

International Investor

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Inside International Investor

World Stockmarket Valuations	4, 5	World Stockmarket Capitalisations	
Warrant Analysis	6	rise strongly	7

Founder: James R Cornell (B.Com.)

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 _____	72%	Bullish	Bullish	Neutral	Bullish	+5.1%	+7.9%	+11.3%	5,721.34
Austria _____	64%	Neutral	Bullish	Bullish	Bearish	+9.9%	+12.2%	+18.5%	2,826.11
Belgium _____	61%	Bullish	Bullish	Bullish	Bearish	+7.0%	-0.1%	+5.2%	3,764.65
Canada _____	54%	Bullish	Bullish	Neutral	Bearish	-0.9%	+3.3%	+12.5%	15,506.66
Denmark _____	50%	Bullish	Neutral	Bullish	Bearish	+6.8%	-6.0%	-10.7%	905.59
Finland _____	77%	Bullish	Bullish	Bullish	Neutral	+5.6%	+1.8%	+8.5%	9,084.29
France _____	66%	Bullish	Bullish	Bullish	Bearish	+6.5%	+5.3%	+7.1%	3,887.66
Germany _____	67%	Bullish	Bullish	Bullish	Bearish	+7.9%	+7.5%	+16.5%	11,963.18
Ireland _____	64%	Bearish	Bullish	Bullish	Neutral	+4.8%	+2.7%	+0.8%	6,678.48
Italy _____	71%	Bullish	Bullish	Bullish	Bearish	+9.4%	+8.9%	+0.3%	21,565.24
Japan _____	64%	Neutral	Bullish	Bullish	Bearish	+3.7%	+3.4%	+14.7%	19,604.61
Netherlands _____	63%	Bullish	Bullish	Bullish	Bearish	+10.0%	+7.3%	+10.8%	511.14
New Zealand _____	47%	Bullish	Bearish	Neutral	Bearish	+0.1%	-9.6%	+5.8%	1,625.83
Norway _____	71%	Bullish	Bullish	Neutral	Neutral	+0.7%	+19.6%	+19.3%	771.51
Spain _____	69%	Bullish	Bullish	Bullish	Bearish	+10.5%	+5.5%	+5.1%	1,009.96
Sweden _____	79%	Bullish	Bullish	Bullish	Bearish	+6.8%	+4.3%	+9.0%	924.23
Switzerland _____	68%	Bullish	Bullish	Neutral	Bullish	+7.7%	+1.2%	+5.4%	8,669.97
Un. Kingdom _____	72%	Bullish	Bullish	Bullish	Neutral	+2.2%	-0.7%	+1.1%	7,343.08
USA _____	62%	Neutral	Bullish	Neutral	Neutral	+5.0%	+11.5%	+17.3%	2,372.60
Argentina _____	84%	Bearish	Bullish	Bullish	Bullish	+13.6%	+15.4%	+42.3%	18,895.91
Brazil _____	74%	Bullish	Bullish	Bullish	Bullish	+15.0%	+16.2%	+48.7%	64,675.46
Czech Rep. _____	73%	Bullish	Bullish	Bullish	Bearish	+9.1%	+5.1%	+2.7%	972.31
Chile _____	61%	Neutral	Bullish	Neutral	Bullish	+3.5%	+10.8%	+22.8%	22,487.72
China _____	39%	Bearish	Neutral	Bearish	Bullish	-0.7%	+1.0%	+7.5%	3,212.76
Greece _____	55%	Bearish	Bullish	Neutral	Neutral	+2.4%	+8.8%	+9.7%	648.59
Egypt _____	41%	Bearish	Bullish	Bearish	Neutral	+24.4%	-20.7%	-12.6%	12,853.27
Hong Kong _____	61%	Bullish	Bullish	Bullish	Bearish	+3.5%	-2.3%	+16.6%	23,568.67
Hungary _____	58%	Bearish	Bullish	Bullish	Neutral	+8.8%	+8.1%	+21.3%	32,727.24
India _____	66%	Bearish	Bullish	Bullish	Neutral	+9.8%	+1.1%	+17.9%	28,946.23
Indonesia _____	78%	Bullish	Bullish	Bullish	Bullish	+1.3%	+0.6%	+9.1%	5,390.68
Israel _____	59%	Bullish	Bullish	Neutral	Neutral	+5.7%	+2.5%	+6.5%	1,281.42
Korea _____	66%	Bullish	Bullish	Bullish	Neutral	+5.8%	-1.0%	+10.1%	2,097.35
Malaysia _____	56%	Bullish	Bullish	Neutral	Neutral	+3.9%	-6.3%	-7.5%	1,717.58
Mexico _____	46%	Bullish	Neutral	Bearish	Neutral	+4.4%	-2.3%	-5.0%	47,102.31
Philippines _____	45%	Neutral	Bearish	Bullish	Bearish	+0.6%	-11.1%	-6.7%	7,146.27
Poland _____	62%	Neutral	Bullish	Bullish	Bearish	+19.3%	+17.2%	+17.1%	58,316.11
Portugal _____	60%	Bullish	Neutral	Bullish	Neutral	+2.6%	-3.4%	+0.9%	2,536.60
Russia _____	53%	Bullish	Bearish	Neutral	Bearish	-5.3%	+6.7%	+24.7%	1,973.96
Singapore _____	69%	Bullish	Bullish	Bullish	Neutral	+7.4%	+4.9%	+7.7%	3,133.35
Sth Africa _____	65%	Bullish	Bullish	Neutral	Bullish	+5.5%	+5.2%	+14.5%	51,269.54
Taiwan _____	74%	Bullish	Bullish	Neutral	Bullish	+4.9%	+8.0%	+16.3%	9,627.89
Thailand _____	61%	Bullish	Bullish	Neutral	Bullish	+1.8%	+5.0%	+9.7%	1,539.91
Turkey _____	57%	Bullish	Bullish	Bearish	Bullish	+10.3%	-7.5%	-13.2%	89,611.40
Venezuela _____	69%	Bearish	Bullish	Bullish	Bullish	+6.1%	+221.1%	+52.7%	38,545.32

