

# International Investor

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## World Stockmarket Forecasts

Stockmarket	One-Year Forecast	Fundamental Indicators	Technical Indicators	Monetary Indicators	Economic Indicators	Historical Performance (in US\$)			Share Index
						3 mths	6 mths	12 mths	
Australia	54%	Bullish	Bearish	Bullish	Neutral	-10.4%	-6.4%	-16.5%	4,111.15
Austria	45%	Neutral	Bearish	Bullish	Bearish	-16.1%	-4.0%	-38.7%	1,901.13
Belgium	45%	Neutral	Bearish	Bullish	Bearish	-12.2%	-5.5%	-28.8%	2,099.84
Canada	42%	Neutral	Bearish	Bullish	Bearish	-11.3%	-5.5%	-16.1%	11,500.63
Denmark	55%	Bearish	Neutral	Bullish	Neutral	-10.8%	+5.1%	-14.9%	426.59
Finland	47%	Bullish	Bearish	Bullish	Bearish	-21.2%	-12.0%	-35.2%	5,025.48
France	52%	Bullish	Bearish	Bullish	Neutral	-15.9%	-8.4%	-28.9%	2,299.09
Germany	54%	Bullish	Bearish	Bullish	Bearish	-15.0%	-4.2%	-24.3%	6,130.82
Ireland	51%	Bearish	Neutral	Bullish	Neutral	-11.0%	+4.0%	-7.8%	3,048.17
Italy	42%	Bullish	Bearish	Bullish	Neutral	-21.4%	-17.0%	-39.8%	14,404.47
Japan	36%	Neutral	Bearish	Neutral	Bearish	-11.6%	-3.2%	-10.2%	8,459.26
Netherlands	54%	Neutral	Bearish	Bullish	Neutral	-14.6%	-10.4%	-23.8%	291.73
New Zealand	50%	Bullish	Bearish	Neutral	Bearish	-6.6%	+3.3%	-13.6%	1,227.56
Norway	45%	Bullish	Bearish	Neutral	Bearish	-14.7%	-3.7%	-16.5%	356.47
Spain	50%	Bullish	Bearish	Neutral	Bullish	-23.9%	-28.2%	-42.6%	666.03
Sweden	47%	Bullish	Bearish	Bullish	Neutral	-14.8%	-3.1%	-22.0%	305.85
Switzerland	42%	Neutral	Bearish	Bullish	Bearish	-9.2%	-2.6%	-16.8%	5,869.32
Un. Kingdom	45%	Bullish	Bearish	Neutral	Neutral	-8.9%	-2.9%	-10.1%	5,435.08
USA	60%	Bearish	Bullish	Bullish	Bearish	-3.3%	+5.6%	+4.3%	1,325.66
Argentina	27%	Bearish	Bearish	Bearish	Bullish	-15.0%	-13.6%	-31.6%	8,099.35
Brazil	60%	Bullish	Bearish	Bullish	Bullish	-28.0%	-16.5%	-31.4%	54,429.85
Czech Rep.	52%	Bullish	Bearish	Bullish	Bearish	-18.2%	-5.4%	-39.7%	886.00
Chile	56%	Neutral	Neutral	Bullish	Neutral	-7.2%	+4.4%	-14.0%	20,898.60
China	45%	Bullish	Bearish	Bearish	Bullish	-8.4%	+1.6%	-7.0%	228.57
Greece	35%	Bearish	Bearish	Bearish	Bullish	-37.5%	-31.8%	-65.7%	492.69
Egypt	24%	Neutral	Bearish	Bearish	Bearish	-16.9%	+12.5%	-19.7%	4,489.55
Hong Kong	45%	Neutral	Bearish	Bullish	Neutral	-12.3%	-0.2%	-17.2%	18,502.34
Hungary	27%	Neutral	Bearish	Bearish	Bearish	-14.6%	-4.3%	-42.0%	17,019.75
India	59%	Bullish	Bearish	Bullish	Bullish	-14.2%	-3.4%	-26.1%	16,718.87
Indonesia	51%	Neutral	Bearish	Bullish	Neutral	-6.7%	-1.9%	-8.3%	3,825.33
Israel	30%	Bearish	Bearish	Bearish	Neutral	-0.7%	+0.1%	-20.5%	1,002.03
Korea	28%	Bearish	Bearish	Neutral	Bearish	-13.5%	-4.6%	-17.2%	1,835.64
Malaysia	61%	Neutral	Bullish	Bullish	Bearish	-6.0%	+6.4%	-4.3%	1,570.62
Mexico	28%	Bearish	Bearish	Bearish	Bearish	-10.2%	-2.3%	-8.8%	37,323.91
Philippines	76%	Bearish	Bullish	Bullish	Bullish	-1.5%	+16.7%	+18.1%	4,994.07
Poland	47%	Bullish	Bearish	Neutral	Neutral	-15.1%	-2.1%	-37.2%	38,526.59
Portugal	53%	Bullish	Bearish	Bullish	Bullish	-18.5%	-17.8%	-39.4%	1,902.27
Russia	31%	Bullish	Bearish	Bearish	Bearish	-29.0%	-8.5%	-39.8%	1,877.99
Singapore	57%	Bullish	Bearish	Bullish	Neutral	-9.7%	+2.3%	-14.2%	2,737.89
Sth Africa	64%	Bullish	Neutral	Bullish	Neutral	-10.7%	-0.2%	-12.8%	33,665.71
Taiwan	53%	Bullish	Bearish	Bullish	Neutral	-14.2%	+2.5%	-23.9%	6,999.65
Thailand	58%	Neutral	Neutral	Bullish	Neutral	-6.2%	+6.1%	+6.0%	1,127.10
Turkey	34%	Neutral	Bearish	Bearish	Neutral	-5.6%	+7.1%	-22.6%	57,300.02
Venezuela	53%	Bearish	Bullish	Neutral	Bearish	+48.7%	+106.5%	+196.7%	240,467.50

