



15 February 2019

## Top insights from the City

According to Davos, these are the top risks we need to be aware of:

### THE GLOBAL RISK OUTLOOK FOR 2019

Types of Risks: ● ENVIRONMENTAL ● GEOPOLITICAL ● SOCIETAL ● TECHNOLOGICAL ● ECONOMIC

#### Top 5 Global Risks in Terms of **Impact**

- 1  Weapons of mass destruction
- 2  Failure of climate-change mitigation and adaptation
- 3  Extreme weather events
- 4  Water crises
- 5  Natural disasters

#### Top 5 Global Risks in Terms of **Likelihood**

- 1  Extreme weather events
- 2  Failure of climate-change mitigation and adaptation
- 3  Natural disasters
- 4  Data fraud or theft
- 5  Cyber-attacks

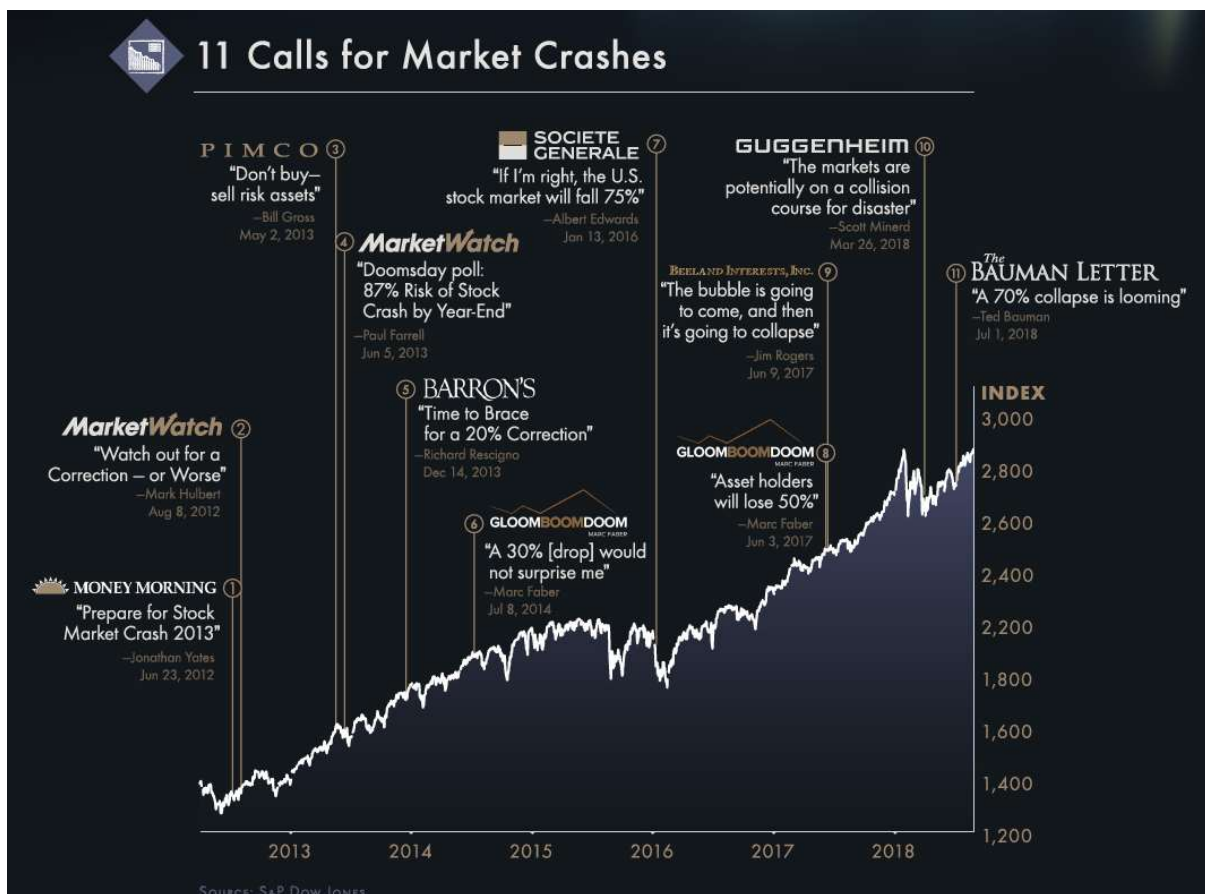
SOURCE: World Economic Forum – Global Risks Report 2019

We did fall off a cliff last year:



