

# International Investor

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## Inside International Investor

Dividend Yields suggest extreme under-valuation in Russia, Brazil and Chile, plus good value in Germany, Austria, Australia, Japan and Malaysia..... 4, 5

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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	Neutral	Neutral	-2.3%	-5.4%	-1.6%	7,062.40
Austria _____	46%	Bullish	Bearish	Bearish	Neutral	-18.9%	-18.5%	-7.9%	3,179.15
Belgium _____	26%	Neutral	Bearish	Bearish	Bearish	-9.4%	-13.6%	-7.7%	3,899.24
Canada _____	58%	Bearish	Bullish	Neutral	Neutral	+2.6%	+3.3%	+11.6%	21,461.83
Denmark _____	30%	Bearish	Bearish	Neutral	Bearish	-12.9%	-14.3%	+5.7%	1,657.63
Finland _____	37%	Bullish	Bearish	Neutral	Neutral	-17.1%	-24.1%	-14.4%	10,780.58
France _____	34%	Neutral	Bearish	Neutral	Neutral	-13.4%	-13.9%	-6.8%	4,765.07
Germany _____	41%	Bullish	Bearish	Neutral	Bearish	-15.7%	-19.2%	-14.0%	13,628.11
Ireland _____	38%	Neutral	Bearish	Neutral	Bullish	-16.2%	-24.2%	-18.7%	7,082.97
Italy _____	45%	Bullish	Bearish	Neutral	Neutral	-16.8%	-17.6%	-12.1%	25,195.16
Japan _____	34%	Bullish	Bearish	Neutral	Bearish	-14.4%	-22.3%	-21.2%	25,162.78
Netherlands _____	27%	Bearish	Bearish	Bearish	Bearish	-17.2%	-20.8%	-8.8%	674.80
New Zealand _____	36%	Neutral	Bearish	Neutral	Neutral	-7.7%	-13.9%	-9.1%	1,762.36
Norway _____	71%	Bullish	Bullish	Bullish	Neutral	+1.7%	+2.8%	+8.7%	1,323.87
Spain _____	31%	Neutral	Bearish	Bearish	Neutral	-5.0%	-12.7%	-14.1%	809.58
Sweden _____	42%	Bullish	Bearish	Bullish	Neutral	-19.7%	-24.5%	-14.5%	1,520.23
Switzerland _____	35%	Neutral	Bearish	Bearish	Bearish	-10.1%	-6.2%	+5.7%	11,495.69
Un. Kingdom _____	45%	Bullish	Bearish	Neutral	Neutral	-3.4%	-4.0%	-0.7%	7,155.64
USA _____	32%	Bearish	Bearish	Neutral	Neutral	-10.8%	-5.7%	+6.6%	4,204.31
Argentina _____	64%	Neutral	Bullish	Neutral	Neutral	-2.8%	+5.6%	+51.2%	88,999.06
Brazil _____	70%	Bullish	Neutral	Bullish	Neutral	+14.9%	+1.1%	+7.7%	111,713.00
Czech Rep. _____	38%	Bullish	Neutral	Bearish	Neutral	-9.6%	-5.3%	+15.3%	1,302.63
Chile _____	69%	Bullish	Bullish	Neutral	Bearish	+12.5%	+3.6%	-13.8%	23,583.45
China _____	47%	Neutral	Bearish	Bullish	Neutral	-9.3%	-9.1%	-1.6%	3,309.75
Greece _____	31%	Neutral	Bearish	Bearish	Neutral	-10.9%	-15.0%	-10.8%	827.96
Egypt _____	42%	Neutral	Bearish	Bullish	Bearish	-9.3%	-5.3%	-7.2%	10,453.59
Hong Kong _____	36%	Bullish	Bearish	Neutral	Bearish	-14.7%	-22.1%	-29.1%	20,553.79
Hungary _____	29%	Bullish	Bearish	Bearish	Bearish	-22.0%	-30.8%	-13.4%	42,905.55
India _____	39%	Bearish	Bearish	Neutral	Bullish	-6.6%	-8.6%	+3.8%	55,550.30
Indonesia _____	59%	Bearish	Bullish	Neutral	Neutral	+4.5%	+12.9%	+9.4%	6,922.60
Israel _____	52%	Neutral	Bullish	Neutral	Bearish	-3.5%	+7.0%	+24.8%	2,019.25
Korea _____	34%	Neutral	Bearish	Neutral	Bearish	-15.6%	-19.4%	-19.9%	2,661.28
Malaysia _____	63%	Bullish	Neutral	Bullish	Neutral	+5.8%	-1.9%	-4.7%	1,568.22
Mexico _____	62%	Neutral	Bullish	Neutral	Neutral	+3.6%	-2.0%	+10.3%	53,300.70
Philippines _____	56%	Bearish	Bearish	Bullish	Bearish	-5.0%	-2.6%	-2.1%	7,112.19
Poland _____	28%	Bullish	Bearish	Bearish	Bearish	-16.3%	-24.2%	-9.6%	61,323.15
Portugal _____	53%	Bearish	Bullish	Neutral	Neutral	-2.3%	-3.4%	+6.1%	4,179.42
Russia _____	27%	Bullish	Bearish	Bearish	Bearish	-65.4%	-67.8%	-63.3%	936.94
Singapore _____	54%	Bullish	Neutral	Bullish	Neutral	+1.0%	+0.7%	+1.9%	329.70
Sth Africa _____	61%	Bullish	Bullish	Bearish	Neutral	+9.4%	+9.1%	+8.1%	67,331.10
Taiwan _____	46%	Neutral	Bearish	Bullish	Bearish	-5.5%	-3.8%	+5.4%	17,264.74
Thailand _____	57%	Neutral	Bullish	Bullish	Bearish	+3.4%	-0.4%	-2.4%	1,658.01
Turkey _____	54%	Bullish	Neutral	Bearish	Neutral	-5.0%	-18.0%	-32.3%	2,053.85
Venezuela _____	73%	Bullish	Bearish	Bullish	Bullish	-3.6%	-19.1%	-14.8%	5,252.64

