's Emmanuel Macron weren't enough to dissuade the US President from unilaterally exiting an agreement which he called "decaying and rotten", and "an embarrassment".

Trump's animosity towards the deal Barack Obama helped create back in 2015 is well known. He bemoaned its inadequacies even before his election, and has repeatedly indicated a desire to quash the JCPOA (Joint Comprehensive Plan of Action – the deal's formal name) during his time in office. But while making that official won't be much of a surprise, it's still hugely significant.

It was followed by a ratcheting up of tensions between Iran and their regional enemy Israel. Shortly after President Trump announced his move, Syrian state media reported that it had shot down two Israeli missiles headed for an army base near Damascus. Then, Israel alleged that Iran fired rockets into the Israeli-occupied Golan Heights, prompting a swift and comprehensive strike response from the Israeli Defence Force (IDF). The cold war between Iran and Israel has been getting hotter in recent months – with Israeli officials repeatedly stating that Iranian military presence in Syria would not be tolerated – and many fear that the US' rejection of the JCPOA could be the catalyst for what might become a direct war.

All this has been cited as the reason behind the rally in oil prices this week. Brent crude rose to $77.48 a barrel by midday on Thursday, making for a 3.5% rise so far this week. Oil is now trading at its highest level in 3½ years.

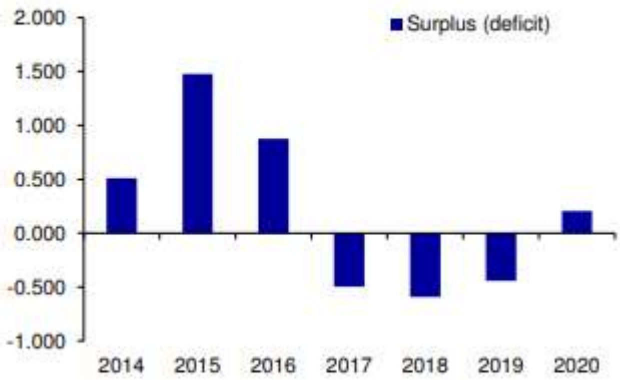
Given that Iran supplies around 4% of the world's global oil supply (according to Reuters), the resumption of US sanctions could have a huge effect. The sanctions have six months before they take effect, but some analysts already predict that Iran's oil output will fall by more than 1mn barrels per day.

Others expect a more modest fall in Iranian supply, particularly if the remaining JCPOA signatories can salvage the deal without the US. That remains to be seen, but the nature of the US sanctions puts it in serious doubt. The US' sanctions on Iran apply not just to Iranian companies but also to companies who deal with Iran. And as energy consultancy FGE says, "no one will realistically choose Iran over the US,"

However, even if Iranian supplies do fall that significantly, the effect on overall supply likely won't be as dramatic. As prices increase – particularly if they break through the $80pb level – the incentives for OPEC countries to cheat on their quotas become greater, particularly considering the similar supply drop-off from Venezuela. Saudi Arabia has already moved to assure oil markets that it would work to "mitigate" the effects of falling Iranian supply. In addition, the current price boom is leading to more and more production from the US shale industry. And unlike traditional producers, the shale pumps can be turned on and off extremely quickly, making them quicker to react to the higher profitability.

But the Iran effect might not have to be that large to still put upward pressure on prices. According to research from Deutsche Bank, even when factoring in only modest declines in Iranian and Venezuelan oil production, that still leaves the global oil market with a supply deficit for this year and next (albeit a slight one). As shown in the chart below, they predict a persistent supply deficit for next year that could push the oil price into the $80-95pb range.

Figure 6: Global oil supply demand imbalance (mmb/d)



Source: IEA data from Monthly Oil Data Service © OECD/IEA 2018, www.iea.org/statistics, Licence: www.iea.org/t&c; as modified by Deutsche Bank

We’re not so certain. With the global economy no longer accelerating, an oil price of around $80pb will be difficult to sustain. What’s more, it’s difficult to predict the dynamics of the oil market if prices move any higher than their current levels. While Russia and Saudi Arabia have committed to meaningful supply cuts which have helped to bolster prices, the agreement between them is shaky at best, and has a number of spots for a potential rift. The Iran deal is one of those, with Russia in favour and the Saudis strongly against. It could cause a split between the two oil producers, which would see them increase production.

