

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	48%	Bullish	Bearish	Bearish	Neutral	-3.3%	-8.7%	-13.7%	6,884.20
Austria	42%	Bullish	Bearish	Bearish	Neutral	-11.2%	-14.5%	-30.3%	2,961.05
Belgium	31%	Bullish	Bearish	Bearish	Neutral	-7.2%	-13.7%	-25.5%	3,663.38
Canada	43%	Neutral	Bearish	Bearish	Neutral	-4.4%	-10.1%	-7.1%	19,773.34
Denmark	45%	Bearish	Bearish	Bullish	Neutral	-2.7%	-6.0%	-19.4%	1,695.43
Finland	39%	Bullish	Bearish	Neutral	Bearish	-5.7%	-9.4%	-31.2%	10,640.86
France	37%	Bullish	Bearish	Bearish	Neutral	-4.7%	-9.3%	-21.9%	4,708.01
Germany	36%	Bullish	Bearish	Bearish	Neutral	-9.2%	-11.8%	-28.7%	13,088.21
Ireland	33%	Neutral	Bearish	Bearish	Bullish	-1.2%	-8.7%	-30.8%	7,043.01
Italy	39%	Bullish	Bearish	Bearish	Neutral	-6.8%	-12.3%	-27.7%	24,076.76
Japan	44%	Neutral	Neutral	Bearish	Bearish	-6.8%	-7.8%	-28.3%	28,214.75
Netherlands	34%	Neutral	Bearish	Bearish	Neutral	-4.0%	-6.7%	-26.1%	685.97
New Zealand	35%	Neutral	Bearish	Bearish	Neutral	-5.2%	-18.5%	-29.9%	1,601.87
Norway	48%	Bullish	Bearish	Bearish	Neutral	-4.9%	-5.4%	-2.8%	1,382.58
Spain	39%	Bullish	Bearish	Bearish	Neutral	-8.3%	-9.3%	-20.8%	799.84
Sweden	39%	Bullish	Bearish	Neutral	Neutral	-11.9%	-20.3%	-39.8%	1,322.61
Switzerland	42%	Bullish	Bearish	Neutral	Neutral	+1.2%	-7.9%	-13.6%	10,900.24
Un. Kingdom	41%	Bullish	Bearish	Bearish	Neutral	-5.5%	-8.8%	-12.4%	7,351.07
USA	35%	Bearish	Bearish	Bearish	Neutral	+4.3%	-3.3%	-8.8%	4,067.36
Argentina	62%	Neutral	Bullish	Bearish	Neutral	+39.8%	+25.2%	+32.2%	144,642.20
Brazil	62%	Bullish	Bullish	Bearish	Neutral	+3.1%	-1.6%	-0.5%	112,300.00
Czech Rep.	34%	Bullish	Bearish	Bearish	Neutral	-12.4%	-13.5%	-18.1%	1,199.27
Chile	65%	Bullish	Bullish	Bearish	Bullish	+4.2%	+16.7%	+20.8%	30,375.43
China	46%	Bullish	Bearish	Bearish	Bullish	-3.8%	-9.8%	-18.0%	3,262.05
Greece	32%	Bearish	Bearish	Bearish	Neutral	-6.8%	-6.6%	-20.6%	841.91
Egypt	66%	Bullish	Bearish	Bullish	Neutral	-2.8%	-20.3%	-24.5%	10,265.35
Hong Kong	31%	Neutral	Bearish	Bearish	Neutral	-11.2%	-6.0%	-26.8%	19,362.25
Hungary	30%	Bullish	Bearish	Bearish	Neutral	-0.3%	-15.1%	-41.3%	41,292.35
India	58%	Bearish	Bullish	Neutral	Neutral	+8.0%	+3.6%	-5.3%	59,793.14
Indonesia	76%	Neutral	Bullish	Bullish	Bearish	+0.8%	+0.9%	+14.0%	7,242.66
Israel	56%	Bullish	Bullish	Bearish	Bearish	+4.7%	-3.7%	+3.1%	2,037.92
Korea	39%	Bullish	Bearish	Neutral	Neutral	-14.5%	-19.7%	-35.3%	2,384.28
Malaysia	52%	Bullish	Bearish	Neutral	Bearish	-2.7%	-11.7%	-13.3%	1,496.53
Mexico	47%	Bullish	Bearish	Bearish	Neutral	-2.8%	-6.9%	-8.8%	47,042.94
Philippines	39%	Neutral	Bearish	Neutral	Bearish	-5.4%	-14.4%	-16.6%	6,606.00
Poland	29%	Bullish	Bearish	Bearish	Neutral	-12.5%	-22.7%	-41.5%	50,708.61
Portugal	52%	Neutral	Bullish	Bearish	Neutral	-0.9%	+3.7%	+0.1%	4,718.00
Russia	83%	Bullish	Bullish	Bullish	Bullish	-4.0%	+174.1%	-11.7%	1,262.72
Singapore	52%	Bullish	Neutral	Neutral	Neutral	+1.9%	+1.1%	+1.8%	342.24
Sth Africa	52%	Bullish	Bearish	Neutral	Bearish	-7.1%	-19.6%	-12.3%	62,126.76
Taiwan	45%	Bullish	Bearish	Neutral	Bullish	-14.8%	-22.2%	-25.1%	14,583.42
Thailand	50%	Neutral	Bullish	Neutral	Bearish	-3.2%	-8.7%	-9.1%	1,654.62
Turkey	74%	Neutral	Bullish	Bullish	Neutral	+29.9%	+38.6%	+13.7%	3,521.38
Venezuela	55%	Bullish	Neutral	Bearish	Bearish	-3.7%	-7.4%	-25.1%	8,953.47

