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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	73%	Bullish	Bullish	Bullish	Bearish	+0.4%	+8.6%	-8.3%	5,276.53
Austria	52%	Bullish	Bearish	Bullish	Bearish	-3.2%	-4.2%	-12.3%	2,189.87
Belgium	62%	Bullish	Neutral	Bullish	Neutral	+1.4%	-0.5%	-5.3%	3,441.60
Canada	78%	Bullish	Bullish	Bullish	Neutral	+7.3%	+18.1%	-8.2%	14,037.54
Denmark	70%	Bullish	Bullish	Bullish	Neutral	+0.1%	+2.5%	-0.5%	964.07
Finland	63%	Bullish	Neutral	Bullish	Neutral	-0.0%	-2.2%	-5.4%	7,936.55
France	49%	Bullish	Bearish	Bullish	Bearish	-2.7%	-2.7%	-11.5%	3,350.50
Germany	60%	Bullish	Bearish	Bullish	Neutral	+1.0%	-2.7%	-12.3%	9,834.62
Ireland	50%	Bearish	Neutral	Bullish	Bearish	-0.9%	-3.8%	+0.2%	6,228.24
Italy	43%	Bullish	Bearish	Bullish	Bearish	-7.6%	-15.2%	-22.8%	18,849.76
Japan	61%	Bullish	Neutral	Bullish	Bullish	+4.3%	-2.4%	-6.1%	16,601.36
Netherlands	64%	Bullish	Neutral	Bullish	Bearish	-0.4%	+3.9%	-8.9%	435.77
New Zealand	66%	Bullish	Bullish	Neutral	Bearish	+10.7%	+11.7%	+7.5%	1,669.25
Norway	77%	Bullish	Bullish	Neutral	Neutral	+6.5%	+10.0%	-9.1%	663.39
Spain	47%	Bullish	Bearish	Bullish	Bearish	-6.2%	-10.0%	-23.7%	855.26
Sweden	58%	Bullish	Bearish	Bullish	Bearish	-1.4%	+1.1%	-11.5%	771.27
Switzerland	74%	Bullish	Bullish	Bullish	Bullish	+9.4%	+2.9%	-8.4%	8,586.33
Un. Kingdom	58%	Bullish	Bearish	Bullish	Neutral	-1.3%	-3.8%	-17.4%	6,115.76
USA	69%	Neutral	Bullish	Neutral	Bullish	+3.7%	+4.2%	+0.1%	2,096.07
Argentina	47%	Neutral	Bullish	Bearish	Bullish	+12.3%	-26.3%	-15.4%	13,324.43
Brazil	81%	Bullish	Bullish	Neutral	Bullish	+4.3%	+23.6%	-15.5%	49,422.16
Czech Rep.	40%	Bullish	Bearish	Neutral	Bearish	-6.5%	-7.0%	-14.5%	840.05
Chile	52%	Neutral	Neutral	Neutral	Bullish	+5.1%	+17.4%	-5.1%	19,572.98
China	46%	Bullish	Bearish	Bearish	Bullish	+3.1%	-19.3%	-48.4%	2,927.16
Greece	52%	Bearish	Neutral	Bullish	Neutral	+10.3%	+9.5%	-20.2%	618.67
Egypt	44%	Bearish	Bullish	Bearish	Neutral	+4.2%	+3.0%	-22.7%	7,756.30
Hong Kong	68%	Bullish	Neutral	Neutral	Bullish	+4.1%	-2.1%	-23.0%	21,042.64
Hungary	67%	Neutral	Bullish	Bullish	Neutral	+3.8%	+19.4%	+21.1%	26,519.61
India	60%	Bearish	Bullish	Bullish	Bearish	+7.8%	+6.4%	-3.5%	26,635.75
Indonesia	71%	Neutral	Bullish	Bullish	Bullish	-1.7%	+16.9%	-1.8%	4,848.06
Israel	59%	Bullish	Bearish	Bullish	Bullish	-1.6%	-5.9%	-14.9%	1,246.37
Korea	72%	Bullish	Bullish	Bullish	Neutral	+3.8%	+5.1%	-6.6%	2,017.63
Malaysia	54%	Bullish	Bearish	Bullish	Neutral	-3.6%	+6.1%	-13.1%	1,641.22
Mexico	42%	Bearish	Bearish	Neutral	Neutral	-4.0%	+0.4%	-16.4%	45,177.50
Philippines	59%	Neutral	Bullish	Neutral	Bearish	+7.0%	+15.0%	-1.5%	7,509.94
Poland	44%	Bullish	Bearish	Neutral	Bearish	-4.9%	+4.7%	-20.5%	45,348.20
Portugal	63%	Bullish	Bullish	Bullish	Neutral	+2.5%	+5.3%	-7.2%	2,442.88
Russia	76%	Bullish	Bullish	Bullish	Neutral	+8.7%	+19.2%	-2.5%	1,903.61
Singapore	56%	Bullish	Neutral	Neutral	Neutral	+0.7%	+3.5%	-16.8%	2,822.97
Sth Africa	60%	Bullish	Bullish	Bearish	Bullish	+2.8%	+15.4%	-16.6%	53,175.15
Taiwan	88%	Bullish	Bullish	Bullish	Bullish	+1.1%	+9.2%	-10.4%	8,715.48
Thailand	73%	Bullish	Bullish	Bullish	Neutral	+2.1%	+14.4%	-9.5%	1,429.21
Turkey	58%	Bullish	Bearish	Neutral	Neutral	-5.1%	+11.4%	-11.6%	76,887.31
Venezuela	40%	Bearish	Bearish	Neutral	Bullish	-40.1%	-36.4%	-29.9%	15,129.81

