



## 28 July 2009

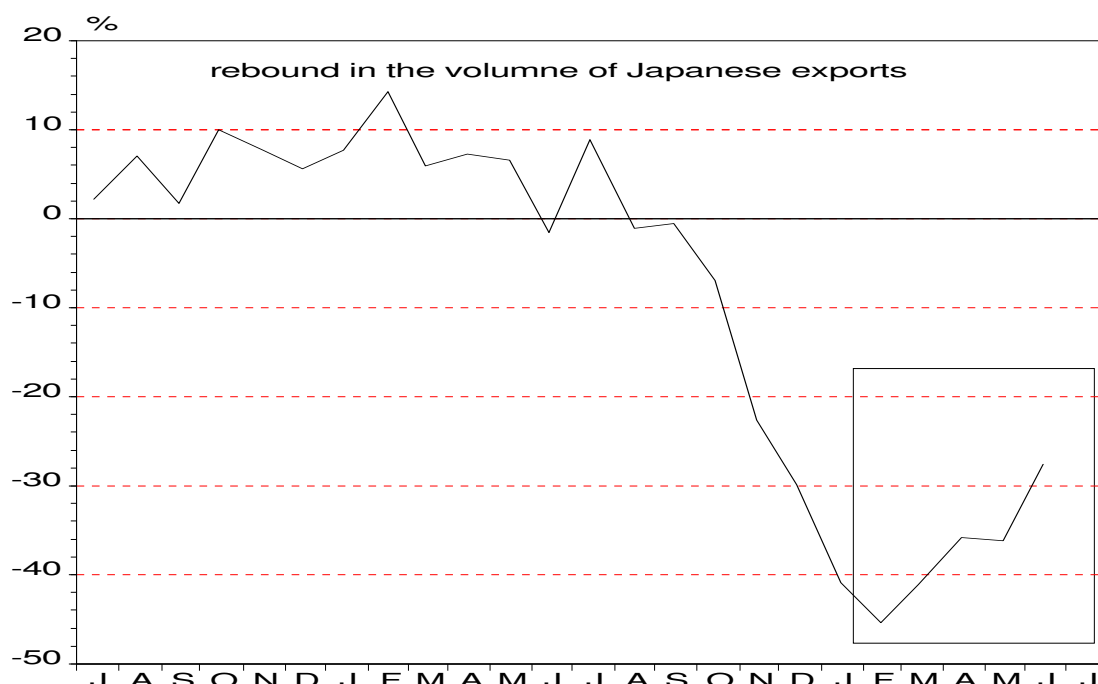
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## Source: DATASTREAM

onwards for the major economies. The latest set of earnings results for US companies also suggests that the corporate sector is leaving the worst of the recession behind. While top line growth remains mixed, bottom line growth is coming in stronger than expected. A lot of this is down to restructuring and cost cutting but this is how recoveries start and this one is starting.

So where will growth come from? First, from the stimulus from both monetary and fiscal policy, which is already visible in China and likely to come through in US second quarter GDP figures, which are not expected to be as bad as thought initially. For the third quarter, GDP is expected to show modest but positive growth. Interestingly, despite the rise in the unemployment rate, US consumer spending appears to be steady. While de-leveraging will inhibit the contribution consumers can make to economic growth, it remains the case that low interest rates continue to ease the burden of debt servicing. It is also the case that low inflation, indeed, negative inflation, is boosting real incomes for those in employment. Neither will last for long but long enough to help secure recovery.

Second, Asia - led China - is leaving recession behind. As forecasts for growth in Asia continue to be revised up, expectations for global trade will be revised up too. Japan exports more to China than to either the US or Europe and, with the focus of Chinese policy on the domestic economy, the major exporters, like Japan, stand to benefit. Indeed, as the chart below shows, the volume of Japanese exports is on the way up already.



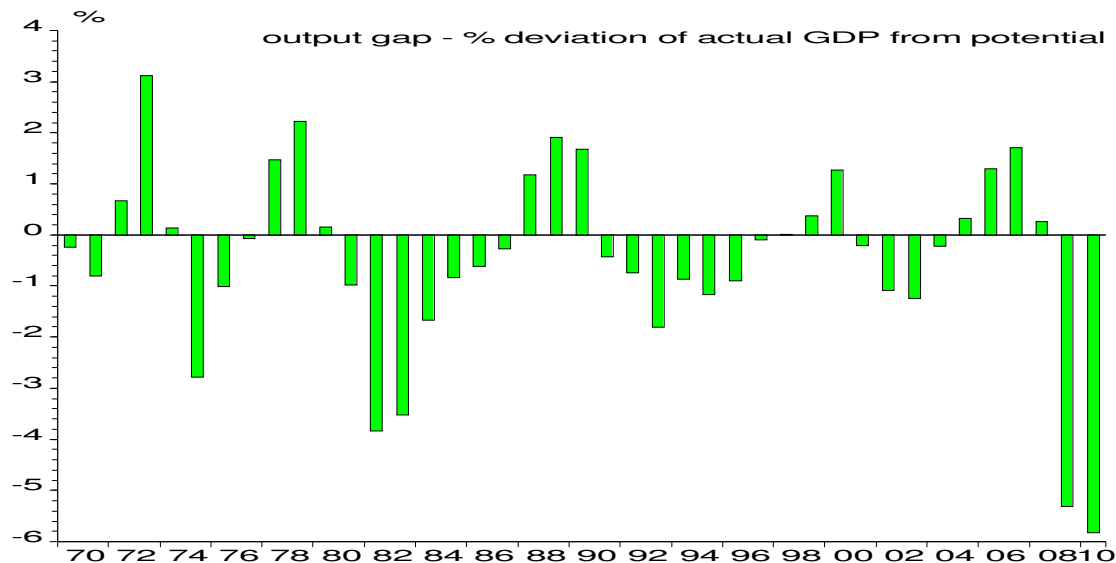
Source: DATASTREAM

Third, with profit margins on the rebound and the cycle of earnings revisions now swinging towards the upside, the outlook for investment and job creation will steadily improve. The rate of job shedding will continue to diminish and investment intentions will be revisited. The restructuring and cost cutting that is enhancing productivity and helping to boost profits (the bottom line) - even when demand growth and hence sales growth (the top line) has yet to shift up a gear - will open up opportunities for new investment and job creation programmes.