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

Herald Investment Trust plc lifted net assets 22.8% over the year to 31 December 2016. The share price rose 18.4%. There was a small revenue profit, but no dividend will be paid.

During the year, 15 portfolio companies were taken over, realising £64 million (about 8% of the portfolio).

£23.5 million of this cash was returned to shareholders through re-purchasing shares on-market at a significant discount to net asset value. Over 2016 the trust repurchased 4% of its capital, with further large purchases this year.

Commenting on takeovers the Manager states "There have been so many UK takeovers that almost anything left of size is not particularly appealing". The trust is focusing on "smaller emerging companies".

Increasing regulation is a problem, both for the Fund Manager and its investee companies. AIFMD (i.e. the Alternative Investment Fund Managers Directive) required the Manager's "back office and middle office" systems to be rebuilt. AIFMD II and MAR (i.e. Market Abuse Regulation) are "impacting its front office".

The Fund Manager is concerned about the valuation of some large Technology companies (in which it does not hold investments) and the issue of "restricted shares" to "keep good staff". "When I hear of companies justifying 5% dilution each year, I shiver and think of adverts in 2007 for 125% mortgages. It is a bubble and many valuations do not reflect the viciousness of this dilution". As a result, many "large US companies want to expand outside the Californian hotspots and London is a target".

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		
Aberdeen Asian Sm Coy	£449	8	30.2	0.9	17.2	3.2	16.1				11.3	13.1	6.6	0.4	11.9	Indo 7.9
Baring Korea	£111	Nil	45.2	7.6					92.4							
India Capital Growth	£114	Nil	38.7	2.6											97.4	
Stewart Indian Sub-Cont	£284	Nil	48.6	7.0											78.6	Sri Lanka 8.2
Henderson China Opps	£505	Nil	56.4	1.3	60.0								12.0			US 26.7
HSBC Asian Fund	£40	Nil	42.1	5.9	18.5		2.7	10.5	26.1	5.9	5.8		16.1			Indo 4.8
Hend Asian Pacific Cap	£189	Nil	46.2	0.5	7.2	6.6		17.5	13.1	3.7		5.5	16.3	22.9		Vietnam 2.0
Scottish Oriental Sm Coys	£347	6	27.0	14.2	6.9		1.1	9.8	3.7	8.9	5.5	6.0	13.0	22.4		Indo 8.2
				Cash USA UK Europe Japan Other												
Aberforth Small Cos Trust	£1321	3	26.2					100.0								
Baillie Gifford Shin Nippon	£257	10	24.5	2.2											97.8	
Fidelity European Values	£874	4	37.4					100.0								
Fidelity Japan Values plc	£171	23	44.7												100.0	
Herald Investment Trust	£772	3	18.3	13.7	21.7	55.7	4.2	4.8								
JPMorgan Euro Small Coys	£612	8	23.5	10.3				93.4								
Invesco Perp Japan Small	£49	Nil	33.6	2.8											97.2	
				Cash Brazil HK/ China India Mexico Korea S.Africa Thail'd Taiwan Indonesia												
Aberdeen E/Markets	£1600	Nil	28.3	1.0	12.2	14.9	16.4	7.0	8.2	4.6	4.6	5.0	4.8			