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

Over recent quarters we have been monitoring average Dividend Yields as an indicator of stockmarket over- or under-valuation.

In March this year investor sentiment was very pessimistic but we pointed out that “Dividend Yields suggest extreme under-valuation in Russia, Brazil and Chile, plus good value in Germany, Austria, Australia, Japan and Malaysia”.

By June, “Germany, Austria and Malaysia” were also “at historical extremes of under-valuation”.

Over the last quarter, these under-valued stockmarkets have become even more under-valued . . . and more markets have joined our list of being *extremely under-valued*.

Look at the “off the chart” chart of average Dividend Yields in Brazil (Page 5). Wow! Dividend yields are up to 14.1% (from 10.9% in June and a long term historical range of 2½-4¾%). The average P/E is 4.1 (from a low 5.6 in June). When other publications talk about an “unprecedented situation” they mean their 30 year old analyst has not experienced this event in his eight year career. Your Editor has been publishing a stockmarket newsletter for 41 years, investing his own money in the stockmarket for 51 years and has extensively studied stockmarket data going back to at least the early 1900's (and much earlier, where data is available). This is an unprecedented situation!

Additional stockmarkets to now reach historical extremes of undervaluation include Japan and Korea (see charts on Pages 4 and 5) plus Italy, Argentina, Mexico, Poland, South Africa and Taiwan.

As charts take up a lot of space - and we want to present a range of valuation data for the major stockmarkets - we haven't published charts for those last six markets.

We are still trying to understand this “unprecedented situation”, but clearly if markets - *many* markets - are at historical extremes of undervaluation then equity prices must offer good value and are a “Buy”. At least from a medium to long term perspective, as prices can become more under-valued in the short term.

Perhaps one of the most important things we have learnt from our very long term study of the stockmarket is that “difficult” situations - such as economic problems, inflation, wars, etc - usually create the best value in the stockmarket and lead to the best buying opportunities. Some sectors of the United States stockmarket still look expensive, but many sectors in many other markets are looking cheap.

Yes - that is owing to the “difficult” economic situation/the war/the energy crisis/high inflation - but all of those problems create under-valuation in the stockmarket and a buying opportunity.

This is a classic example of Rothschild's “Buy when there's blood in the streets, even if the blood is your own” or Buffett's “Be fearful when others are greedy, and greedy when others are fearful”.

Shares *are* a good *long term* hedge against inflation, but initially inflation usually hurts corporate profitability which can be bad for share values in the short to medium term.

With potentially high inflation over the medium to long term, we are not suggesting indiscriminately buying any shares (or index funds). Given the inflation outlook, slower for longer economic growth and other global trends we remain focused on Gold and Commodities (especially energy and renewable energy commodities).