**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

We live in a global economy, so whether you know it or not you almost certainly own shares in Russian companies.

Don't worry. Russian shares make up just 0.2% of the global stockmarket capitalisation, so your KiwiSaver fund probably has only 0.05% to 0.10% of your money invested in Russia. If you have \$100,000 in KiwiSaver that is just \$50 or \$100. But don't share this information with your friends . . . most people are happier in their ignorance.

Several of our *Recommended Funds* had an exposure to Russian shares and, rather counter intuitively, those funds have generally performed best over the last month!

**Templeton Emerging Markets** had a 6-8% exposure to Russian equities and is down in value, but **iShares Oil & Gas Exploration** recently had a 7% exposure to Russian companies and is up strongly in value. Of course, its Russian shares have collapsed, but the remaining 93% of the portfolio is up strongly.

**VanEck Junior Gold Miners** had a very small investment in Russia - less than 1% of the portfolio - and has soared in value over the last month.

**CQS Natural Resources** had been added to oil producers, including a small position in Gazprom (now written down to zero value), and this fund has also soared in value!

With the invasion of Ukraine, Russian shares fell 25-50% in value. The Rouble exchange rate also fell around 50%. Both factors significantly reduced the value of Russian shares held by foreign investors.

Then Russia banned foreign investors from selling (to give local investors the opportunity to sell first) but the Russian stock exchange experienced a series of short suspensions . . . before closing for trading on 4 March.

Forex trading has also been suspended at times.

With the local Russian stockmarket closed, Russian shares traded on the London and New York stock exchanges have also been suspended. Russian ETFs have suspended trading. Investment trusts owning Russian shares have continued to trade but have conservatively written down these investments to zero.