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.

Recommended International Investment Funds

Fund Report

JPMorgan European Smaller Companies Trust plc performed very well in its financial year to 31 March 2016. Net assets rose 16.6%, strongly outperforming its benchmark index which was up 7.2%.

The share price rose 19.7%.

An interim dividend of 1.2 pence was paid in January and a final dividend of 2.0 pence will be paid on 7 July (ex-dividend 2 June).

JPMorgan European Smaller Companies Trust



The trust aims for “capital growth from a portfolio of quoted smaller companies in Europe”, focussing upon “attractively priced, market leading growth companies with a catalyst for outperformance”.

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	Sri Lanka	Other	
Aberdeen Asian Sm Coy	£379	11	27.6	2.1	15.6	3.0	19.0		0.5	12.5	13.4	7.0	0.9	10.4	Sri Lanka 3.8		
Baring Korea	£126	Nil	39.7	4.3					95.7								
Stewart Indian Sub-Cont	£277	Nil	50.1	4.4										84.2	Sri Lanka 7.0		
Henderson China Opps	£397	Nil	58.7	0.9	69.6								10.0		US 19.5		
HSBC Asian Fund	£43	Nil	40.6	8.7	18.5		2.7	10.5	26.1	5.9	5.8		16.1		Indo 4.8		
Hend Asian Pacific Cap	£162	Nil	44.6	1.3	14.2	10.5		12.8	6.3	2.6	2.6	6.1	18.5	21.7			
Scottish Oriental Sm Coys	£274	7	25.8	13.2	6.5		2.9	13.3	4.0	16.2	4.0	2.2	15.9	22.7	Sri Lanka 2.9		
				Cash	USA	UK	Europe	Japan	Other								
Aberforth Small Cos Trust	£1530	2	23.2			100.0											
Baillie Gifford Shin Nippon	£209	10	28.9	1.1				98.9									
Fidelity European Values	£754	3	37.2				100.0										
Fidelity Japan Values plc	£122	20	46.8					100.0									
Herald Investment Trust	£656	4	20.3	10.1	21.5	59.1	4.1		5.2								
JPMorgan Euro Small Coys	£518	15	23.8	10.8			89.2										
Invesco Perp Japan Small	£44	Nil	35.4	3.0				97.0									
Private Equity Investor plc	£25	Nil	-	20.4	79.6												
				Cash	Brazil	HK/China	India	Mexico	Turkey	Korea	S.Africa	Thail'd	Taiwan	Russia			
Aberdeen E/Markets	£1423	Nil	33.2		10.2	16.7	16.1	8.1	5.4	5.6	6.2	4.7					

Fidelity European Values plc now has 61% of its investments in three countries: France (28% of the portfolio), Switzerland (21%) and Germany (12%). It has smaller holdings in the UK (7%), Belgium (7%), Spain (6%), Denmark (6%), Finland (5%), Norway (3%) and others.