To sum up, the path back to trend growth for the developed economies may well be long, arduous and not without its disappointment, as Mr Wolf suggests. However, a recovery appears to be in the formative stages right now. It should be in full swing by the summer of 2010, if not before, a prospect now reflected in upward revisions to consensus forecasts for GDP growth, both in the developed and developing world. As indicated, China is leading the rest of Asia out of its recession. This is positive news for Japan. For the US, there is, as already noted, an increasingly likely prospect that GDP growth for the second quarter will be stronger than expected. Third quarter growth is expected to be modestly positive. Neither was considered a credible prospect three months ago. I suspect that this upward revision in expectations will be typical of the way things progress in the coming months. I also suspect that earnings will continue to surprise on the upside in the coming quarters. On that view, the balance of risks to the consensus view is on the upside for global growth

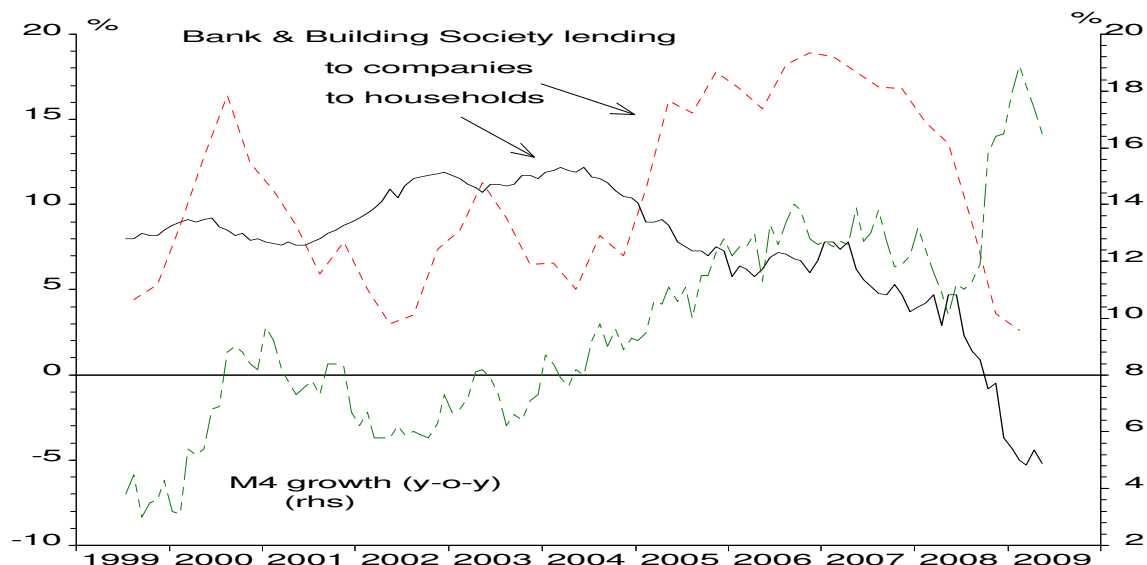
**2 - Reflation or deflation?** In responding to the shock of a financial system that lost its capacity to function, policy makers worldwide have been extraordinarily astute. The contractionary forces set up by the shock are not only disinflationary but ultimately deflationary and, because of this, the efforts of central bankers and governments have been directed at both stabilizing the financial system and reflation of the global economy.

However, the damage has been done - or rather was done. Recession has been under way and deflation is now in the numbers for the consumer price indices in the US, Eurozone and Japan (again) and in the Retail Price Index for the UK. Moreover, as the chart below shows, the output gap for the global economy for this year and next is, as forecast by the OECD, larger than in any previous recession since the 1970s, suggesting that the prevailing pressures on wage growth and inflation will remain downward for some while. Apart from any upward pressure on commodity prices resulting from the renewed strength of demand from emerging Asia, there is every reason for expecting core inflation - not just headline inflation - to continue falling in the coming months. We see core inflation below 2 percent in the major economies at least until the second half of next year.



Source: DATASTREAM

Our view has been that the policy makers will succeed in reflation of the global economy and the evidence is starting to point this way. What might hijack the effort? A good example of what might is to be found in the UK. As the chart below shows, broad money supply is or has been growing rapidly, which is consistent with the immediate objective behind the BoE's quantitative easing programme, but banks and building societies are still curtailing their lending. In the case of lending to households, the levels are contracting. For companies lending is barely growing.



Source: DATASTREAM

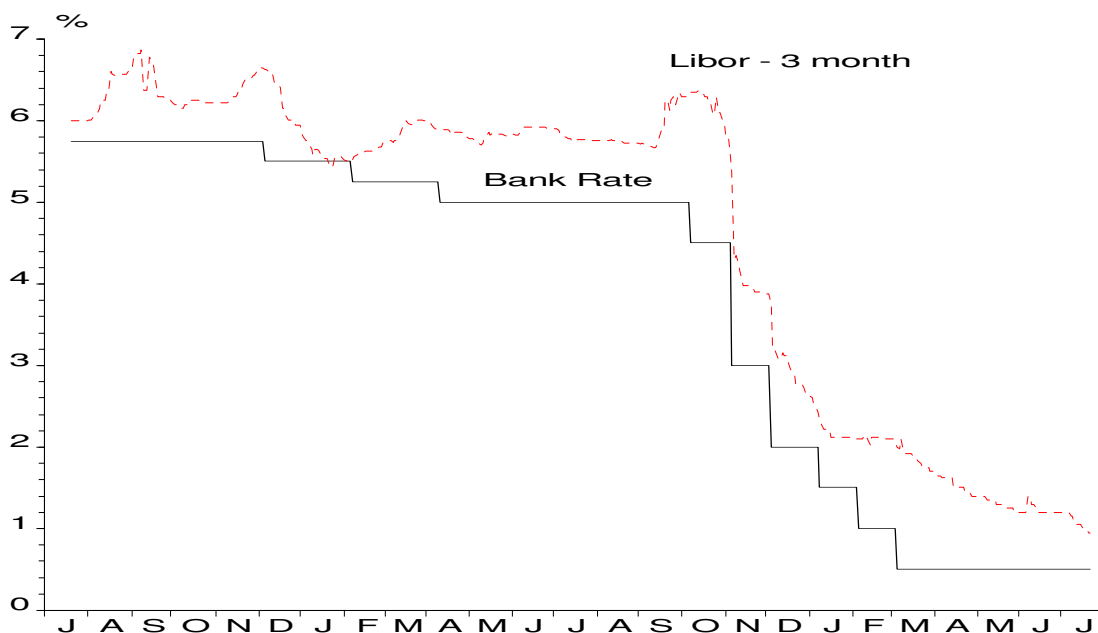
The downside then is that a lack of credit expansion could easily hinder or certainly slow the progress towards reducing the output gap. Recoveries are seldom without their setbacks and if the banks and building societies aren't lending, a relapse in economic activity could renew or extend the forces of deflation, as happened in Japan. Policy makers are very unlikely to take risks with such a prospect however remote.

**3 - Monetary and fiscal policy:** It is arguable whether the foundation for a recovery in Japan after the bursting of the first asset bubble was ever robust enough to secure or sustain an expansion in the first place. Inflation never really picked up. Inflation in Japan over the past two decades has averaged 0.5 percent compared with 3 percent plus in the US and the UK. With the global output gap being what it is, the salutary lesson from Japan's experience is that policy, particularly monetary policy, will need to focus on growth until the recovery is judged to be sturdy enough to be sustainable, but more on this later.

On the fiscal side of policy, the UK is not alone in being saddled with a projected fiscal deficit of over 13 percent of GDP for this year and next. The US is in exactly the same position and Japan with a budget deficit of around 8.5 percent of GDP is not far behind. The Eurozone is less strapped but its projected budget deficit of between 5 and 6 percent of GDP is still hefty.