Fidelity European Values plc now has 62% of its investments in three countries: France (29% of the portfolio), Switzerland (19%) and Germany (15%). It has smaller holdings in the United Kingdom (7%), Belgium (6%), Spain (6%), Finland (5%), Denmark (4%), Norway (4%), Netherlands (4%) and others (5%).

JPMorgan European Smaller Companies has its largest investments in France (23% of the portfolio), Sweden (13%), Italy (11%), Finland (9%), Netherlands (9%), Switzerland (6%), Germany (5%), Denmark (5%), Norway (4%), Spain (3%) and Belgium (2%).

Share Repurchases and Issues

Aberdeen Asian Smaller Companies plc has made a further seven on-market share repurchases, acquiring a total of 52,500 shares for £526,732.

Baillie Gifford Shin Nippon plc issued additional new shares at a 6-8% premium to net asset value. It issued 125,000 shares to raised £799,062 for investment.

Herald Investment Trust plc made three on-market share purchases totalling 589,500 shares (at an 18% discount to net assets) and returning £5,528,850 to investors.

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	
Europe								
BUY	Fidelity European Values plc	FEV	13/05/03	46.4p	129.1	-13%	193.1p	339.4 +163
BUY	JPM European Smaller Cos	JESC	15/01/02	45.3p	153.2	-15%	320.25p	562.8 +267
United Kingdom								
BUY	Aberforth Smaller Cos Trt plc	ASL	15/07/03	375.5p	1042.0	-13%	1196.0p	2101.9 +102
Asian Regional								
BUY	Aberdeen Asian Small Coys	AAS	09/09/03	89.2p	247.8	-15%	1012.6p	1779.6 +618
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3		122.3p	214.9 +102
HOLD	Henderson Asia Pac Capital	*	08/08/00	342.2p	1122.6		987.3p	1735.1 +55
BUY	Scot Oriental Smaller Coy	SST	11/11/03	121.9p	330.5	-14%	967.0p	1699.5 +414
China								
BUY	Henderson China Opportunities	*	09/07/07	548.9p	1410.4		1159.0p	2036.9 +44
India								
BUY	India Capital Growth plc	IGC	07/11/16	80.5p	137.6	-21%	81.75p	143.7 +4
HOLD	Stewart Ivory Indian Sub-Cont	*	13/12/10	209.2p	442.0		449.29p	789.6 +79
Japan								
BUY	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	+6%	644.75p	1133.1 +157
BUY	Fidelity Japan Values plc	FJV	10/01/06	126.0p	322.7	-16%	108.75p	191.1 -41
HOLD	Invesco Perp Japan Small Coys	*	13/07/99	61.3p	182.3		105.96p	186.2 +2
Korea								
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		313.30p	550.6 +163
International								
HOLD	Aberdeen Emerging Markets	*	13/08/91	61.7p	184.0		691.47p	1215.2 +561
BUY	Herald Investment Trust	HRI	12/10/04	310.8p	820.1	-18%	937.25p	1647.2 +101

* United Kingdom based Unit Trust

The average Gains/Losses of all current investments from initial recommendation is +174.5%. This is equal to an average annual rate of +12.0%, 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 49 closed out) is +12.0%.

Other Shares

An alternative investment to those recommended above includes **Aberdeen Asian Smaller Companies Trust 2019** convertible notes at 123 pence.

“Clean” unit prices are: HSBC Asian Fund 138.5 pence, Henderson Asia Pacific Capital 1087 pence, Henderson China Opportunities 164.5 pence, Stewart Investors Indian Sub-Continent 224.83 pence, Invesco Perpetual Japanese Smaller Companies 322.15 pence, Baring Korea 323 pence and Aberdeen Emerging Markets 753.7 pence.