**One Year Forecasts** predict the probability that a stock-market will rise over the next year. Investors should seek to invest in markets with forecasts of 60-100%, while avoiding markets with forecasts of 0-40%. Bullish = Favourable. Bearish = Unfavourable.

# World Stockmarket Outlook

What makes stockmarket forecasting so difficult (or fascinating or frustrating!) is that most factors that determine *future* share prices are counter-intuitive.

Take economic growth, for example. Countries that experience strong economic growth over the long term will offer attractive investment opportunities. So there were a lot of growing companies in the United States, United Kingdom and Europe during the 20th century and one may also find growing companies in the new emerging markets. One is unlikely to find any attractive investment opportunities in failed countries like North Korea, Zimbabwe or Somalia.

So economic growth is correlated with investment returns *over the very long term*, but that relationship breaks down in shorter periods. Over the medium term (i.e. several years), economic growth rates can be *negatively* correlated to share prices!

Strong economic growth will draw money out of financial markets - raising interest rates and depressing share prices - to finance investment in the *real* economy (i.e. to build factories, buy plant and machinery, or perhaps unproductive assets like mansions, second homes and new cars, etc.). Slow economic growth, requiring little new investment in the *real* economy, can lead to financial bubbles, lowering interest rates and inflating share prices.

So strong economic growth is favourable for the stockmarket over the *very long term*, helping to boost revenue and profit growth, but can be unfavourable for share prices in the shorter to medium term. Slow growth can be favourable in the short to medium term - by inflating financial asset values - but may result in little growth in company revenues and profits over the longer term.

So even if one could accurately forecast future economic growth rates, the impact on stockmarkets is far from certain!

But even Central Banks - who manipulate the economy - don't have much success at forecasting future economic growth rates. Economic forecasts (and forecasting errors) lead to further counter-intuitive impacts on future share price movements. Usually when the economy is growing and people optimistically expect *future* economic growth and rising share prices, that optimism has already bid shares up to high valuations. Even with continued economic growth, share prices may not rise much further . . . and with any decline in economic growth rates, share prices may fall!