On outstanding government debt as a proportion of GDP, this is expected to climb to the same levels in the US as in the UK over the next 5 years. The outcome will, of course, be dependent on the state of the global economy. The slow crawl back to trend growth that is widely expected suggests that governments will have great difficulty in relying on the automatic stabilizers as a means to reducing the large fiscal deficits that are expected. Governments are likely to come under pressure to force through fiscal rectitude sooner rather than later, meaning that they will attempt to rein in spending and raise taxes at the earliest opportunity.

In an environment where the outlook is for a 'slow and difficult recovery, dominated by de-leveraging and deflationary risks', a tightening of fiscal policies will require the maintenance of easy monetary policies. This need not mean that interest rates will stay at zero for ever but it does mean that the central banks will be cautious in withdrawing their policy stimulus including in this their CE and QE programmes, although the latter programmes are likely to be modified first. Again in recent testimony the Fed Chairman outlined how, when the time comes, the Fed's 'exit strategy' might develop but, importantly, he provided reassurance that extraordinarily low interest rates would be maintained for an extended period. As for the UK, we think Bank Rate will remain at 0.5 percent through to the end of this year and through to the spring, if not the summer of next year.



Source: DATASTREAM

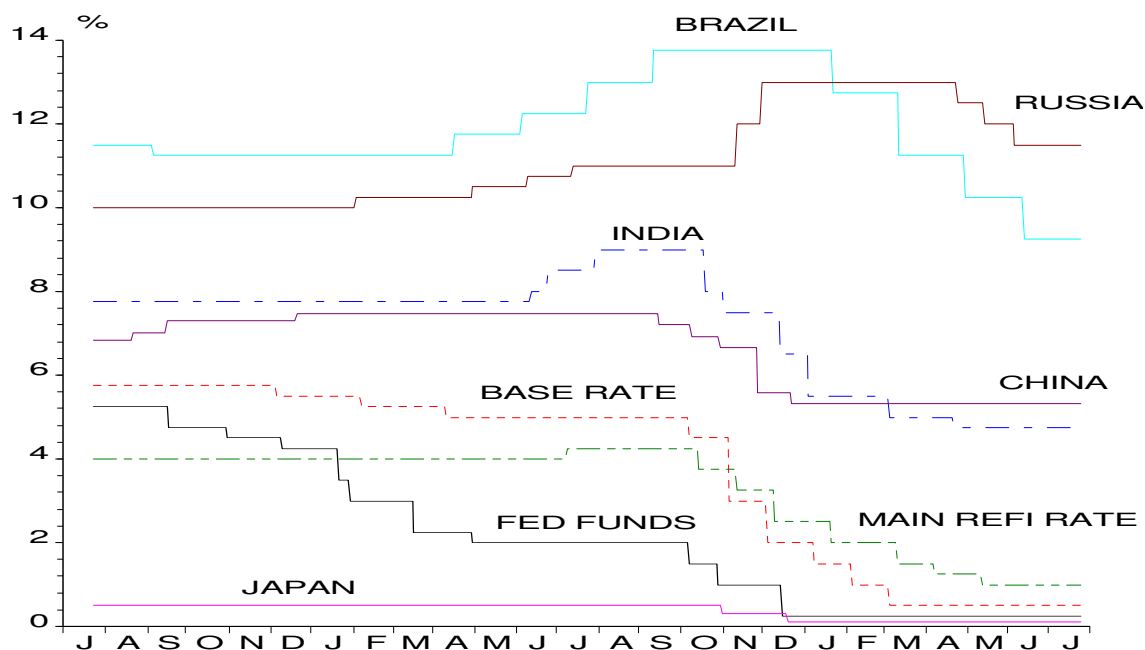
In the developing world policies vary considerably. China has held interest rates steady for some months now and is likely to impose some policy restraint on bank credit which has grown explosively. In a tactic applied a few years ago when the economy was overheating, the PBoC issued central bank notes as a means of draining liquidity and something like this might be re-introduced. There has been talk of the PBoC approaching a number of smaller banks to ask them to subscribe to such notes. In addition, the

PBoC might now choose to raise the reserve ratio requirement for all banks. However, interest rates are unlikely to be raised for some months yet.

Generally, monetary policy settings are mixed throughout the developing world but in emerging Asia, monetary policy easing has probably ended. The Reserve Bank of India is likely to put policy on hold but it is unlikely to take any further steps at this stage. The Bank of Korea is also expected to put policy on hold. Meanwhile, interest rates in other larger emerging markets, notably, Brazil and Russia, are expected to fall further and, within minor emerging markets of Europe and Latin America, interest rates are still coming down.

What's it mean for government bond markets? Governments in the OECD area are expected to issue something of the order of 12 to 13 trillion dollars worth of debt this year. Last year, they issued somewhere between 8 and 9 trillion dollars worth of debt. Next year, they will most likely be required to issue a similar amount to what they will issue this year. At least a quarter of this will be issued by the US Treasury. On the face of it, this is bad news for bond markets.

On the other hand, mitigating this is the state of global excess capacity and the implied disinflationary pressures. While central bank policies geared towards reflating the global economy may well be perceived as inflationary eventually, and hence bad news for bond markets, Japan's experience has been quite the contrary. Its lesson is that the maintenance of extraordinarily low interest rates for an extended period is needed to secure the foundation for a robust recovery and subsequent expansion. This means that, between now and then, yields in government bond markets are unlikely to rise very far.



Source: DATASTREAM

**4 - Exchange rates:** Late last year we took the view that sterling was very oversold and due for a rebound. This was the basis for the \$/£1.65 target for end 2009.

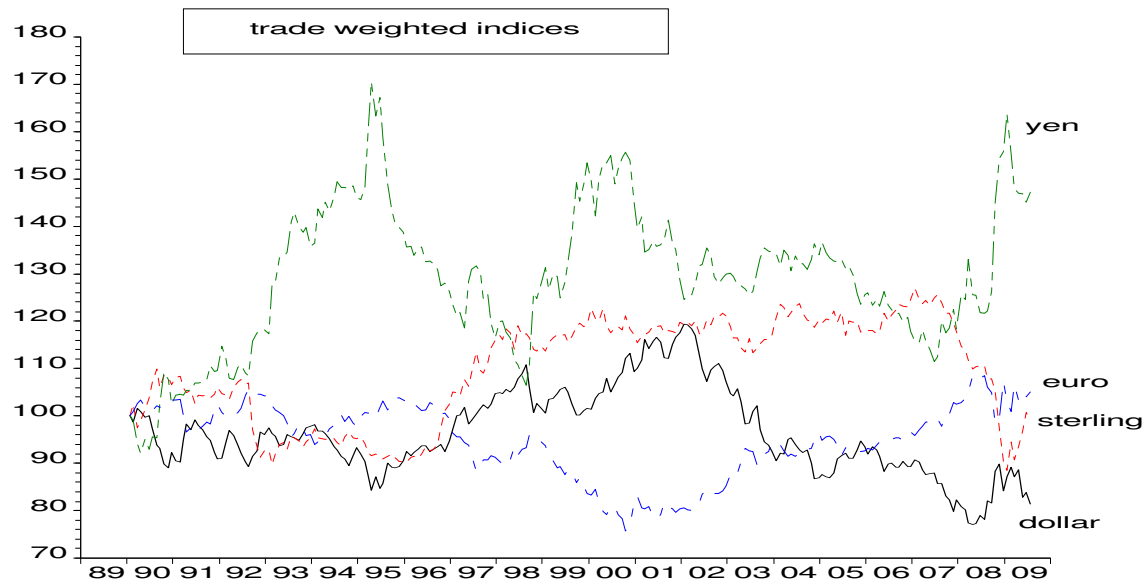
In view of the severity of the recession shared by the major economies and the general policy response across the major economies, our sense is that, on fundamentals alone, there is little to choose between the currencies. However, in choosing between the US, the UK, the Eurozone and Japan, only Japan is expected to run a current account surplus for this year and next. Germany and the Netherlands are expected to run a surplus too but the Eurozone as a whole is not. Japan is also plugged into emerging Asia more than other major economy and therefore stands to benefit almost immediately from the improving outlook for Asian growth. This would make the yen the currency of choice in the context of the global recovery.