JPMorgan European Smaller Companies has its largest investments in France (18% of the portfolio), Netherlands (14%), Sweden (14%), Italy (12%), Germany (10%), Switzerland (6%), Norway (4%), Finland (4%), Belgium (3%) and others (5%).

The trust started the last financial year with gearing of 7.5% but ended March 2016 with net cash of 2.8%. The Fund Manager, however, has become more optimistic recently and sees conditions for “an economic upturn in the global economy in the second half of this year”. This has been reflected in recent portfolio changes, with increased investments in more cyclical companies (including automotive components, software & computer services and travel & leisure) and a reduction in defensive positions (such as healthcare and telecommunications).

Share Repurchases and Issues

Aberdeen Asian Smaller Companies Trust plc made 12 on-market share buy-backs over the last five weeks. In total it repurchased 265,500 shares and returned over £2.0 million to investors. As these shares were repurchased at a 13-15% discount to net assets, these transactions also *increased* the net assets of the remaining shares by around £300,000.

Scottish Oriental Smaller Companies plc made one on-market purchase of 63,500 shares for £476,593.

Baillie Gifford Shin Nippon plc issued 75,000 new shares which it sold on market (at a 1% premium to net assets), raising £386,250 of new cash for investment.

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		
				Foreign	NZ				
				Cents	Cents				
Europe									
BUY	Fidelity European Values plc	FEV	13/05/03	46.4p	129.1	-11%	164.0p	331.4	+157
BUY	JPM European Smaller Cos	JESC	15/01/02	45.3p	153.2	-12%	278.25p	562.2	+267
United Kingdom									
BUY	Aberforth Smaller Cos Trt plc	ASL	15/07/03	375.5p	1042.0	-13%	1036.0p	2093.4	+101
Asian Regional									
BUY	Aberdeen Asian Small Coys	AAS	09/09/03	89.2p	247.8	-13%	791.0p	1598.3	+545
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		90.49p	182.8	+72
HOLD	Henderson Asia Pac Capital	*	08/08/00	342.2p	1122.6		756.7p	1529.0	+36
BUY	Scot Oriental Smaller Coy	SST	11/11/03	121.9p	330.5	-14%	778.5p	1573.0	+376
China									
BUY	Henderson China Opportunities	*	09/07/07	548.9p	1410.4		838.0p	1693.3	+20
India									
HOLD	First State Indian Sub-Cont.	*	13/12/10	209.2p	442.0		355.64p	718.6	+63
Japan									
BUY	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	+1%	536.0p	1083.0	+146
BUY	Fidelity Japan Values plc	FJV	10/01/06	126.0p	322.7	-19%	88.0p	177.8	-45
HOLD	Invesco Perp Japan Small Coys	*	13/07/99	61.3p	182.3		96.6p	195.2	+7
Korea									
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		271.0-287.1p	563.9	+169
International									
HOLD	Aberdeen Emerging Markets	*	13/08/91	61.7p	184.0		539.88p	1090.9	+493
BUY	Herald Investment Trust	HRI	12/10/04	310.8p	820.1	-22%	696.0p	1406.3	+71
HOLD	Private Equity Investor plc	PEQ	11/12/01	109.4p	375.4	-22%	163.0p	329.4	-12

* United Kingdom based Unit Trust

The average Gains/Losses of all current investments from initial recommendation is +154.1%. This is equal to an average annual rate of +10.4%, 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 +11.7%.

Other Shares

An alternative investment to those recommended above includes **Aberdeen Asian Smaller Companies Trust 2019** convertible notes at 112.5 pence.