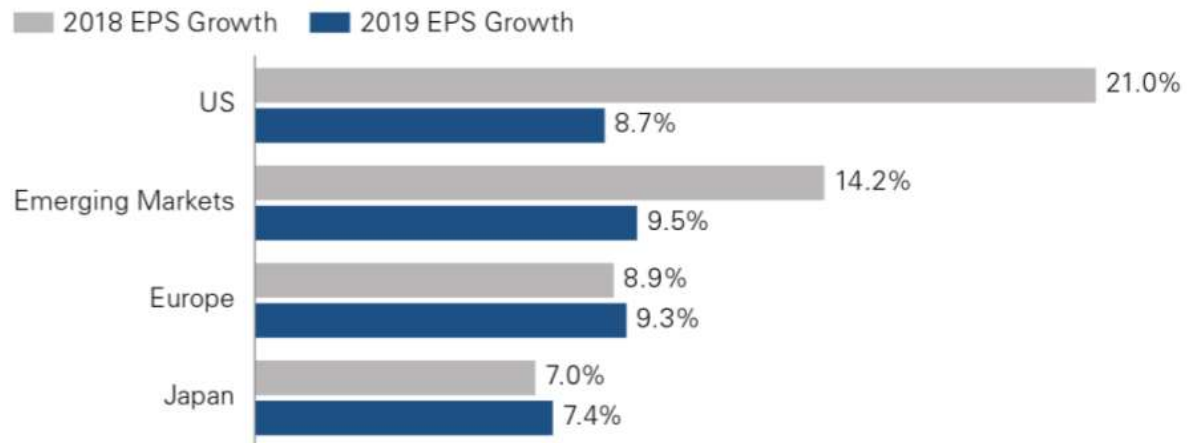
SOURCE: BLOOMBERG AND SAXO BANK

So, will all the people who keep calling for crashes be right in 2019 at last?

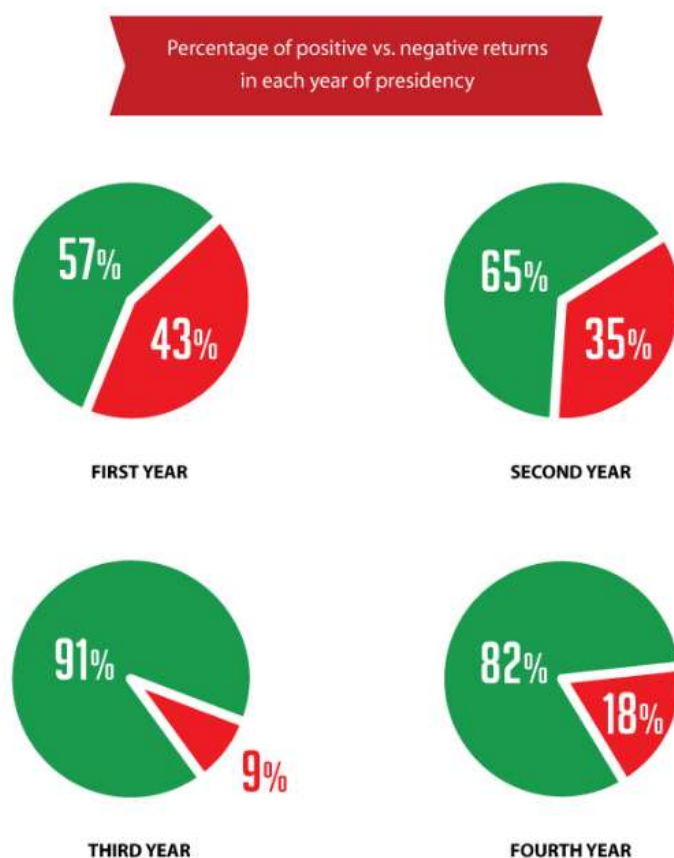


It's little wonder the US markets have had their 8<sup>th</sup> straight week of gains. Our expectations are lower, after last year's negative year for equities, and so, lower earnings growth will exceed those lowered expectations.