Russian shares are generally considered "worthless", but that *may* not be the actual case. Obviously if share prices are down 50% (and prices *could* be lower when trading eventually resumes) and the exchange rate is down 50%, then Russian equities are down 75% in value and "almost worthless".

Russia may seize the assets of Western companies that leave the country . . . but there are also suggestions that Russia will confiscate Russian shares held by foreign investors. The latter suggestion is probably just war propaganda . . . at least this has never been done anywhere before. Note that Western governments are "freezing", not confiscating, the assets of politically connected Russians. Note also that many ordinary Russians own shares in foreign companies. Owing to this popularity, around 150 foreign, mainly US, companies are actually dual listed and trade on the Moscow stock exchange. If Russia confiscates Gazprom shares held by foreigners, the US *could* confiscate Apple shares held by Russians.

If foreign investors are restricted from selling (by the Russian authorities) and restricted from buying (by brokers and Western governments) then Russian shares have no *realisable* value in the near term.

The Australian Treasurer has stated that his government has a "strong expectation that Australian superannuation funds will review their investment portfolio and *take steps to divest any holdings in Russian assets*" - a view widely expressed by politicians around the world.

Firstly it is currently impossible to "divest" these assets as there is no market. Secondly, perhaps only politicians would think it a good idea to reward Putin's Oligarchs with such a massive wealth transfer of assets away from western investors at just a few Roubles in the Dollar!

The risk in Russian shares is not that (1) the market will never re-open, (2) that foreigners will be restricted from trading nor (3) that Putin will confiscate these shares! The greatest risk is that Western governments will *force* investors and funds (or their brokers) to sell these shares to Russian Oligarchs at extremely low prices . . . buying Putin the political support to remain in power!

## 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	7.8	
Aberdeen Std Asian	£552	12	32.6	0.5	7.0	1.2	6.8	12.3	5.7	7.8	8.1	4.3	3.6	18.2	Indo	7.8	
India Capital Growth	£116	Nil	44.1	3.9										96.1			
Scottish Oriental Sm Coys	£337	9	34.9		4.7		0.9	8.1	2.7	2.7	2.0	9.0	12.7	39.2	Indo	22.5	
				Cash	USA	UK	Europe	Japan	Canada	Aust	Russia	China	Sth Afr	Sweden	Brazil		
Aberforth Small Cos Trust	£1396	7	25.5			100.0											
Baillie Gifford Shin Nippon	£644	17	25.9	5.1				94.9									
Fidelity Japan Trust plc	£253	22	44.1	0.0				100.0									
Herald Investment Trust	£1550	Nil	16.3	7.6	22.4	47.2	11.3	11.5									
iShares Oil & Gas Exp	£277	Nil	65.4	0.6	66.7	1.4		1.9	20.5	5.9	1.1					1.1	
iShares S&P500 Utilities	£61	Nil	62.3		100.0												
VanEck Gold Miners	£622	Nil	68.4	0.1	20.3				42.5	12.5		3.4	5.0			7.7	
VanEck Junior Gold Miners	£366	Nil	37.3		3.9	4.8			52.3	16.9						4.8	
				Cash	Nth Amer	Lat Am	Global	Euro	Asia	Africa	Aust						
CQS Natural Resources	£143	13	45.4		31.0	21.2	7.7	5.8	6.5	9.2	18.5						
				Cash	US	UK	China/HK	Korea	Taiwan	Brazil	India	Russia	Sth Afr	Thai			
Templeton Emerging Mkts	£2287	2	52.6		2.9	1.4	26.9	21.0	17.4	7.7	8.9	6.3	-	1.7			

# Recommended International Investment Funds

## Fund Reports

**CQS Natural Resources Growth & Income** lifted net assets by +15.2% over the half year to 31 December 2021, while its benchmark mining index fell -0.4%. The share price rose only 0.6%, owing to an increase in the discount to net asset value from 4% to 20% (at 31/12/21).