Similarly the pessimism that predicts economic recessions or depressions has probably *already* depressed stockmarkets to their ultimate lows.

So healthy economic growth and expectations of further economic growth and rising share values are often followed by *falling* share prices.

Economic recessions - with little hope of economic recovery (and no hope for shareholders!) - are usually followed by rapidly appreciating share prices. Shares don't appreciate to over-valued levels, but from extremely depressed "liquidation" values to depressed "going

concern" values - which is perhaps a 5-fold increase!

This is why our Forecasting model rates economic booms as Bearish (i.e. unfavourable) for future share prices and economic recessions as Bullish (i.e. favourable) for future share prices.

One of the best ways to predict *future* share prices is actually to avoid all attempts at *forecasting* economic activity, ignore all economic *expectations* and simply look at the market average Dividend Yield (see Pages 4-5). A low Dividend Yield shows a period of *high, overpriced* shares - even though this valuation will probably appear justified at the time owing to optimistic expectations. A high Dividend Yield will show *low, under-valued* share prices - even though the expectation at the time will be for more trouble ahead.

Investors need to ignore these expectations. As reasonable as they seem at the time, these widely held expectations are what drives stockmarkets to their highs and their lows.

Investors able to ignore these expectations may have noticed that Dividend Yields dropped to historical lows in 1999 and 2000 - a situation that might have suggested that share prices were too high!

Dividend Yields in most countries rose to very high levels in late 2008 and early 2009 - perhaps suggesting that share prices had dropped far too low?

Excluding the highs of 2008 and 2009, many Dividend Yields are now near their historical cyclical highs - suggesting that shares are around their historical cyclical lows. Many Dividend Yields (e.g. Japan, Canada, France, Australia, Germany) are well above historical levels - which may suggest that these shares offer their best value in living memory.

Unfortunately, investors will usually second-guess this simple (but reliable!) Dividend Yield indicator and prefer to over-think the situation. Investors bought over-valued shares in 1999 owing to the expected Golden Age of internet fuelled economic growth. The Dividend Yield indicator (like some very successful investors) is not smart enough to be able to forecast economic growth, so it was saying "Sell".

Investors sold under-valued shares in 2008/2009 owing to the coming Great Depression. The Dividend Yield indicator - with no opinion of future economic activity - was shouting "Buy".

Today the Dividend Yield indicator is again giving investors a clear "Buy" signal - but most investors will probably choose to avoid shares as they worry about the economic impact of the Euro crisis or the Sovereign Debt crisis.

There are a very large number of very smart people in the stockmarket . . . but sometimes the only smart decision is to admit that "I'm too stupid (along with everybody else!) to be able to accurately forecast economic activity". When one ignores the unpredictable factors it can become possible to focus upon stockmarket forecasting indicators (i.e. like the Dividend Yield indicator) that do actually have some ability to predict future share prices.

# Recommended International Investment Funds

## Convertible Note Issue

**Aberdeen Asian Smaller Companies Trust plc** has placed the full £35 million of 3½% convertible notes. Existing shareholders subscribed for £9.35 million.

The conversion price has been set at 830 pence - meaning that in May 2019 the note holders can choose (1) to be repaid £1.00 in cash or (2) apply that money to buy ordinary shares at 830 pence (i.e. £1000 of notes can be converted into 1205 ordinary shares).

The convertible notes (code AASC) are currently trading on market at around 105 pence. At that slight premium they offer a 3.3% fixed interest income yield for the next seven years. The notes have little risk (i.e. owing to the repayment option at 100 pence in cash) but would participate in any increase in the ordinary share

price above 830 pence (i.e. owing to the conversion option).

The ordinary shares currently trade around 722 pence - so would need to rise about 15% (i.e. to 830 pence) before the convertible notes start to increase in value.

Aberdeen Asian Smaller Companies 2019 convertible notes would be attractive for investors seeking to minimise risk, while earning a good income yield (i.e. 3.3%) and with the potential for good capital appreciation over the next seven years.