Equities will be supported by continued earnings growth

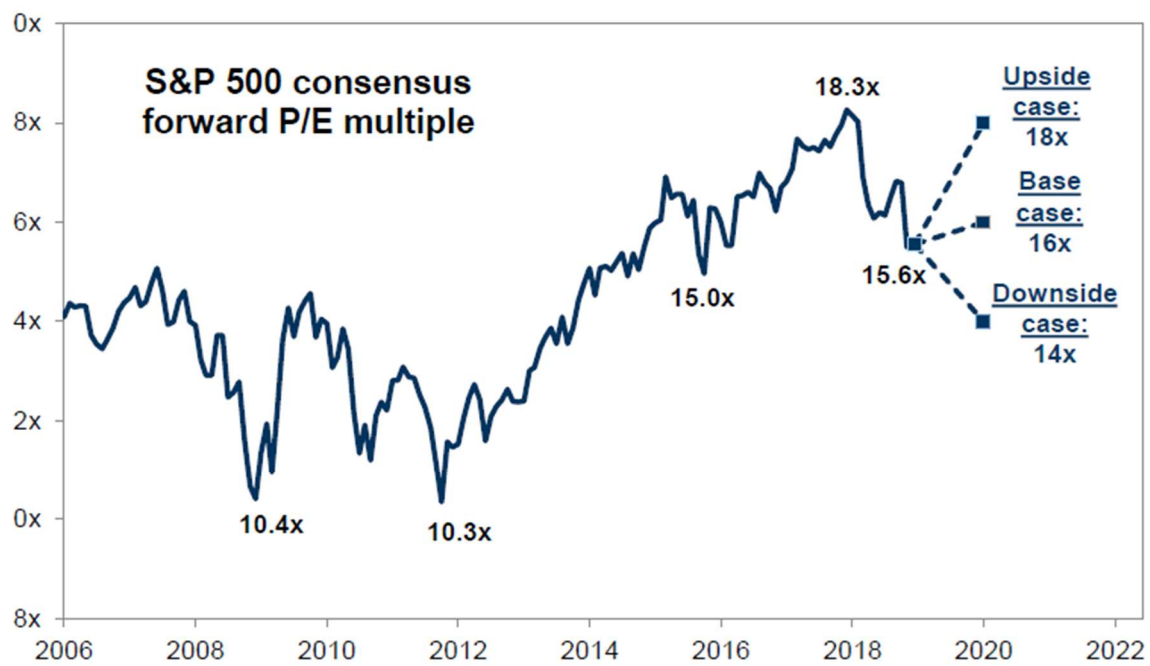


Source: Factset. As of November 24, 2018. Calculated using S&P 500 index for US, MSCI EM index for Emerging Markets, MSCI Europe index for Europe and TOPIX index for Japan.



## Exhibit 1: S&P 500 valuation under our 3 scenarios for 2019

as of December 13, 2018



Source: Compustat, Goldman Sachs Global Investment Research

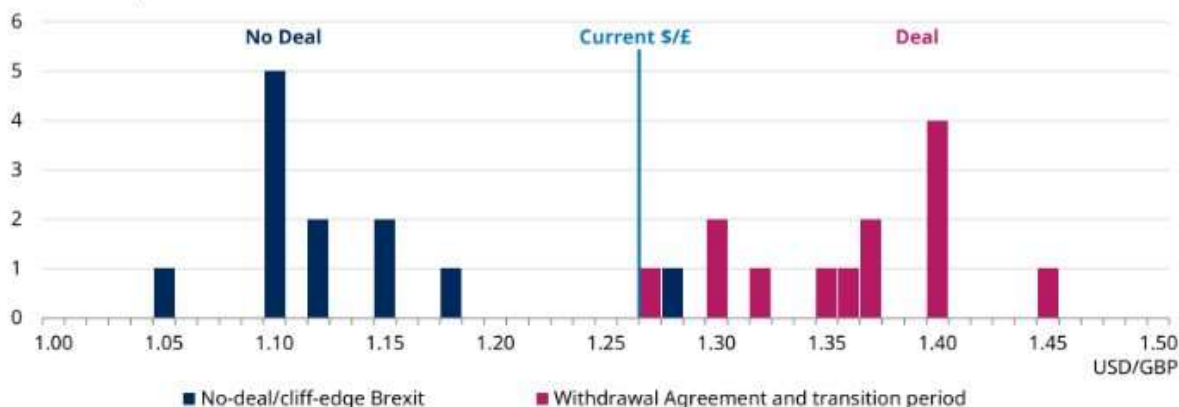
What of Brexit?

## Brexit Barometer

Sterling tracks likelihood of a deal

### Survey shows range of expectations for £ in different Brexit scenarios

Number of respondents<sup>1</sup>



Source: Schroders Economics Group, 22 August 2018. <sup>1</sup>Forecast respondents include: Bank of America Merrill Lynch, Experian Economics, EY ITEM Club, Economic Perspectives, HSBC, Société Générale, Commerzbank, Jefferies, IHS Markit, Pantheon Macro, Redburn, Goldman Sachs and Schroders.