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			
abrdn Asia Focus	£530	12	30.9		6.0		3.3	22.9	16.6	6.7	4.3	1.1	10.5	25.6	Indo 3.0		
India Capital Growth	£121	Nil	45.5	5.4										94.6			
Scottish Oriental Sm Coys	£305	9	41.0		7.6		1.7	16.6	13.5	3.7	2.1	0.8	36.2	15.7	Indo 2.1		
				Cash	USA	UK	Europe	Japan	Canada	Aust	Russia	China	Sth Afr	Sweden	Brazil		
Aberforth Small Cos Trust	£1277	5	30.9			100.0											
Baillie Gifford Shin Nippon	£612	16	23.6	0.5				99.5									
Fidelity Japan Trust plc	£233	22	41.1	0.0				100.0									
Herald Investment Trust	£1376	Nil	16.0	8.9	23.4	46.0	10.5	11.2									
iShares Oil & Gas Exp	£345	Nil	61.3	0.8	66.7	1.1	1.5	1.8	19.6	8.5		0.2					
iShares S&P500 Utilities	£202	Nil	62.0	0.7	99.3												
VanEck Gold Miners	£545	Nil	62.0	0.4	17.3				41.7	14.0		4.9	5.2		7.5		
VanEck Junior Gold Miners	£275	Nil	39.0	0.2	4.2	4.7			50.0	18.0					5.9		
				Cash	Nth Amer	Lat Am	Global	Euro	Asia	Africa	Aust						
CQS Natural Resources	£161	11	45.8		46.6	12.4	9.6	2.8	5.6	8.8	14.2						
				Cash	US	UK	China/HK	Korea	Taiwan	Brazil	India	Russia	Sth Afr	Thai			
Templeton Emerging Mkts	£1966	Nil	50.2		3.8	1.7	27.2	19.6	16.4	9.7	11.2	-	-	2.4			

Recommended International Investment Funds

Dividends

abrdn Asia Focus plc has declared a third interim dividend for the year to 31 July 2022. The 1.6 pence dividend will be paid on 16 September (ex-dividend 25 August). This makes a total of 6.4 pence for the full year (up 100.0% under the new dividend policy).

Share Repurchases

Aberforth Smaller Companies Trust plc made 15 on-market trades over the last five weeks to repurchase a total of 656,500 of its own shares for £7,932,477.

Scottish Oriental Smaller Companies made seven trades to buy-back 49,686 shares for £561,374.

Fidelity Japan Trust plc repurchased 45,001 shares for £78,713 in two transactions.

Herald Investment Trust made one trade to buy-back 21,250 shares at a cost of £358,275.

Templeton Emerging Markets plc repurchased a lot of shares over the last five weeks! In 21 on-market transactions it repurchased 8,274,159 of its own shares and returned £12,262,938 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		
	United States								
HOLD	iShares S&P500 Utilities	IUSU	13/08/18	422.3p	819.4		752.75p	1429.2	+74
	United Kingdom								
BUY	Aberforth Smaller Cos Trt plc	ASL	15/07/03	375.5p	1042.0	-15%	1208.0p	2293.5	+120
	Gold & Commodities								
BUY	VanEck V. Gold Miners	GDGB	14/01/19	1731.0p	3253.8		2326.0p	4416.2	+36
BUY	VanEck V. Junior Gold Miners	GJGB	14/01/19	2011.0p	3780.1		2308.0p	4382.0	+16
BUY	CQS Natural Resources G&I	CYN	11/01/21	136.8p	256.1	-16%	188.0p	356.9	+39
	Asian Regional								
HOLD	abrdn Asia Focus	AAS	09/09/03	17.8p	49.6	-14%	264.0p	501.2	+911
HOLD	Scot Oriental Smaller Coy	SST	11/11/03	121.9p	330.5	-15%	1195.0p	2268.8	+586
	India								
HOLD	India Capital Growth plc	IGC	07/11/16	80.5p	137.6	-15%	122.0p	231.6	+68
	Japan								
BUY	Baillie Gifford Shin Nippon plc	BGS	11/01/94	31.2p	88.1	-6%	157.6p	299.2	+240
BUY	Fidelity Japan Trust plc	FJV	10/01/06	126.0p	322.7	-6%	166.0p	315.2	-2
	International								
HOLD	Herald Investment Trust	HRI	12/10/04	310.8p	820.1	-23%	1686.0p	3201.1	+290
BUY	iShares Oil & Gas Exp & Prod	SPOG	08/04/19	1287.0p	2491.8		2172.75p	4125.2	+66