Also, an improving outlook for the global economy reduces the 'flight to safety' argument in favour of the US dollar. Furthermore, if China gets anywhere with its attempt to lay the ground for an alternative global reserve currency system, this might alter the view the dollar's status as the premier reserve currency. However, that seems a long shot.

Since the sub-prime sell-off back in July 2007, the yen has outperformed the dollar, the euro and sterling on a trade weighted basis. But from the time of the rebound in global equity markets from their March lows,

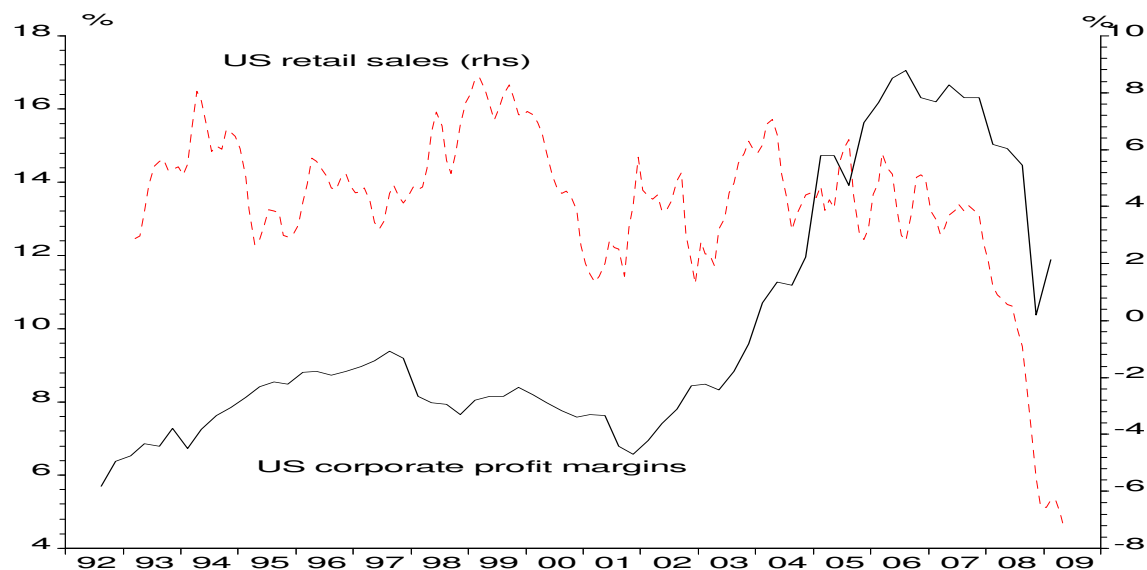
sterling and the euro have outperformed with sterling being the stronger of the two. This is in spite of the negative watch placed by Standard and Poor's on the UK's battered economy because of deteriorating public finances.

The yen has remained the strongest of the major currencies over the long term and its ties with the rest of Asia are a case for thinking the status quo will be maintained. In the short term, there would appear to be a purely random element at work for the currencies. We have indicated that fiscal policy is expected to tighten universally and monetary policy is expected to remain easy so that, as far as the currencies are concerned, there would seem to be no competitive edge attracting capital flows. Perhaps in the short term the bet remains with sterling whereas over the long term, we're talking still about the yen.



Source: DATASTREAM

**5 - Corporate earnings:** A recovery is not only expected but is already likely to be in the formative stages of developing. During the early or recovery stages of a cycle, profitability has tended to surprise on the upside, due largely, at least initially, to restructuring and cost cutting exercises which help boost productivity and profit margins, even when demand growth has yet to shift up a gear. The top line may remain under pressure but the bottom line improves. The following chart shows how US profit margins are already on the rebound even though the volume of consumer spending (i.e., US retail sales) is depressed.



Source: DATASTREAM

The consensus expectation is for earnings to decline pretty well everywhere this year but to rebound next year. In the US, the Eurozone and the UK, earnings are expected to grow by between 20 and 25 percent

next year after falling some 12 percent in the US, some 22 percent in the Eurozone and some 33 percent in the UK. We are now likely to see positive surprises and hence upward revisions for some these.

To take the US as an example, first quarter earnings were bad but they still came in a little better than expected according to Thomson Reuters which estimate that the surprise factor was positive for the first time since the second quarter of 2007. The figures for the second quarter of this year are now being reported and thus far, they have been generally ahead of expectations. The surprise factor will be positive for a second quarter. The trends that have been in place during past cycles are set to be repeated. As always there are risks but given that the balance of probabilities lies with a sustainable recovery, the likelihood is that the cycle of downgrading in earnings estimates has come to an end. A new cycle of upgrading is beginning and this is positive for risk assets, like corporate bonds and equities. It's also good for commercial property but more on that later.

## 6 – Re-rating risk assets: How far will the re-pricing of risk go?

What started at the end of last year in the corporate bond markets as a re-pricing of risk extended in March of this year to equity markets when they rebounded from their bear market lows. In fact it began before this in the transfer of relative performance away from defensives to the cyclicals in equity markets. As the chart below shows, the spreads in the corporate bond market began narrowing late last year but the move acquired momentum as the financial distress that so mesmerized markets in the final quarter of last year dissipated. Since then the focus of attention has shifted to the nature of the upswing in the cycle.

The conviction is growing that the corporate sector is leaving behind the worst of the recession and investors have been looking to the second quarter US earnings season for a confirmation of the better prospects ahead. In the developed world, the US economy is expected to register a modest but positive amount of growth for third quarter GDP. In the developing world, China is now pulling the rest of Asia, including Japan, out of recession.