## Tender Offer

**Private Equity Investor plc's** tender offer worked out just slightly better than we anticipated. The tender price was set at 241.6557 pence (slightly higher than the 239 pence estimated), *(Continued on Page 6)*

Current Advice	Investment Fund	EPIC Code	Initial Recommendation		Prem/Disc to Net Assets	Recent Price		Gain or Loss %	
			--- Date ---	Offer Price		Bid-Offer or Last Sale	NZ Cents		
<b>Europe</b>									
BUY	Fidelity European Values plc	FEV	13/05/03	463.5p	1291.1	-14%	1030.0p	2068.7	+60
BUY	JPM European Smaller Cos	JESC	15/01/02	226.5p	765.8	-17%	610.0p	1225.1	+60
<b>United Kingdom</b>									
BUY	Aberforth Smaller Cos Trt plc	ASL	15/07/03	375.5p	1042.0	-15%	563.0p	1130.7	+9
<b>Asian Regional</b>									
BUY	Aberdeen Asian Small Coys	AAS	09/09/03	89.2p	247.8	+1%	722.0p	1450.1	+485
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		81.91p	164.5	+55
BUY	Henderson Asia Pac Capital	*	08/08/00	342.2p	1122.6		600.4p	1205.9	+7
BUY	Scot Oriental Smaller Coy	SST	11/11/03	121.9p	330.5	-6%	589.75p	1184.5	+258
<b>China</b>									
BUY	Henderson China Opportunities	*	09/07/07	548.9p	1410.4		564.35p	1133.5	-20
<b>India</b>									
BUY	First State Indian Sub-Cont.	*	13/12/10	209.2p	442.0		178.83p	359.2	-19
<b>Japan</b>									
BUY	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	-2%	179.0p	359.5	-18
HOLD	Fidelity Japan Values plc	FJV	10/01/06	126.0p	322.7	-15%	49.75p	99.9	-69
HOLD	Invesco Perp Japan Small Coys	*	13/07/99	61.3p	182.3		44.83p	90.0	-51
<b>Korea</b>									
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		231.1-244.7p	477.8	+128
<b>International</b>									
HOLD	Aberdeen Emerging Markets	*	13/08/91	61.7p	184.0		494.44p	993.1	+440
BUY	Herald Investment Trust	HRI	12/10/04	310.8p	820.1	-20%	473.0p	950.0	+16
BUY	Private Equity Investor plc	PEQ	11/12/01	122.5p	420.2	-30%	173.0p	347.5	-17

\* United Kingdom based Unit Trust

The average Gains/Losses of all current investments from initial recommendation is +82.8%. This is equal to an average annual rate of +7.7%, based upon the length of time each position has been held. The average annual rate of gain of ALL recommendations (both the 16 current and 48 closed out) is +10.7%.

## Other Shares and Warrants

An alternative investment to those recommended above includes **Aberdeen Asian Smaller Companies Trust 2019** convertible notes at 105 pence and **Fidelity Japanese Values** subscription shares (i.e. warrants) at 2.93 pence.

# World Stockmarket Valuations

Country	Dividend Yield	Price/Earn. Ratio
Australia	5.2	12.8
Austria	2.9	18.2
Belgium	3.5	40.1
Canada	2.8	17.2
Denmark	1.7	17.6
Finland	5.7	17.4
France	4.2	11.9
Germany	3.8	9.5
Ireland	2.1	15.8
Italy	4.5	NA
Japan	2.2	19.8
Netherlands	3.7	15.4
New Zealand	5.6	19.2
Norway	4.6	12.3
Spain	6.3	9.7
Sweden	4.2	13.2
Switzerland	2.6	14.5
Un. Kingdom	3.8	11.0
USA	1.8	16.8
Argentina	1.4	13.4
Brazil	4.5	6.1
Czech Rep.	7.6	12.5