* United Kingdom based Unit Trust

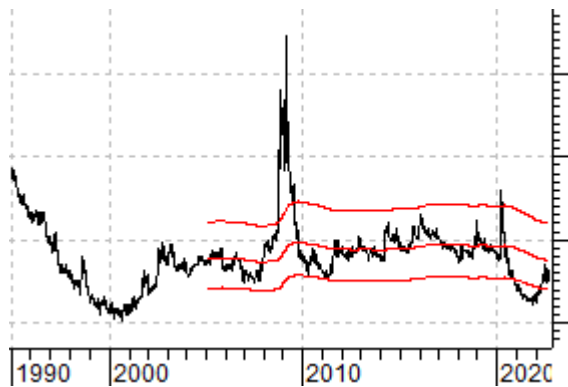
The average Gains/Losses of all current investments from initial recommendation is +265.5%. This is equal to an average annual rate of +23.39%, based upon the length of time each position has been held. The average annual rate of gain of ALL recommendations (both the 13 current and 59 closed out) is +14.7%.

World Stockmarket Valuations

Country	Dividend Yield	Price/Earn. Ratio
Australia	4.7	14.7
Austria	4.6	6.6
Belgium	2.9	16.2
Canada	3.0	13.5
Denmark	2.0	16.3
Finland	3.4	19.3
France	3.0	15.4
Germany	3.9	12.4
Ireland	1.7	17.4
Italy	5.2	7.7
Japan	2.5	16.1
Netherlands	2.3	18.7
New Zealand	2.9	21.5
Norway	4.0	9.6
Spain	3.9	9.8
Sweden	3.3	20.2
Switzerland	2.9	16.7
Un. Kingdom	3.7	13.6
USA	1.5	21.1
Argentina	2.3	4.1
Brazil	14.1	5.7
Czech Rep.	5.6	10.6

Country	Dividend Yield	Price/Earn. Ratio
Chile	6.1	8.1
China	2.2	15.7
Greece	2.2	99.7
Egypt	3.9	6.3
Hong Kong	2.8	14.5
Hungary	1.9	10.8
India	1.2	26.2
Indonesia	2.9	15.6
Israel	3.2	10.2
Korea	2.4	8.3
Malaysia	3.9	17.1
Mexico	4.1	12.3
Philippines	1.9	18.0
Poland	4.2	5.3
Portugal	3.3	31.4
Russia	11.4	4.0
Singapore	3.7	20.1
Sth Africa	4.2	10.3
Taiwan	4.4	11.2
Thailand	2.8	18.4
Turkey	2.5	6.3