World Stockmarket Valuations

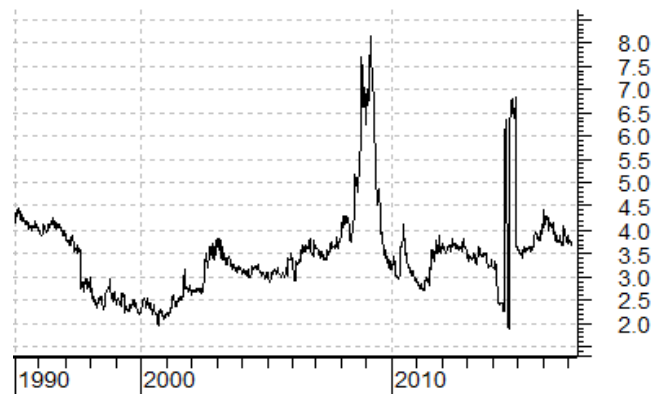
Country	Dividend Yield	Price/Earn. Ratio
Australia	4.1	19.9
Austria	2.4	15.6
Belgium	3.0	26.7
Canada	2.7	28.1
Denmark	2.2	21.6
Finland	3.9	24.2
France	3.4	21.0
Germany	2.7	15.6
Ireland	1.6	20.5
Italy	4.2	29.3
Japan	2.0	17.4
Netherlands	2.6	20.9
New Zealand	4.3	18.1
Norway	4.3	26.9
Spain	4.3	17.7
Sweden	3.7	19.1
Switzerland	3.1	24.7
Un. Kingdom	3.7	25.4
USA	1.9	25.9
Argentina	0.8	25.6
Brazil	3.1	20.2
Czech Rep.	8.1	12.5

Country	Dividend Yield	Price/Earn. Ratio
Chile	2.6	18.9
China	1.8	17.2
Greece	1.2	NE
Egypt	1.2	18.2
Hong Kong	2.8	14.0
Hungary	2.0	10.6
India	1.2	23.0
Indonesia	3.6	19.0
Israel	2.2	17.4
Korea	1.8	11.4
Malaysia	2.9	18.0
Mexico	2.1	22.3
Philippines	1.6	18.5
Poland	2.4	18.5
Portugal	4.1	18.8
Russia	4.9	7.2
Singapore	3.9	16.3
Sth Africa	3.1	21.0
Taiwan	3.8	16.0
Thailand	2.8	16.3
Turkey	2.6	10.1

United States Dividend Yields



United Kingdom Dividend Yields



Japan Dividend Yields



Canada Dividend Yields



France Dividend Yields



China Dividend Yields



Switzerland Dividend Yields



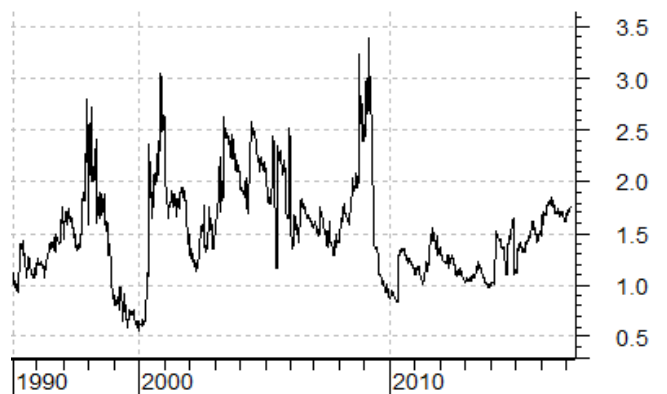
Brazil Dividend Yields



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	Warrant Share Price 10%pa	Warrant Share Price 20%pa	Return(%p.a.) from Break-Even Rate
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LATIN AMERICA

Aberdeen Latin American	44.5p	120.0p	0-0	0.05p	0.00p	+9999	0.202	99.9	-100.0	-100.0	-100.0	+999%
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UNITED KINGDOM

Artemis Alpha Trust	227.5p	345.0p	0-9	2.25p	0.38p	+486	0.230	25.5	-100.0	-100.0	-100.0	+76%
JPMorgan Smaller Coys	888.5p	915.0p	0-3	12.25p	20.41p	-40	0.176	26.2	-100.0	-100.0	+121.0	+19%