Perhaps more importantly, the OPEC production cuts were founded on the goal of getting the oil price back up to at least a breakeven level for producers. Now that the oil price is at or above the breakeven level for many producers (especially Saudi Arabia), the will behind the supply cuts may drop away.

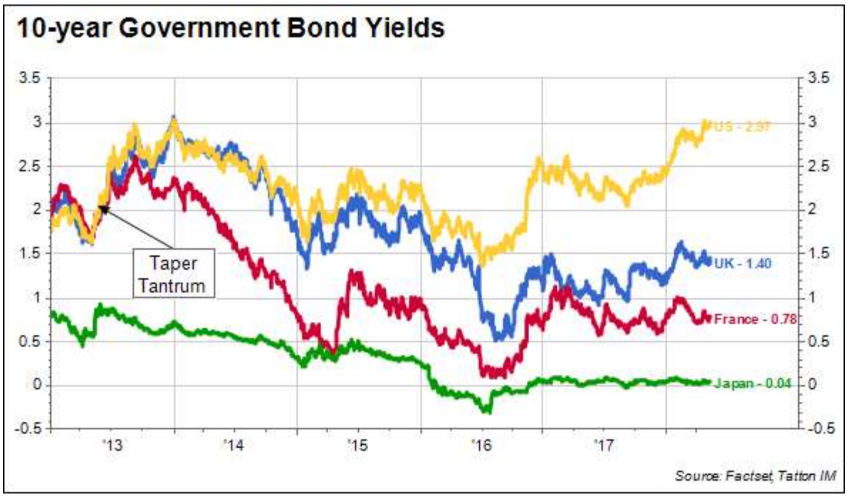
However, for all the supply soap-opera that dominates the oil news, the demand side will be equally important. Arguably, one of the main factors supporting prices over the past few months has been the massive uptick in demand from China – the world’s largest importer of crude. Last month, China imported 39.5mn metric tons of crude oil, the latest in a string of heavy months. Assuming that level of demand growth carries on in China, it will undoubtedly help support prices. But whether that demand is likely to continue is unclear. The International Energy Agency expects Chinese oil demand to slow this year compared to last, as the world’s second largest economy tries to wean itself off of fossil fuels.

Overall, we expect the price of oil to settle into a range for the time being, despite the developments in the middle east. The effects of Trump’s departure from the JCPOA will undoubtedly be profound over the long term. But in the short term we believe markets may be overestimating the effect it will have on the oil price.

Global Government Bonds: For the US, things have changed

Just over five years ago, on the 2nd May 2013, the yield on 10-year government bonds in the US, France and the UK were all at 1.65%. Three weeks later, after they'd risen to 2%, Ben Bernanke announced that the Federal Reserve would begin the process of ending quantitative easing. The "Taper Tantrum" began and, by the beginning of July, all three were at 2.5%.

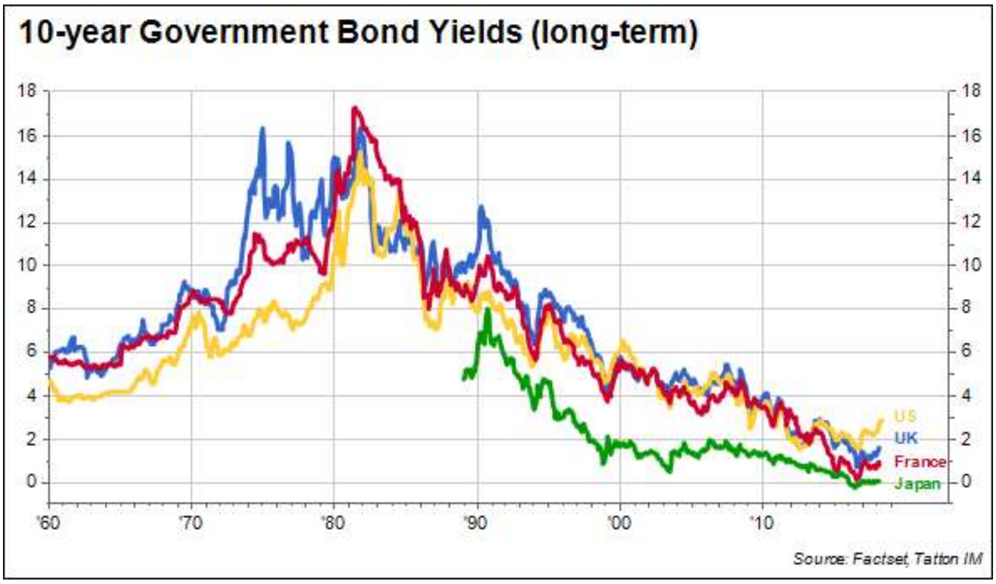
As the chart above shows, by September, they were higher again - but this time not all by the same degree.