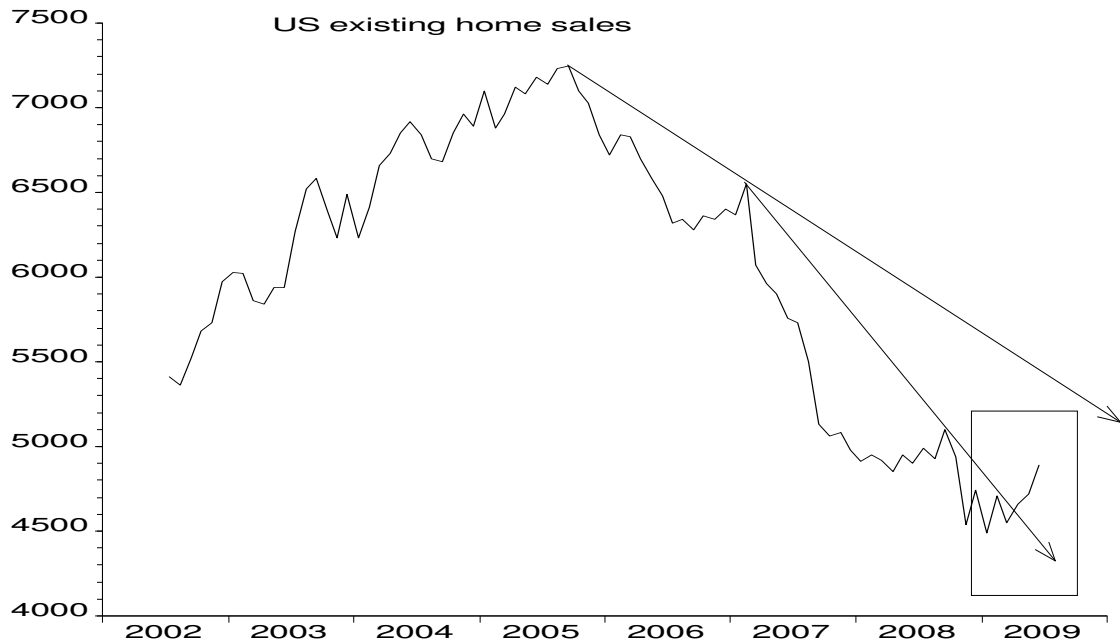


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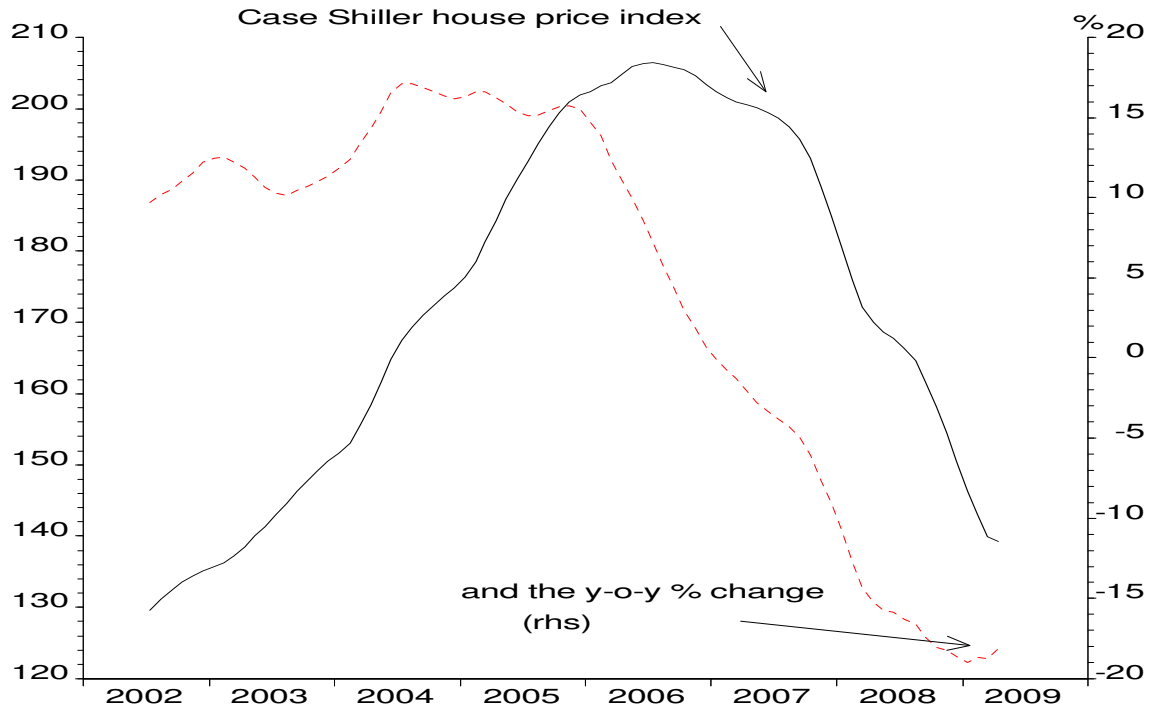
The outlook has suddenly been transformed - and telegraphed by the behaviour of the risk assets. As confidence grows risk premiums should decrease even further and balance sheet strength should improve. Balance sheet strength varies with asset prices which, in turn, are dependent on economic growth. However, growth itself, as we know from the financial crisis, is dependent on balance sheet strength. With wrecked balance sheets borrowers can't borrow - at anything but penal rates - and neither can lenders - like the banks - lend. But the improving set of prospects for the economic outlook should now gradually change this. Indeed, what lay at the very heart of the financial crisis is already changing for the better.

The financial crisis began in the summer of 2007 with the sub-prime sell-off. Depending on which series you use, house prices were already on the way down and mortgage delinquencies and foreclosures were on the way up thus undermining any mortgage backed security and, shortly after, any and all asset backed securities. Balance sheets were being wrecked. Borrowers couldn't borrow and lenders couldn't or wouldn't lend.

The evidence coming through now in the US is that the housing market is steadying. Housing starts have moved sideways rather downwards for six months now. The same is true of existing home sales which make up 85 percent of all home sales. In fact the recent trend here is now actually improving, as the chart below shows. New home sales have steadied since the start of the year. Delinquencies and foreclosures have yet to show any sign of topping but these are likely to lag for some time. That may weigh on the housing market for a bit longer but the pace of decline in house prices is decelerating, as the lower of the two charts shows. In the US, the housing market is one important area of the economy that is beginning to take on a more promising look.



Source: DATASTREAM



Source: DATASTREAM

This is undoubtedly welcome. It should strengthen even more the conviction about the recovery. Not only does it point to lower risk premiums and narrower spreads all round in credit markets but also to an improving outlook for asset backed securities and stronger balance sheets for both borrowers and lenders. It is reason for thinking that equity markets could now be set for another phase of re-rating, though this



time one based less on the view that financial disaster has been averted and more on the view that the global economy is entering the upswing of a cycle. It spells an improving outlook for profitability with upside surprises.

As the following chart shows, the spreads on investment grade debt have narrowed to where they were in June of last year. That is, they are now lower than they were just before the collapse of Lehman Brothers. It is doubtful that the spreads will get back to the levels reached before the sub-prime crisis. Investors may feel there is still too much downside risk to the outlook to push the bond markets this hard. However, the spreads could narrow another 100 basis points.

A little model I estimated showed that such a narrowing could add 7 or 8 percent to the S&P 500. This is before any allowance for the influence of earnings growth on the index. Not bad, but it still seems to be an underestimate. However, assuming a read across to the FTSE 100, such a narrowing of the spreads on its own could take the index up to 4800 from the current level of 4500. To sum up then, it would appear that the FTSE 100 is heading into a higher trading range of 4500 to 5000. Who knows, our year-end target of 5000 may still be achieved.



Source: DATASTREAM

**7 - Valuations in equity markets:** There are two points worth making at the outset. One is that, while valuations seldom count for much when earnings are being downgraded, they are more likely to count when earnings are being upgraded, although that wasn't so in the dotcom bubble - but then there weren't any earnings.