## Equities

After last year's falls our Value Growth Income rating for FTSE 350 stocks shows quite a few at 9 and 8. This algorithm data mines for undervalued companies showing good year on year growth and dividend yields:

03 List: FTSE 350 - All sectors - Alpesh Table (Linked)				
No.	Name	EPIC	Close	Alpesh value/ growth rating
1	Britvic PLC	BVIC	£9.12½	9
2	Dunelm Group PLC	DNLM	£7.04½	9
3	Micro Focus International PLC	MCRO	£15.19½	9
4	Polypipe Group PLC	PLP	£3.96½	9
5	Redrow PLC	RDW	£5.82½	9
6	Admiral Group PLC	ADM	£21.40	8
7	Anglo American PLC	AAL	£19.34¾	8
8	Antofagasta PLC	ANTO	£8.71½	8
9	Barratt Developments PLC	BDEV	£5.63	8
10	British American Tobacco PLC	BATS	£26.89	8
11	Carnival PLC	CCL	£42.30	8
12	CLS Holdings PLC	CLI	£2.42	8
13	Coats Group PLC	COA	90p	8
14	CRH PLC	CRH	£23.06	8
15	Diageo PLC	DGE	£29.82	8
16	Direct Line Insurance Group PLC	DLG	£3.43¼	8
17	easyJet PLC	EZJ	£12.81½	8
18	EI Group PLC	EIG	£2.03½	8
19	Ferrexpo PLC	FXPO	£2.63½	8
20	Go-Ahead Group (The) PLC	GOG	£18.02	8
21	Greencore Group PLC	GNC	£1.92	8
22	Halma PLC	HLMA	£14.77	8
23	HgCapital Trust PLC	HGT	£20.00	8
24	Moneysupermarket.com Group PLC	MONY	£3.10	8
25	National Grid PLC	NG.	£8.42¼	8
26	Pennon Group PLC	PNN	£7.62¼	8
27	Persimmon PLC	PSN	£23.99	8
28	Rio Tinto PLC	RIO	£42.65	8
29	RPC Group PLC	RPC	£7.93	8
30	Safestore Holdings PLC	SAFE	£5.82	8
31	Spectris PLC	SXS	£25.70	8
32	Travis Perkins PLC	TPK	£12.16½	8
33	Vesuvius PLC	VSVS	£5.75	8



Check out how good some look:



## Indices

I will stick my neck out and say as Brexit uncertainty wains (and I will stick my neck out and say it will wain!) FTSE 350 will start moving up again.