European bonds faced downward pressure on yields and low growth resuming in the face of renewed pressure on banks. The European Central Bank moved to negative interest rates and massive asset purchases; "core nation" European bond yields fell while US and UK yields rose.

Through 2014 and 2015, the US and UK looked to be very similar. Still, as the chart shows, yields in the US didn't fall overall as much as in the UK. Given that our largest trading partner, Europe, was facing pressure, it was viewed as unsurprising at the time.

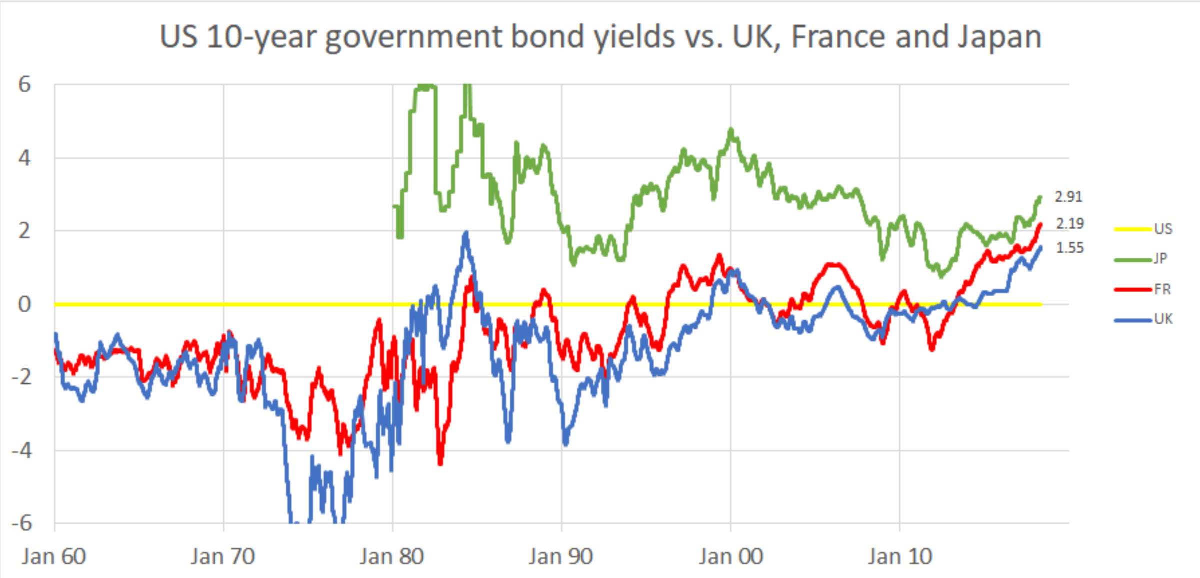
So here we are, in May 2018 with US yields back at the highest levels achieved during the "Taper Tantrum", but with the rest of the developed world a long way off.