Second, if we are right in our view that the prevailing pressures will remain downward on inflation for some while and that the central banks will be cautious in their approach to back paddling on policy, then bond yields are unlikely to rise all that much as the recovery in the global economy develops - although they will rise. On this view of a limited reaction from government bond markets, the progress risk assets can make should not be greatly impeded.

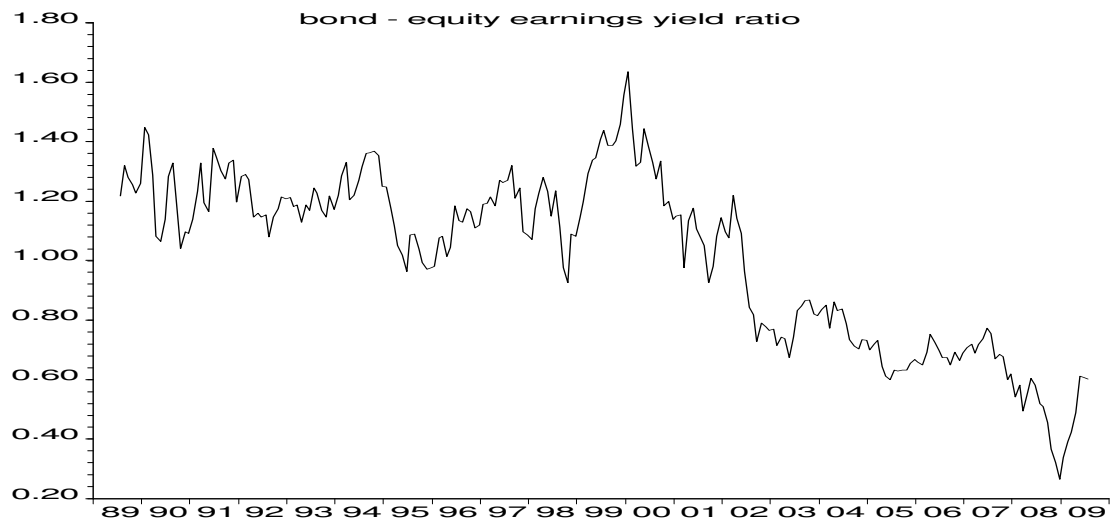
The top chart on the next page shows the 12-months forward p/e ratio for the MSCI World Index. On this metric, equity markets are by no means cheap in comparison to their valuation near the end of last year but neither are they expensive. The 12-months forward p/e ratio is back to where it was, more or less, at its low point during the bull market of the noughties. Given that earnings expectations are very likely to be revised up from here, there is scope for the market to re-rate further in anticipation of the earnings recovery that lies ahead.

Relative to government bonds the story is much the same. As the middle chart on the next page shows, equities looked cheap at the end of last year on the basis of the bond/equity earnings yield ratio. No longer are they as cheap relative to government bonds but they remain attractively valued.

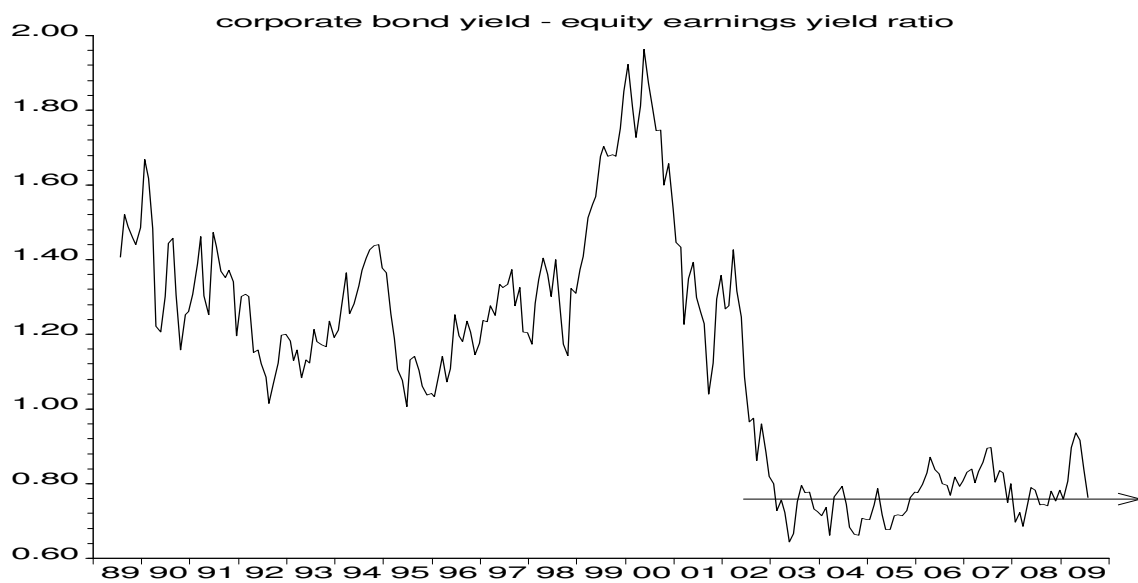
Looking at corporate bonds in relation to equities, the bottom chart on the next page shows a relevant bond/equity earnings yield ratio. On the face of it there is not a lot to choose between the two on this



Source: DATASTREAM



Source: DATASTREAM



Source: DATASTREAM

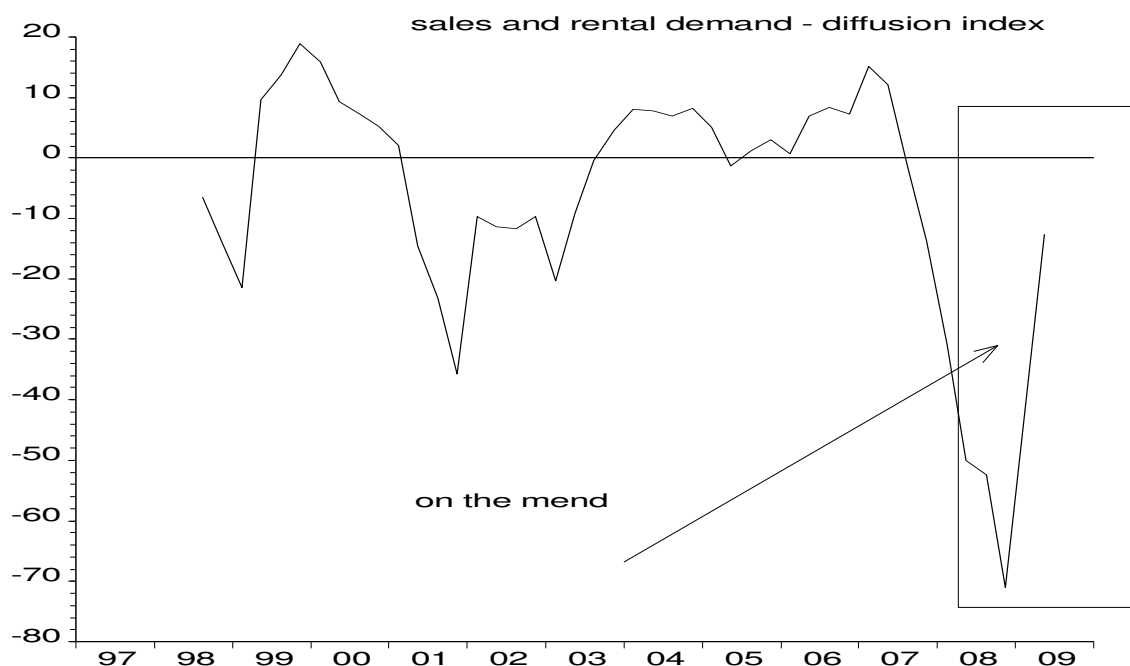
valuation metric. The ratio is just about average for the recent range, i.e., for the period during which the last bull market was in place, but in relation to where the ratio had been prior to that, the chart suggests that equities are inexpensively rated relative to corporate bonds.