Country	Dividend Yield	Price/Earn. Ratio
Chile	2.8	19.7
China	2.5	9.3
Greece	2.4	NA
Egypt	3.7	14.4
Hong Kong	2.9	8.8
Hungary	3.7	12.6
India	1.7	14.7
Indonesia	2.8	14.3
Israel	1.0	45.1
Korea	1.3	8.4
Malaysia	3.2	15.9
Mexico	1.6	20.6
Philippines	2.2	17.8
Poland	5.9	7.9
Portugal	7.2	14.5
Russia	3.6	3.1
Singapore	4.5	11.3
Sth Africa	3.5	14.0
Taiwan	4.6	18.7
Thailand	3.2	15.4
Turkey	2.7	3.7

United States Dividend Yield



United Kingdom Dividend Yield



Japan Dividend Yield



Canada Dividend Yield





**France Dividend Yield**



**China Dividend Yield**



**Switzerland Dividend Yield**



**Brazil Dividend Yield**



**Australia Dividend Yield**



**South Korea Dividend Yield**



**Germany Dividend Yield**



**India Dividend Yield**



## Recommended International Investment Funds

(Continued from Page 3)

resulting in the trust repurchasing 16.9% of its capital.

As expected, most shareholders (i.e. 97%) tendered at least the basic allocation, so the trust repurchased just 0.61% of excess shares tendered. Investors tendering all of their shares will have had about 17.4% repurchased.

Equally importantly the *market* price of Private Equity Investor shares fell back from 185-188 pence to around 173-178 pence, allowing us to re-invest the cash from the tender at lower prices and therefore buy a larger number of shares on-market.

We re-invested our tender money at 178 pence, buying 4 shares on-market for every 3 shares sold back to the company in the tender. That increased the number of shares held by 5.78% (up from the 4-5% estimated previously) with no net cash outlay.

### Share Repurchases

**Fidelity European Values plc** made five on-market share repurchases over the last four weeks, acquiring a total of 280,071 shares and returning £2.85 million to investors.

### Private Equity Investor plc



**JPMorgan European Smaller Companies** made two share repurchases on-market, buying back 115,000 shares for £706,190.

# Recommended Funds

## Geographic Portfolio Spread

Fund Name	Size (Mil)	Leverage (%debt)	Top 10 Hldgs (%)	Portfolio invested in (%):												
				Cash	HK	Australia	Malay	Taiwan	Korea	Sing.	Thail'd	Phil.	China	India	Indo	
Aberdeen Asian Sm Coy	£274	19	33.9	0.5	16.8	1.6	19.3	-	0.8	11.2	13.2	7.7	-	11.5	Indo 8.6	
Baring Korea	£175	Nil	46.9	2.5							97.5					
First State Indian Sub-Cont	£230	Nil	43.8	0.3										98.7	Sri Lanka 0.8	
Henderson China Opps	£594	Nil	39.9	1.1	83.0					1.9			7.2		US 6.9	
HSBC Asian Fund	£39	Nil	31.9	4.0	16.9		2.8	14.0	24.2	5.2	5.0		15.8		Indo 4.1	
Hend Asian Pacific Cap	£226	Nil	34.6	1.9	22.4		3.9	6.7	18.9	0.8	6.6		23.3	2.9	Indo 5.7, US 6.9	
Scottish Oriental Sm Coys	£213	11	19.0	11.0	9.0		9.0	12.0	10.0	15.0	7.0	4.0	14.0	1.0	Indo 5.0	
				Cash USA UK			Europe Japan Other									
Aberforth Small Cos Trust	£707	10	27.6												100.0	
Baillie Gifford Shin Nippon	£68	17	32.1	2.0											98.0	
Fidelity European Small Co	£506	Nil	36.8	5.0											95.0	
Fidelity Japan Values plc	£57	Nil	29.3	7.0											93.0	
Herald Investment Trust	£522	10	24.6	7.0	22.2	63.3		2.3		5.2						
JPMorgan Euro Small Coys	£353	18	28.5	7.0											93.0	
Invesco Perp Japan Small	£34	Nil	33.9	4.5											95.5	
Private Equity Investor plc	£54	Nil	-	29.0	71.0											
				Cash Asia			Latin Amer			Africa Europe & Middle East						
Aberdeen E/Markets	£3200	Nil	34.4	2.5		51.9		28.8			5.2		11.5			

**Fidelity European Values plc's** largest country investments are in Switzerland (19% of the portfolio), France (17%) and Germany (15%), with smaller holdings in Denmark (7%), Netherlands (6%), Sweden (6%), Norway (5%), Belgium (5%), Italy (3%), UK (3%), Finland (2%), Spain (2%), Turkey (1%), Luxembourg (1%), Czech Republic (1%), Portugal (1%) and Brazil (1%).