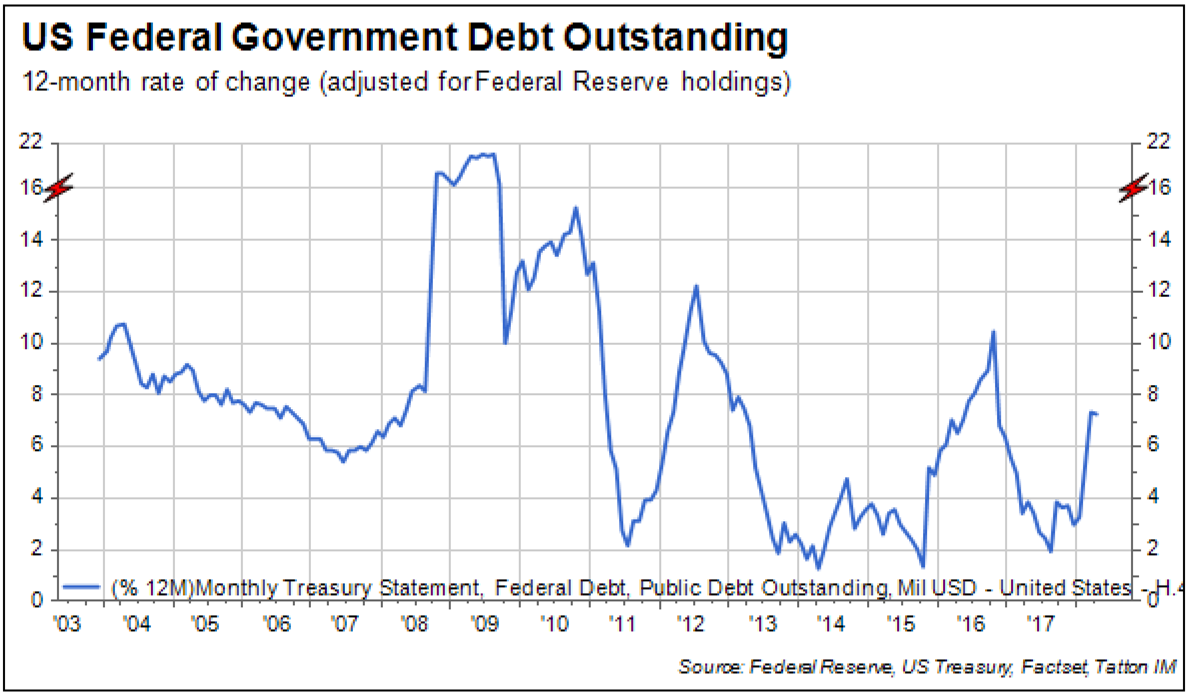
Is this unusual? If we look at the long-term chart, any oddity may be explained by the normalisation of yields from extreme lows, and the differences in timing of each economy's growth path.

Europe took much longer to get its banking system looking healthy, and the UK has its own interesting issues.

However, this rationale may miss something. The US government has enjoyed an ability to fund itself at rates below that of most other nations (with Japan the exception) for most of the post-WW2 period. The difference in yields over the long-term is interesting. The chart below (sourced from OECD and Factset) shows this:



The Federal Reserve has stopped "interfering" in the bond market, with its balance of bonds held now actually declining. Yet this alone isn't enough to create the situation we see. Rather, it's the supply of new issuance that has changed. The chart below looks at the change in the bonds freely available on a yearly basis. The US government has significantly bumped up bond sales:



One might note that yields rose in 2016, as did bonds outstanding and that the same has happened now. What is not shown on the chart is that the proceeds of issuance in that earlier increase probably didn't get spent in the US. It seems to have been unspent by the government for reasons possibly related to debt ceiling issues. However, those reserves have been drawn down now and Donald Trump's policy is definitely to use the money now, with tax cuts, infrastructure and defence spending.

The IMF believes public debt-to-GDP ratios for advanced economies will decline through 2023, except for the US. In their Fiscal Monitor published in April a spokesman said "the United States is the only country where the public debt-to-GDP ratio is forecast to go up, from 108 percent of GDP in 2017 to 117 percent in 2023." Tax cuts and consumer spending will spur that increase, he said. This is likely to exceed the Italian government debt load at that point.