The bottom line is that equities aren't cheap. They were cheap last October and their price was even keener in March. However, they are still attractively valued, especially on the view that the global economy is heading into the upswing of a cycle, the stage during which earnings can be expected to surprise on the upside. Corporate bonds still offer attractive yields - especially at the higher risk end of the markets - with the prospects of more capital gain to boot. The underlying picture for risk assets is changing rapidly for the better, suggesting that investors should feel more confident in the expectation that, over the course of the next 12 months, we could be talking about 10 to 15 percent returns.

**7 – Commercial Property:** Aside from the widely shared sentiment expressed by Mr Wolf on the prospects for the global economy, another widely shared consensus view is that the UK commercial property market will not show any recovery before the second half of 2010 and probably not even before mid-2011. It is worth making the point that, while commercial property may respond with a lag to an upswing in the cycle, the likelihood is that it will respond to the same sentiment that underlies equity markets.

The chart below shows the findings from the Royal Institute of Chartered Surveyors' latest survey on the UK commercial property market. There is now a marked improvement in sentiment here. While the trend in sales and rental demand is still deteriorating, it is, like many other things, doing so at a greatly reduced pace. With sentiment on the prospects for the global economy improving, the trend shown in the chart below is also likely to improve. Sooner or latter - and more likely sooner than later - rental property values will start climbing, not to mention the asset values themselves. While it may still be appropriate to underweight this asset class, the case for an extreme underweight position is now likely to be on weaker grounds than before.

In the UK sterling is still relatively competitive against the dollar. This could act as a stimulus to global investment flows into the commercial property market and enhance the rate at which the latter recovers.



Source: DATASTREAM

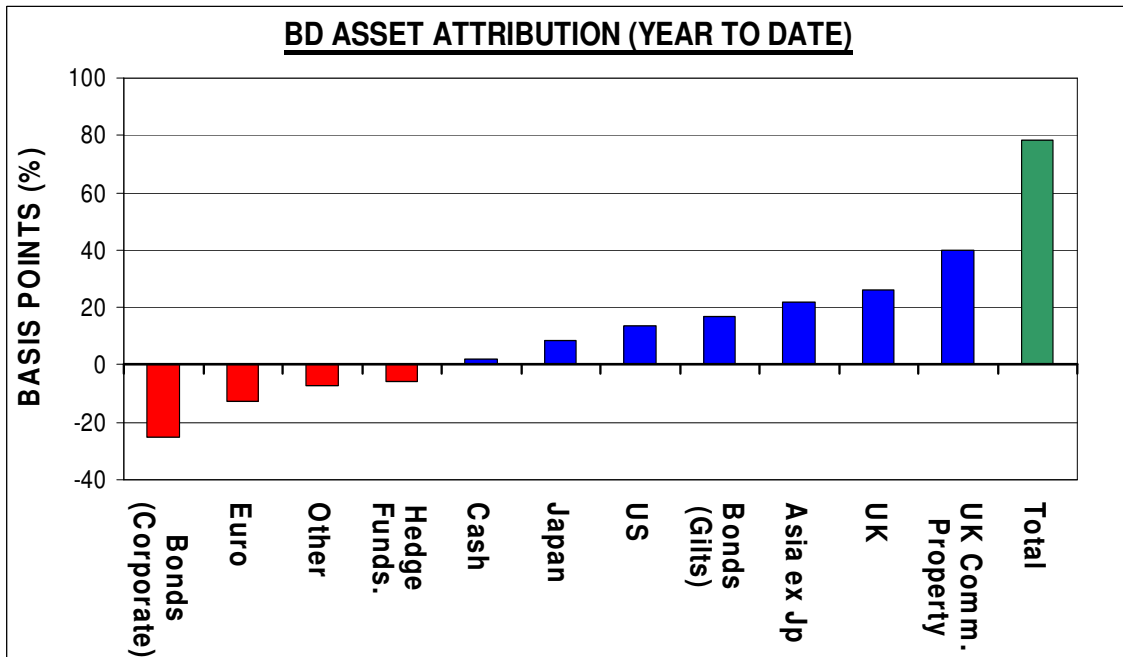
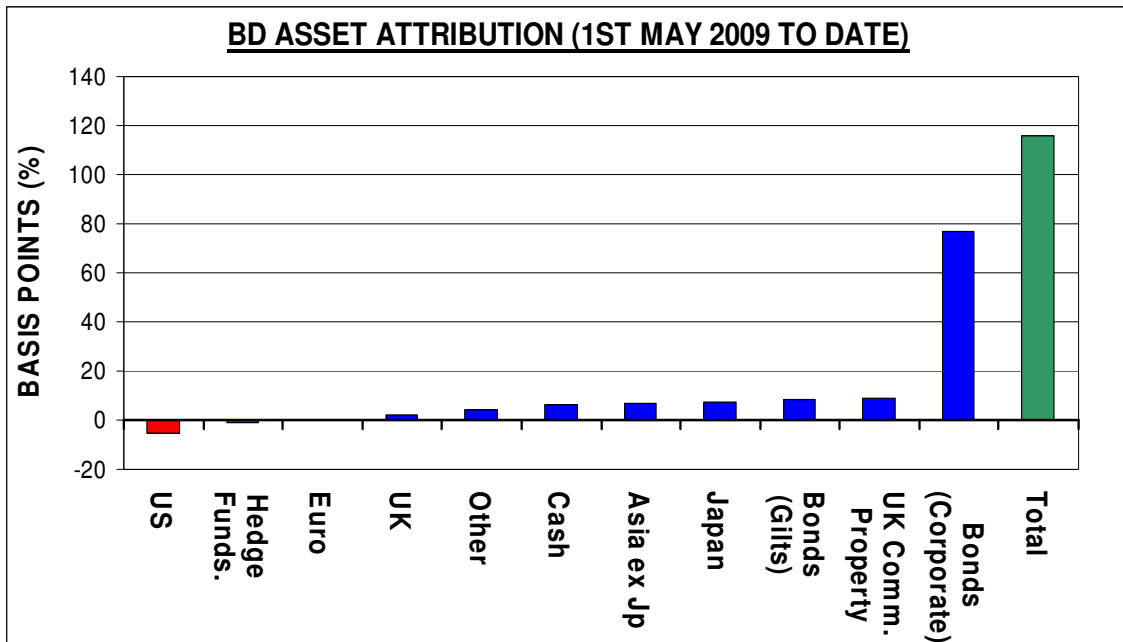
**8 – More spin or more re-rating?** Equity markets are overbought and probably running out of puff. So tactically, a correction or consolidation of sorts is to be expected. That said, bull markets climb a wall of worry and can easily drive indices, especially when volumes are thin, into overbought conditions, as is the case now. However, strategically, and on the basis of the preceding discussion, our view is that the equity markets are supported by an outlook for improving fundamentals and any serious bout of selling is likely to provide a buying opportunity. I indicated that the FTSE 100 is attempting to enter a new trading range of 4500 to 5000. I believe that something approaching the top end of that is on the cards and therefore do not wish to alter the year-end target of 5000 that I made for the FTSE 100 at the end of last year.