**JPMorgan European Smaller Companies** has its largest investments in France (15% of the portfolio), Switzerland (14%) and Germany (13%), with smaller holdings in Sweden (10%), Netherlands (10%), Italy (8%), Denmark (8%), Norway (5%), Finland (4%), Ireland (2%), Belgium (2%), Spain (1%) and UK (1%).

# Listed Investment Trust

## Warrant Analysis

### Review of Existing Warrants

**Aberdeen Asian Income** shares fell 1.9% to 183 pence over the last three months, with the warrants (code AAIW) 12.7% lower at 55 pence.

These warrants continue to offer a high leverage and low *Break-Even* rate of -5% (i.e. the share price could fall 5% per annum and the warrants would still be worth their current market value). This remains an attractive leveraged investment in Asian stockmarkets.

The final exercise/expiry date is 31 May 2013 - giving another 11 months for Asian stockmarkets to rally and create further value in these warrants. "Hold".

### Aberdeen Asian Income



Warrant	Current Share Price	Warrant Exercise Prices	Years & Months to Expiry	Current Warrant Price	Black-Scholes Value	Warrant Over/Under Valued (%)	Share Volatility	Warrant Leverage	Warrant Share Price 5%pa	Warrant Share Price 10%pa	Warrant Share Price 20%pa	Warrant Return(%p.a.) from Break-Even Rate
<b><u>GOLD &amp; MINING</u></b>												
BlackRock New Energy	29.8p	50.0p	0-6	0.38p	0.00p	+26613	0.232	66.5	-100.0	-100.0	-100.0	+187%
BlackRock New Energy	29.8p	59.0p	2-1	0.38p	0.12p	+216	0.232	11.8	-100.0	-100.0	-100.0	+39%
<b><u>INTERNATIONAL</u></b>												
Henderson International	94.3p	100.0p	2-2	4.75p	9.53p	-50	0.200	5.7	+0.1	+74.5	+167.1	+5%
JPMorgan Emerging Mkts	518.5p	460.0p	0-1	70.00p	59.91p	+17	0.272	8.5	-82.2	-73.6	-46.5	+30%
JPMorgan Emerging Mkts	518.5p	543.0p	2-1	70.00p	75.13p	-7	0.272	4.1	-32.4	+12.5	+71.4	+8%
<b><u>LATIN AMERICA</u></b>												
Aberdeen Latin American	91.3p	120.0p	3-6	8.50p	4.79p	+77	0.179	6.6	-100.0	-4.0	+68.4	+10%
JPMorgan Brazil	83.4p	100.0p	1-0	12.38p	3.01p	+311	0.240	9.6	-100.0	-100.0	-99.5	+35%
<b><u>UNITED KINGDOM</u></b>												
Artemis Alpha	278.0p	345.0p	5-6	41.25p	39.45p	+5	0.217	3.6	-13.5	+22.3	+52.0	+6%
Henderson Opportunities	399.0p	936.0p	1-8	2.60p	2.89p	-10	0.346	8.1	-100.0	-100.0	-100.0	+69%
Perpetual Income & Gth	255.7p	218.9p	1-2	33.50p	40.78p	-18	0.121	6.0	+45.1	+80.8	+149.6	-1%
Schroder UK Growth	118.3p	129.0p	0-1	1.50p	0.74p	+103	0.281	55.1	-100.0	-100.0	-100.0	+226%
<b><u>FAR EASTERN</u></b>												
Aberdeen Asian Income	183.0p	120.0p	0-11	55.00p	64.14p	-14	0.179	2.8	+32.9	+49.9	+84.2	-5%
Fidelity Asian Values	172.8p	191.0p	0-11	7.37p	11.98p	-38	0.278	7.1	-100.0	-100.0	+88.4	+16%
JPMorgan Asian	175.0p	203.0p	1-9	10.50p	19.79p	-47	0.311	4.4	-100.0	-44.4	+107.8	+12%
Schroder AsiaPacific	222.0p	245.0p	0-6	4.67p	8.91p	-48	0.270	11.1	-100.0	-100.0	-100.0	+26%
<b><u>JAPAN</u></b>												
Fidelity Japan Values	49.8p	55.0p	0-8	2.93p	2.58p	+14	0.272	8.9	-100.0	-100.0	-74.5	+26%
<b><u>HONG KONG / CHINA</u></b>												
JPMorgan Chinese	124.5p	168.0p	0-11	2.50p	4.32p	-42	0.329	7.8	-100.0	-100.0	-100.0	+41%
<b><u>THAILAND</u></b>												
Aberdeen New Thai	314.3p	200.0p	0-7	113.75p	115.66p	-2	0.271	2.7	+14.9	+29.4	+59.8	-0%
<b><u>INDIA</u></b>												
JPMorgan Indian	323.2p	291.0p	1-6	49.00p	67.53p	-27	0.318	3.5	+10.3	+40.8	+95.4	+3%