The fund has recently increased its exposure to oil producers (16.4% of the portfolio), but maintains large holdings in Copper (18.5%), Gold (14.2%) and Renewable Energy metals (13.6%).

“Commodity prices were already rising prior to Russia's invasion of Ukraine but now these raw materials are centre stage” as “governments rethink energy, defence and food security policies”. “The transition to low carbon economy will be at the forefront of these policies”.

CQS Natural Resources shares continue to trade at a 16% discount to net assets!

**Aberdeen Standard Asia Focus** will pay a first interim dividend of 3.2 pence per shares on 21 March

(ex-dividend 24 February)

**Herald Investment Trust** lifted net assets 19.0% over the year to 31 December 2021, outperforming two benchmark indices that were up 17.8% and 15.2%. The share price rose 11.6% owing to a higher discount to net asset value. No dividend will be paid.

## Share Repurchases

**Aberforth Smaller Companies** made six on-market share repurchases over the last four weeks, acquiring a total of 300,000 shares for £3,993,563.

**Scottish Oriental Smaller Companies** made 15 trades repurchasing shares on-market. In total it acquired 221,426 shares for £2,337,318.

**India Capital Growth** repurchased 80,201 of its own shares on-market for £74,257 in two trades.

**Herald Investment Trust** also made two trades, buying back 178,431 shares for £3,477,519.

**Templeton Emerging Markets** bought back 450,000 shares for £653,925 in two on-market trades.

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					
<b>United States</b>									
HOLD	iShares S&P500 Utilities	IUSU	13/08/18	422.3p	819.4		603.63p	1156.2	+41
<b>United Kingdom</b>									
BUY	Aberforth Smaller Cos Trt plc	ASL	15/07/03	375.5p	1042.0	-12%	1250.0p	2394.2	+130
<b>Gold &amp; Commodities</b>									
BUY	VanEck V. Gold Miners	GDGB	14/01/19	1731.0p	3253.8		3162.0p	6056.3	+86
BUY	VanEck V. Junior Gold Miners	GJGB	14/01/19	2011.0p	3780.1		3169.0p	6069.7	+61
BUY	CQS Natural Resources G&I	CYN	11/01/21	136.8p	256.1	-16%	190.25p	364.4	+42
<b>Asian Regional</b>									
HOLD	Aberdeen Std Asia Focus	AAS	09/09/03	17.8p	49.6	-13%	261.0p	499.9	+909
HOLD	Scot Oriental Smaller Coy	SST	11/11/03	121.9p	330.5	-11%	1070.0p	2049.4	+520
<b>India</b>									
HOLD	India Capital Growth plc	IGC	07/11/16	80.5p	137.6	-16%	101.25p	193.9	+41
<b>Japan</b>									
HOLD	Baillie Gifford Shin Nippon plc	BGS	11/01/94	31.2p	88.1	-4%	163.0p	312.2	+255
HOLD	Fidelity Japan Trust plc	FJV	10/01/06	126.0p	322.7	-9%	165.0p	316.0	-2
<b>International</b>									
HOLD	Herald Investment Trust	HRI	12/10/04	310.8p	820.1	-20%	1790.0p	3428.5	+318
BUY	iShares Oil & Gas Exp & Prod	SPOG	08/04/19	1287.0p	2491.8		1733.25p	3319.8	+33
HOLD	Templeton Emerging Markets	TEM	11/01/21	199.2p	373.0	-16%	145.4p	278.5	-25

\* United Kingdom based Uni

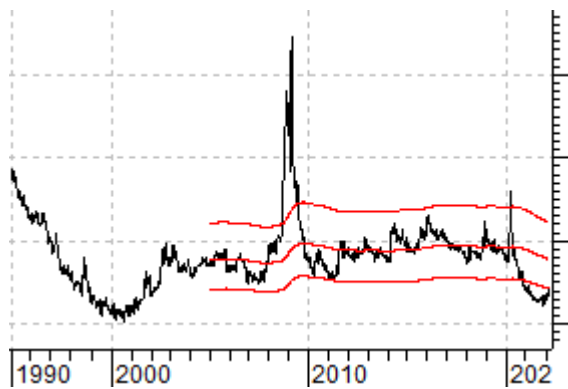
The average Gains/Losses of all current investments from initial recommendation is +185.2%. This is equal to an average annual rate of +17.5%, based upon the length of time each position has been held. The average annual rate of gain of ALL recommendations (both the 13 current and 59 closed out) is +13.0%.