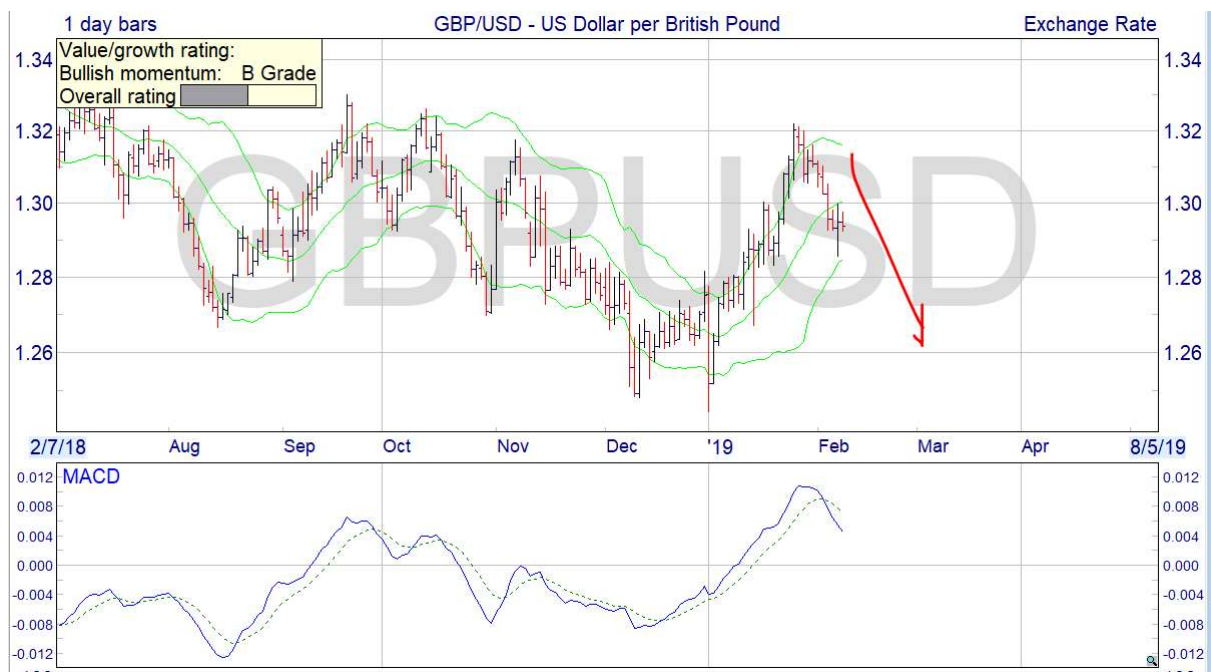


## Forex

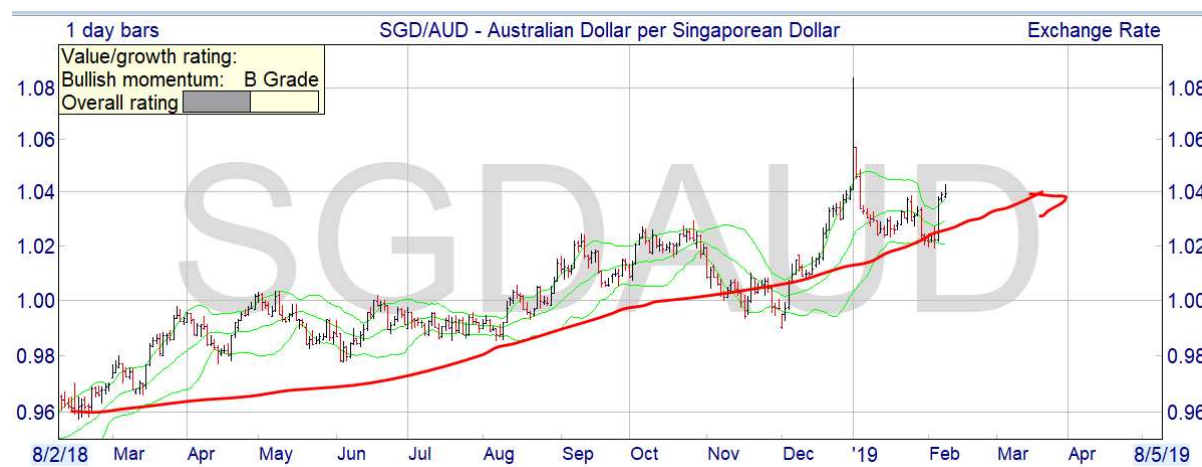
With such cataclysmic fundamental news to affect Sterling, I cannot argue 'there is an uptrend in place shown by higher lows). I will have to wait and see.



For now, I would say it's down!



Those watching my webinars know I love minor currencies such as SGD/AUD – this continues on an upward trend.



## Crypto











Some key cryptos getting more of a battering:

No.	Name	EPIC	Close	PEG	Price% 2 trading days ago
1	LTC/USD - US Dollar per Litecoin	LTCUSD	43.19		▲ 31.60
2	BNB/USD - US Dollar per Binance Coin	BNBUSD	8.08		▲ 0.75
3	EOS/USD - US Dollar per EOS	EOSUSD	2.77		▲ 16.39
4	XMR/USD - US Dollar per Monero	XMRUSD	48.94		▲ 13.55
5	ETH/USD - US Dollar per Ethereum	ETHUSD	119.49		▲ 14.32



## ETF

Interesting how ETFs have short and leveraged shorts too and which have soared. Warning short and leveraged ETFs are high risk!

No.	Name	Price% 3 months ago
1	Boost Palladium 2x Leverage Daily ETP	 49.53
2	ETFS 3X Daily Short Coffee	 41.45
3	Boost EuroSTOXX Banks 3x Short Daily	 28.43
4	Boost Silver 3x Leverage Daily ETP	 26.50
5	ETFS 3X Daily Long Silver	 24.95
6	iShares Physical Palladium ETC	 24.80
7	Boost Silver 3x Leverage Daily ETP	 24.77
8	Source Physical Palladium P-ETC	 24.55
9	Physical Palladium Source P-ETC	 23.33
10	iShares Physical Palladium ETC	 23.17

## Personal Activities

My co-presenters from Bloomberg TV had a reunion – women only!



With all going on in Brexit – I've been on air quite a bit!





I was also in Beautiful Beirut



Where I found this (not mine)





Not the quietest neighbourhood.



I managed to get 5 minutes for a selfie on a trip to Qatar.



And my favourite candidate for the US elections announced she will run for President!