The dollar has been the world's trading currency since WWI. The war left the UK with massive debts, and Europe with unstable politics so, after the removal of gold standard in 1933, the dollar took on the role of "reserve" currency. In effect, countries trading with the US could operate a surplus but were almost forced to hold a substantial part of that surplus in unconverted dollar assets – usually US government bonds. Thus, the US could expand its current account deficit through borrowing, and enjoy a beneficial rate for doing so because its trading partners would buy the debt.

The rise of China, in terms of its trade and political influence, is a growing threat to the US' beneficial reserve currency/debt circle. The internationalisation of the Renminbi is an oft-stated goal of the Xi Jinping administration. The expansion of access to Renminbi-denominated assets, both bonds and equities, is designed to make a ready home for what Xi hopes will be the significant reserves of its trading partners.

Many of those trading partners have been assiduously courted. Even China's old foe, Russia, seems to favour the Renminbi's reserve currency role.

Bloomberg reported this:

Vladimir Putin said to lawmakers on Tuesday after his inauguration for a record fourth term as president that a "break" from the U.S. currency is necessary to bolster Russia's "economic sovereignty," especially in light of recent penalties and what he called politically motivated restrictions on trade. "The whole world can see that the dollar's monopoly is precarious and dangerous for many," he said. "Our gold and currency reserves are being diversified, and we'll continue to do that further."

However, we shouldn't get too hung-up on what may be a rather indefinable outcome in the somewhat distant future. For the near-term, the US is growing quite strongly, is likely to continue to do so, and prepared to pay up for it. As we know from the past, bond buyers tend to like the interest first and worry about the consequences later (Greece is a good example – though I'm certainly not suggesting the US is in that camp). That probably means that overseas investors will be reasonably happy to buy dollar assets out of their own currencies.

The dollar strengthened during this week's largest ever set of treasury bond auctions; $73bn in gross issuance – $31bn in 3-years, $25bn in 10-years, and $17bn in 30-years. Although there was $33.9bn in maturing bonds, the net $39.1bn was easily digested.

The dynamic of higher dollar bond rates and a rising dollar causes pain but not (at least currently) for the US. The impact is being felt more in emerging markets. Global investor capital flows seem to be quite large out of both EM debt and equity, and that may have further to run.

It’s time to talk about technicals

Despite the best quarterly earnings season in over 7 years, markets have responded with a seemingly directionless apathetic shrug – neither rewarding beats nor punishing misses.

Earnings growth is known to be the real long-term fundamental driver of asset prices. Accordingly, analysts upgraded their forecasts as optimism over the global economy increased (accompanied by tax cuts in the US), but actual Q1 earnings delivery beat even those lofty estimates. And yet, investors still looked the other way.

So, if strong fundamentals can’t shake markets from their sideways slumber, what can?

A quiet, close-knit band of brothers and sisters known as Technical Analysts may have an answer.

Fundamental Analysts examine profit & loss statements and balance sheets, along with economic and other data to determine the intrinsic value of an asset. Fundamental Analysts would generally buy something that trades below that intrinsic value – believing it to be under-valued – and sell if it trades above this level, as it is considered over-valued or ‘expensive’.

Technical Analysts takes a slightly different approach. A trader (usually more short-term holders of investments) using technical analysis looks to identify potential opportunities by charting historic price and volumes of assets in order to predict likely future movements over certain periods of time – helping to determine when to buy, and when to sell. Technical analysis comes from Dow Theory (named after its creator analyst Charles Dow).

Charles Dow has two basic tenets:

- **Only prices matter:** Current asset prices fully reflect their fair value by discounting all presently known market information.
- **Prices don’t move randomly:** Their patterns and trends re-occur over time

Most consider fundamental analysis as the gold standard – a true ‘hard science’ if you will. An asset is priced according to its worth. This is true to an extent, but market’s do not reflect intrinsic worth; they reflect supply, demand and sentiment. For a technical analyst, it is not the stock’s value that tells you when to trade it, but the behaviour of the market. Opponents of technical analysis believe that sub-consciously we are programmed to follow familiar patterns; we can’t help ‘seeing’ patterns even if they don’t exist. For the sceptics, creating charts and looking for patterns is essentially investing by studying meaningless squiggles.