# World Stockmarket Valuations

Country	Dividend Yield	Price/Earn. Ratio
Australia	4.4	17.2
Austria	4.0	9.4
Belgium	2.3	15.9
Canada	2.6	17.3
Denmark	2.0	20.0
Finland	3.3	13.8
France	2.4	15.9
Germany	3.1	12.3
Ireland	1.5	21.4
Italy	3.9	13.7
Japan	2.5	13.5
Netherlands	1.8	19.6
New Zealand	2.7	24.1
Norway	3.6	14.8
Spain	2.9	12.5
Sweden	2.8	10.8
Switzerland	2.6	20.2
Un. Kingdom	3.6	15.6
USA	1.5	22.5
Argentina	2.0	3.3
Brazil	8.2	5.9
Czech Rep.	5.1	15.2

Country	Dividend Yield	Price/Earn. Ratio
Chile	4.3	12.8
China	1.9	14.3
Greece	2.6	89.3
Egypt	1.9	7.2
Hong Kong	3.1	11.0
Hungary	2.0	10.1
India	1.1	26.5
Indonesia	2.2	20.1
Israel	1.5	15.0
Korea	2.1	12.0
Malaysia	4.0	15.7
Mexico	2.7	15.0
Philippines	1.5	23.6
Poland	2.6	11.0
Portugal	2.8	37.6
Russia	11.2	4.0
Singapore	3.7	21.0
Sth Africa	3.1	11.9
Taiwan	2.7	15.1
Thailand	2.9	20.5
Turkey	3.3	7.0