“Clean” unit prices are: HSBC Asian Fund 101.7 pence, Henderson Asia Pacific Capital 827.5 pence, Henderson China Opportunities 118.2 pence, Stewart Investors Indian Sub-Continent 177.08 pence, Invesco Perpetual Japanese Smaller Companies 291.95 pence, Baring Korea 277.9-280.3 pence and Aberdeen Emerging Markets 558.19 pence.

World Stockmarket Valuations

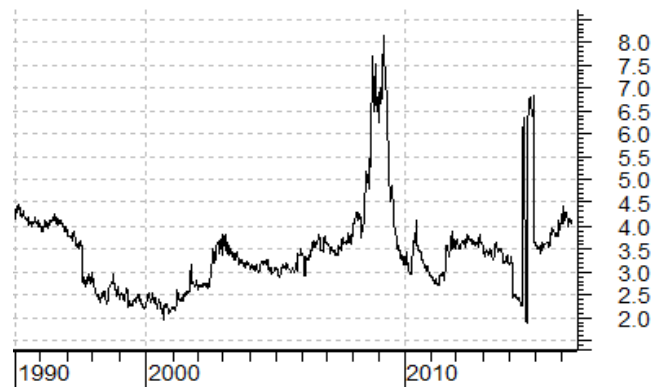
Country	Dividend Yield	Price/Earn. Ratio
Australia	4.6	17.8
Austria	2.6	14.4
Belgium	2.9	19.3
Canada	3.0	25.9
Denmark	1.9	28.6
Finland	4.0	15.7
France	3.7	19.4
Germany	3.2	16.8
Ireland	1.5	19.9
Italy	4.1	48.8
Japan	2.2	15.5
Netherlands	3.0	18.8
New Zealand	4.1	19.9
Norway	4.4	13.3
Spain	4.9	16.4
Sweden	4.2	17.4
Switzerland	3.1	23.3
Un. Kingdom	4.1	20.5
USA	2.1	23.0
Argentina	0.9	12.9
Brazil	4.1	17.2
Czech Rep.	8.0	11.5

Country	Dividend Yield	Price/Earn. Ratio
Chile	2.7	21.9
China	2.3	12.6
Greece	0.9	NE
Egypt	2.7	17.0
Hong Kong	3.4	10.9
Hungary	2.4	8.7
India	1.4	23.4
Indonesia	2.2	18.3
Israel	2.5	15.4
Korea	1.8	10.7
Malaysia	3.2	17.6
Mexico	1.7	27.4
Philippines	1.6	20.1
Poland	4.1	12.9
Portugal	4.3	18.9
Russia	4.8	7.8
Singapore	4.4	13.9
Sth Africa	3.1	19.4
Taiwan	4.1	13.0
Thailand	3.3	16.8
Turkey	3.8	10.0

United States Dividend Yields



United Kingdom Dividend Yields



Japan Dividend Yields



Canada Dividend Yields



France Dividend Yields



China Dividend Yields



Switzerland Dividend Yields



Brazil Dividend Yields



Australia Dividend Yields



South Korea Dividend Yields



Germany Dividend Yields



India Dividend Yields



Listed Investment Trust Warrant Analysis

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	Return(%p.a.) from 10%pa	from 20%pa	Break-Even Rate
<u>UNITED KINGDOM</u>												
Artemis Alpha Trust	229.0p	345.0p	1-6	4.50p	1.02p	+341	0.187	17.6	-100.0	-100.0	-100.0	+33%
JPMorgan Smaller Coys	801.8p	915.0p	1-0	31.00p	20.78p	+49	0.176	14.0	-100.0	-100.0	+51.9	+18%
Standard Life Equity Income	416.0p	320.0p	0-6	96.50p	96.96p	-0	0.144	4.3	+21.3	+45.3	+97.8	+0%
<u>JAPAN</u>												
JPMorgan Japan Sm Coys	273.0p	243.0p	0-5	33.38p	32.86p	+2	0.177	7.7	+16.8	+64.4	+183.7	+3%