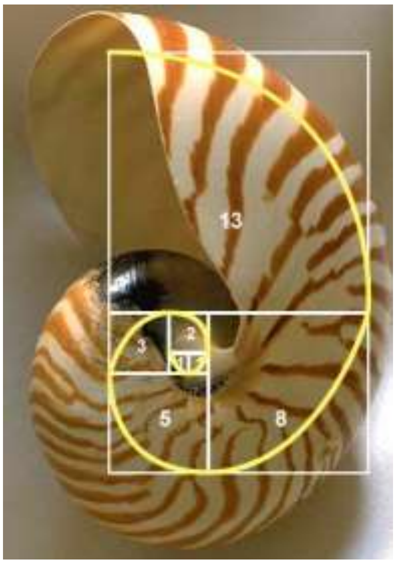
But if that were true, why is there a serious amount of money invested using different forms of technical analysis?

Just looking at the Hedge Fund world alone, Bridgewater founder Ray Dalio ($160 billion AuM), David Harding’s Winton Capital ($30 billion AuM) and Paul Tudor Jones’ Tudor Investment Corp ($11.6 billion AuM) all use various forms of TA as a basis for investment decision making. Even the ‘Quant King’, Jim Simons, founder of Renaissance Technologies, uses sophisticated technical signals, a result of advanced quantitative analysis of historic pricing and market data.

On that evidence, technical analysis is clearly important enough to keep an eye on, if only because of how much money will be following its signals. Like all forms of analysis, it can be taken to the extreme and is not a blind dogma. But it’s fundamentals are some fairly simple concepts like trendline analysis, moving averages (50, 100 & 200 days) and moving average convergence divergence to determine the strength of any positive of negative price trend. The key to looking for patterns or trends is to identify so called ‘pivot’ or turning points as agents of change that will inform investment decisions.

One of the most famous technical indicators stems from the world of mathematics. The Golden Ratio known as Phi (Φ) is derived from the famous Fibonacci sequence (seen below). This ratio is

Fibonnaci	Φ
1	
1	1
2	2
3	1.5
5	1.67
8	1.6
13	1.63
21	1.615
34	1.619
55	1.618
89	1.618
144	1.618



found everywhere in nature, controlling the spiral growth of snail shells or even leaf growth. From a technical perspective, the Golden Ratio or Fibonacci sequence is thought to play a role in governing human behaviour.

For example, a simple Fibonacci analysis on the US Dow Jones Index shows that prices seem to spookily obey the same ratio. Price action bounces between clear channels, then breaking above or below the next line of resistance or support.

This is not contradicting fundamental analysis, because technical analysis is not interested in the ‘why’. It is interested in extrapolating behaviour into predictive patterns to determine the ‘when’.

With that in mind, can technical analysis explain why strong earnings growth is not positively driving corresponding market gains? The recent consolidation in most developed equity markets appears to be nearing its end over the next few weeks, where prices are compressing within a smaller range.

Consolidation in markets acts like coiling a spring. As price movements in markets compress, the energy increases as the spring winds tighter. The theory is that this consolidation cannot continue indefinitely, and we have now reached a point of conclusion. When the pressure gets too great, the pent-up energy is released in the direction of a market ‘breakout’. Technical analysis is looking for which way the markets will move in a binary outcome higher or lower. It shows that, when compressions occur within a bull market, they have historically led to further upside.

The chart shows typical technical analysis of today's S&P500. Through the coloured squiggles, it might suggest a short-term reversal and a rally back to the 100-day moving average (dotted green line).

Earnings are set to continue this week and the chart shows that the market might be able to push through resistance (sloping dotted grey line), rally back towards levels from January, and potentially set up a rally to cycle highs.

There appears to be solid fundamental support for such a move. Just to re-iterate for those not watching Q1, US earnings have been an absolute avalanche: all 11 sectors have seen earnings beat expectations, having been led by Tech, Financials and Industrials, with 72% of companies beating forecasts on earning per share – the highest proportion since 2000. Furthermore, Q1 2018 earnings growth is tracking at +24% year on year, which is the best in over seven years.