# World Stockmarket Capitalisations

The world's total stockmarket capitalisation rose - up US\$1,968 billion or 3.8% - over the three months to the end of April 2012.

The United States rose 6.6%, lifting its share of the world's total from 32.03% to 33.90%. China rose 7.8%, lifting its share of the total from 6.69% to 6.94%.

Country	Market Capitalisation (US\$ Billions)	Percentage of Total	Country	Market Capitalisation (US\$ Billions)	Percentage of Total
United States	17,878	32.90	Turkey	251	0.46
China	3,774	6.94	Norway	245	0.45
Japan	3,760	6.92	Belgium <sup>2</sup>	244	0.45
United Kingdom <sup>1</sup>	3,140	5.78	Philippines	203	0.37
Hong Kong	2,608	4.80	Israel	170	0.31
India	2,322	4.27	Poland	161	0.30
Canada	2,040	3.75	Ireland	124	0.23
France <sup>2</sup>	1,651	3.04	Austria	96	0.18
Germany	1,374	2.53	Peru	95	0.17
Brazil	1,304	2.40	Luxembourg	68	0.13
Australia	1,326	2.44	Portugal <sup>2</sup>	65	0.12
Switzerland	1,163	2.14	Egypt	59	0.11
South Korea	1,101	2.03	Morocco	57	0.10
Nordic Exchanges <sup>3</sup>	954	1.76	New Zealand	47	0.09
Spain	950	1.75	Argentina	31	0.06
South Africa	884	1.63	Czech Republic	40	0.07
Russia	880	1.62	Greece	35	0.06
Taiwan	758	1.39	Jordan	27	0.05
Singapore	696	1.28	Hungary	22	0.04
Netherlands <sup>2</sup>	632	1.16	Romania	17	0.03
Mexico	459	0.84	Sri Lanka	16	0.03
Malaysia	430	0.79	Bulgaria	8	0.01
Indonesia	428	0.79	Mauritius	8	0.01
Italy <sup>1</sup>	427	0.79	Slovenia	6	0.01
Saudi Arabia	395	0.73	Slovakia	5	0.01
Chile	315	0.58	Cyprus	3	0.01
Thailand	331	0.61	Malta	3	0.01
Colombia	259	0.48			
			TOTAL	\$54,345	100.00%

#### Notes:

1. Estimated split of LSE data between United Kingdom and Italy.
2. Estimated split of EuroNext data between France, Netherlands, Belgium and Portugal.
3. Mainly Denmark, Sweden and Finland.

### Next Issue:

The next issue of *International Investor* will be emailed in five weeks time on Monday July 16, 2012.

The print version will be delivered later that week, depending upon printing and postal delivery times.

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