United States Dividend Yields



United Kingdom Dividend Yields



Japan Dividend Yields



Canada Dividend Yields



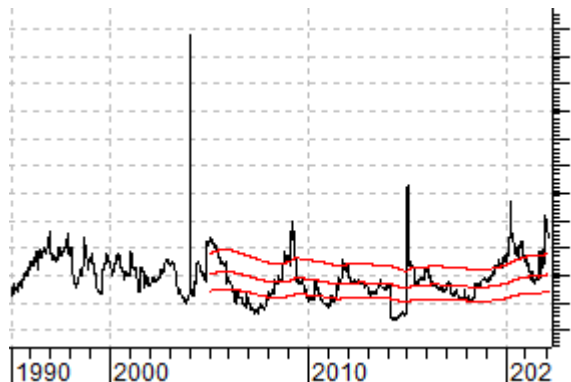
**Brazil Dividend Yields**



**China Dividend Yields**



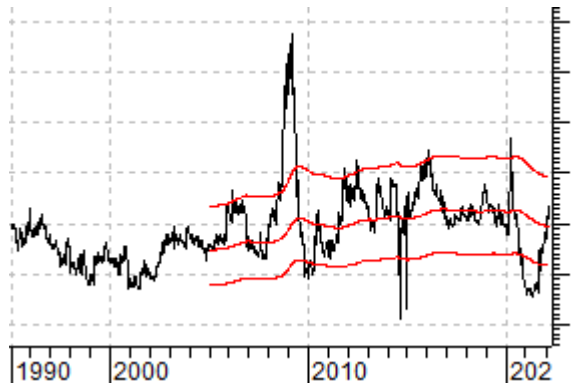
**Chile Dividend Yields**



**Malaysia Dividend Yields**



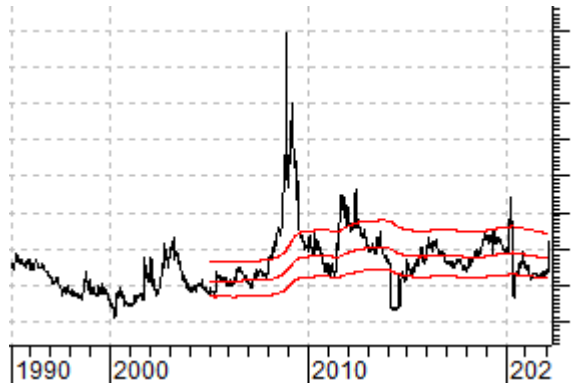
**Australian Dividend Yields**



**Russia Dividend Yields**



**Germany Dividend Yields**



**Austria Dividend Yields**



# World Stockmarket Capitalisations

Country	Market Capitalisation (US\$ Billions)	Percentage of Total	Country	Market Capitalisation (US\$ Billions)	Percentage of Total
United States	50,729	42.54	Bangladesh	55	0.05
China	13,641	11.44	Luxembourg	52	0.04
Japan	6,166	5.17	Kazakhstan	50	0.06
Hong Kong	5,221	4.38	Romania	48	0.04
India	3,343	2.80	Czech Republic	46	0.04
Canada	3,289	2.76	Oman	46	0.04
France	3,277	2.75	Egypt	45	0.04
United Kingdom	3,191	2.68	Bahrain	31	0.03
Saudi Arabia	3,060	2.57	Hungary	26	0.02
Germany	2,244	1.88	Sri Lanka	26	0.02
South Korea	2,051	1.72	Kenya	22	0.02
Taiwan	1,952	1.64	Jordan	22	0.02
Switzerland	1,866	1.56	Croatia	21	0.02
Australia	1,797	1.51	Iceland	18	0.02
Netherlands	1,577	1.32	Panama	14	0.01
South Africa	1,505	1.26	Ivory Coast	11	0.01
Iran	1,233	1.03	Ghana	10	0.01
Spain	1,221	1.02	Lebanon	10	0.01
Sweden	1,095	0.92	Slovenia	9	0.01
Brazil	928	0.78	Tunisia	8	0.01
Italy	842	0.71	Bulgaria	6	0.01
Singapore	663	0.56	Mauritius	6	0.01
Denmark	635	0.53	Lithuania	5	0.00
Thailand	608	0.51	Uzbekistan	5	0.00
UAE	605	0.51	Estonia	5	0.00
Indonesia	601	0.50	Serbia	5	0.00
Mexico	467	0.39	Malta	5	0.00
Norway	413	0.35	Bosnia & Herzegovina	5	0.00
Malaysia	410	0.34	Palestine	4	0.00
Belgium	383	0.32	Ukraine	4	0.00
Israel	372	0.31	North Macedonia	4	0.00
Philippines	356	0.30	Botswana	3	0.00
Finland	334	0.28	Malawi	3	0.00
Poland	287	0.24	Costa Rica	2	0.00
Vietnam	255	0.21	Cyprus	2	0.00
Russia	226	0.19	Mozambique	2	0.00
Qatar	202	0.17	Slovakia	2	0.00
Peru	169	0.14	Mongolia	2	0.00
Chile	167	0.14	Georgia	1	0.00
Ireland	162	0.14	Latvia	1	0.00
Turkey	158	0.13	Sudan	1	0.00
Kuwait	148	0.12	Syria	1	0.00
Austria	145	0.12			
New Zealand	118	0.10			
Colombia	105	0.09			
Portugal	90	0.08			
Argentina	84	0.07			
Greece	73	0.06			
Morocco	71	0.06			
Nigeria	61	0.05			
			TOTAL	\$119,240	100.00%

## Next Issue:

The next issue of *International Investor* will be emailed in four weeks time on Monday April 11, 2022.

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

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