So, does that mean we believe that we are looking for a summer rally? No, because no tool on its own gives the complete picture. Fundamental analysis works if you want to buy an asset and hold it, what it won't do is provide an idea of *when* to buy and *when* to sell. Reading the charts might not hold the investment panacea the technical analysts promote, but it can complement investment decision-making by providing the very thing missing from fundamentals: timing.

Sources for charts: IG Index, Google Images, Stockcharts.com

PERSONAL FINANCE COMPASS

Global Equity Markets

MARKET	CLOSE	% 1 WEEK	1 W	TECHNICAL
FTSE 100	7721.9	2.9	219.2	→
FTSE 250	20775.6	2.0	409.7	→
FTSE AS	4240.4	2.7	112.3	→
FTSE Small	5977.0	1.5	87.5	→
CAC	5541.9	0.5	25.8	→
DAX	12992.0	1.3	172.4	→
Dow	24831.2	2.3	568.7	→
S&P 500	2732.2	2.6	68.7	→
Nasdaq	6959.2	2.8	190.0	→
Nikkei	22758.5	1.3	285.7	→
MSCI World	2123.5	1.6	34.1	→
MSCI EM	1156.5	1.8	20.4	→

Currencies / Commodities

PRICE	LAST	%1W	CMDTY	LAST	%1W
USD/GBP	1.35	0.07	OIL	77.5	3.5
USD/EUR	1.19	-0.16	GOLD	1322.2	0.6
JPY/USD	109.39	-0.25	SILVER	16.8	1.4
GBP/EUR	0.88	0.25	COPPER	312.2	1.2
CNY/USD	6.33	0.47	ALUMIN	2335.0	0.6

Fixed Income

GOVT BOND	%YIELD	% 1W	1 W YIELD
UK 10-Yr	1.444	3.1	0.04
US 10-Yr	2.975	0.9	0.03
French 10-Yr	0.791	1.2	0.01
German 10-Yr	0.563	3.5	0.02
Japanese 10-Yr	0.047	4.4	0.00

Global Equity Market - Valuations

MARKET	DIV YLD %	LTM PE	NTM PE	10Y AVG
FTSE 100	3.8	13.9x	13.9x	17.1x
FTSE 250	2.7	15.4x	14.6x	17.0x
FTSE AS	3.6	14.0x	14.0x	16.6x
FTSE Small	3.1	11.5x	-	-
CAC	2.8	15.9x	14.6x	15.4x
DAX	2.5	12.8x	13.0x	16.9x
Dow	2.1	19.6x	15.8x	15.3x
S&P 500	1.8	20.6x	16.5x	17.5x
Nasdaq	1.0	26.2x	20.3x	20.2x

UK Mortgage Rates

MORTGAGE BENCHMARK RATES	RATE %
Base Rate Tracker	2.3
2-yr Fixed Rate	1.7
3-yr Fixed Rate	1.8
5-yr Fixed Rate	2.0
Standard Variable	4.14
Weighted Average Interest Rate (BoE)	1.7
Nationwide Base Rate	2.50
Halifax Standard Variable	3.99

Top 5 Gainers / Top 5 Losers

COMPANY	%	COMPANY	%
ITV	14.6	BT GROUP	-6.3
PEARSON	10.7	CENTRICA	-4.2
BHP BILLITON	9.4	RANDGOLD RESOU	-3.7
RBS GROUP	9.3	COMPASS GROUP	-3.0
INTL CONSOLIDATED A	8.9	ADMIRAL GROUP	-2.0

* LTM = last 12 months' (trailing) earnings; **NTM = Next 12 months' estimated (forward) earnings

For any questions, as always, please ask!

If anybody wants to be added or removed from the distribution list, just send me an email.

Please note: Data used within the Personal Finance Compass is sourced from Bloomberg/FactSet and is only valid for the publication date of this document.

The value of your investments can go down as well as up and you may get back less than you originally invested.

Lothar Mentel