**9 - Asset Allocation:** Over the past months the Asset Allocation Committee has been positioning its recommendations for a sustainable recovery and the current recommendation includes overweighting corporate bonds and equities and underweighting cash, government bonds, hedge funds and commercial property, as shown in the table below.

Aside from the detail of it, the Committee's call on asset allocation has been broadly right in helping to add value as the two charts on page 13 show. They relate to the asset allocation attribution for the balanced portfolio with the APCIMS Private Investor Balanced Index as the appropriate benchmark, and show the results since May and from the start of the year. For the year to date the recommendations on asset allocation have added some 80 plus basis points of value. Since May, the corporate bond position (APCIMS has a nil weighting in corporate bonds) has really helped in adding value and has contributed most of the 116 basis points over and above the benchmark return. What the chart for the period since May also illustrate how being underweight in an asset class (commercial property, gilts and Japanese equities) can be just as important in adding value as being overweight (e.g., Asia ex Japan and the UK equity market).

Given the outlook described above, the asset allocation seems fit for purpose - but perhaps with one exception. The nil recommended weighting in commercial property may now be high risk. One doesn't want to jump the gun on this but a less underweight position may be more appropriate in light of the happier times ahead for the global economy.

Assets	Growth		Balanced		Income	
	APCM	BD	APCM	BD	APCM	BD
Cash	5	2	5	2	5	2
Bonds	7.5	11	20	25	37.5	39
of which						
Governments	7.5	4	20	17.5	37.5	35.5
Corporates	0	7	0	7.5	0	3.5
Equities	77.5	82	65	68	55	56.5
of which						
UK	47.5	50	42.5	43.5	45	45.5
Overseas	30	32	22.5	24.5	10	11
of which						
US	16	18	12	14	5.5	6.5
Euro	5.5	5.5	4	4	2	2
Japan	3	0	2.5	0	1	0
Asia ex Jp	2.5	8.5	2	6.5	1.5	2.5
Other	3		2			
Hedge Funds	7.5	5	7.5	5	0	2.5
UK Comm. Property	2.5	0	2.5	0	2.5	0
Total	100	100	100	100	100	100



# Macro Forecast, Earnings Estimates and Valuations – August 2009

<b>Table 2</b> <b>Macro Forecast</b>	<b>%</b>		
	<b>2008</b>	<b>2009*</b>	<b>2010*</b>
<b>Economic Growth</b>			
United States	1.1	-2.6 (-2.8)	2.1 (1.9)
United Kingdom	0.7	-4 (-3.7)	0.8 (0.7)
Euro Zone	0.7	-4.4 (-4.2)	0.4 (0.3)
Japan	-0.7	-6.2 (-6.6)	1.4 (1.3)
Asia ex Japan	6.2	3.7 (3.4)	6.5 (6.2)
China	9	7.7 (7.5)	8.7 (8.4)
India	6.4	6.3 (5.8)	7.2 (7)
Latin America	4.1	-2.5 (-2.4)	2.7 (2.5)
Brazil	5.1	-0.8 (-0.9)	3.4 (3.1)
Eastern Europe	4.2	-5 (-4.3)	1.9 (1.8)
Russia	5.6	-6 (-5)	2.6 (2.4)
<b>Inflation</b>			
United States	3.8	-0.6 (-0.6)	1.8 (1.7)
United Kingdom	3.6	1.8 (1.7)	1.8 (1.8)
Euro Zone	3.3	0.4 (0.4)	1.2 (1.2)
Japan	1.4	-1.2 (-1.2)	-0.6 (-0.6)
Asia ex Japan	6.5	1.5 (1.5)	2.9 (2.7)
China	5.9	-0.3 (-0.3)	1.7 (1.6)
India	8.7	6 (5.5)	6.1 (5.6)
Latin America	8.2	5.8 (6.1)	6.2 (6.2)
Brazil	5.9	4.3 (4.1)	4.2 (4.2)
Eastern Europe	11	7.4 (7.7)	6.4 (6.5)
Russia	13.3	10.7 (11.3)	9.1 (9.3)
<b>Central Bank Rates</b>			
United States	0.25	0 – 0.25	2.5
United Kingdom	2	0.5	2.5
Euro Zone	2.5	1	2.5
Japan	0.1	0.1	1
<b>BRICs</b>			
Brazil	13.75	8	9
Russia	13	10	10
India	6.5	4.75	5
China	5.31	5.3	6.1

<b>Table 3</b> <b>Equity market fundamentals</b>	<b>%</b>		
	<b>2008</b>	<b>2009*</b>	<b>2010*</b>
<b>Earnings</b>			
United States	-22.6	-12.1	26.4
United Kingdom	-31.1	-36.3	25.5
Euro Zone	na	-22.8	25.2
Japan	-115	na	105.2
Asia ex Japan	-23.1	3.6	3.1
China	-12.1	1.8	16.8
India	-8.6	12	18.3
Latin America	-0.9	-18.3	22.4
Brazil	-3.9	-13.7	23.2
Eastern Europe	-14.4	-38.7	21.3
Russia	-14.4	-40.1	23.9
<b>Price / Earnings Ratio</b>			
United States	14	15.9	12.6
United Kingdom	8.6	13.5	16.9
Euro Zone	9.7	12.6	10.1
Japan		36	17.5
Asia ex Japan	13.1	12.7	12.3
China	15.9	15.6	13.3
India	17.9	16	13.5
Latin America	10.7	13.1	10.7
Brazil	10.5	12.2	9.9
Eastern Europe	5.1	8.4	6.9
Russia	4.6	7.6	6.1

All figures except central bank rates are consensus forecasts. Those in brackets are from the preceding month. The figures are taken from Consensus Economics, Thomson Financial and Bloomberg. On the numbers blue denotes upgrades in the consensus numbers over the previous month; red denotes downgrades; green denotes no change.

## Exchange Rate Forecasts August 2009

End 2008	2009		2010	
	Cns	BD	Cns	BD
\$/£ 1.44	1.59	1.65	1.64	1.65
\$/euro 1.39	1.36	1.24	1.37	1.24
£/euro 97	86	75	84	75
Yen/\$ 91	99	120	100	100

\*On the numbers, purple denotes consensus; the green denotes BD forecast.

## IMPORTANT NOTES

The information contained in this report represents an impartial assessment of the value or prospects of the subject matter.

Graphs, performance data etc are as at the close of business on the day preceding the date of the note.

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