United States Dividend Yields



United Kingdom Dividend Yields



Japan Dividend Yields



Canada Dividend Yields



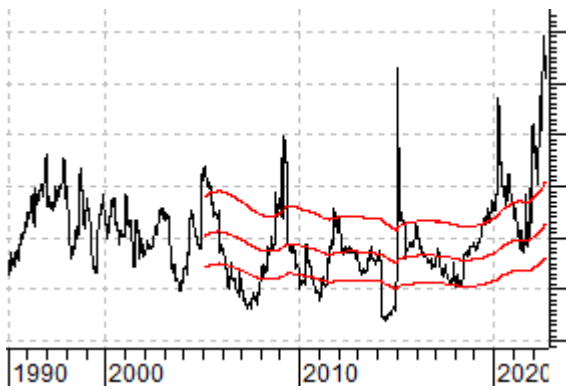
Brazil Dividend Yields



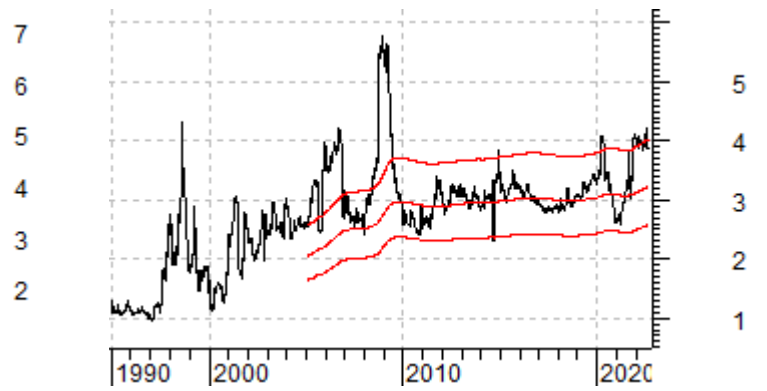
China Dividend Yields



Chile Dividend Yields



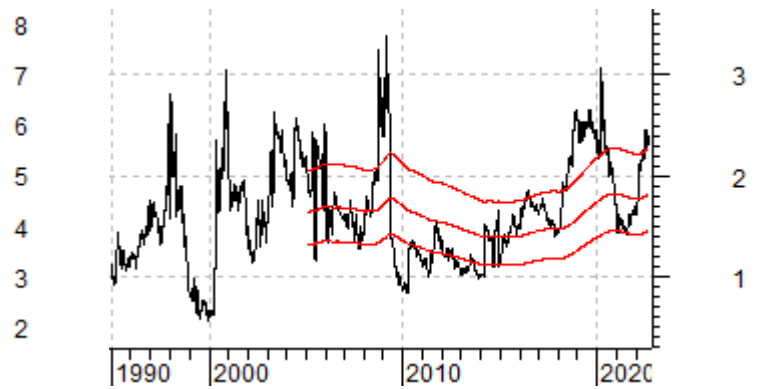
Malaysia Dividend Yields



Australia Dividend Yields



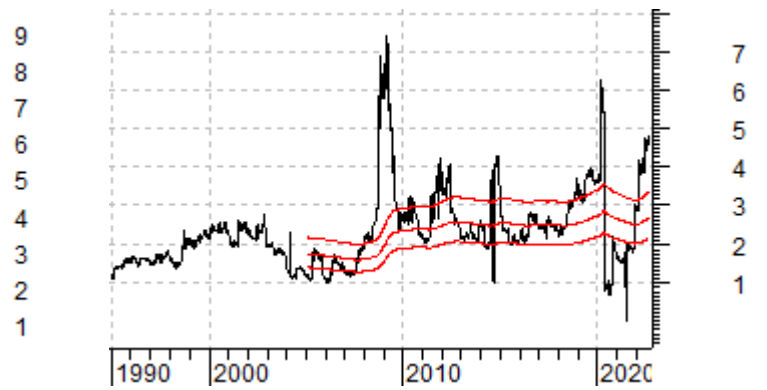
South Korea Dividend Yields



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	48,399	44.49	Bangladesh	52	0.05
China	11,718	10.77	Luxembourg	52	0.05
Japan	5,304	4.88	Kazakhstan	48	0.04
Hong Kong	4,523	4.16	Oman	48	0.04
India	3,527	3.24	Czech Republic	42	0.04
Saudi Arabia	3,046	2.80	Romania	38	0.03
Canada	3,041	2.80	Egypt	36	0.03
France	2,915	2.68	Jordan	26	0.02
United Kingdom	2,644	2.43	Bahrain	25	0.02
South Korea	1,729	1.59	Hungary	20	0.02
Germany	1,685	1.55	Croatia	18	0.02
Australia	1,649	1.52	Kenya	18	0.02
Switzerland	1,562	1.44	Iceland	16	0.01
Taiwan	1,552	1.43	Panama	14	0.01
Netherlands	1,378	1.27	Lebanon	13	0.01
Iran	1,294	1.19	Sri Lanka	11	0.01
South Africa	1,195	1.10	Ivory Coast	9	0.01
Spain	1,077	0.99	Ghana	8	0.01
Brazil	855	0.79	Slovenia	8	0.01
Sweden	843	0.77	Uzbekistan	8	0.00
Italy	649	0.60	Tunisia	7	0.01
Singapore	640	0.59	Bulgaria	6	0.01
Indonesia	626	0.58	Mauritius	6	0.01
UAE	568	0.52	Lithuania	5	0.00
Denmark	551	0.51	Estonia	5	0.00
Thailand	540	0.50	Malta	5	0.00
Mexico	465	0.43	Bosnia & Herzegovina	5	0.00
Norway	390	0.36	Palestine	4	0.00
Malaysia	361	0.33	Serbia	4	0.00
Israel	353	0.32	Ukraine	4	0.00
Belgium	325	0.30	North Macedonia	3	0.00
Philippines	296	0.27	Botswana	3	0.00
Finland	283	0.26	Malawi	3	0.00
Vietnam	219	0.20	Costa Rica	2	0.00
Poland	214	0.20	Cyprus	2	0.00
Qatar	206	0.19	Mozambique	2	0.00
Turkey	194	0.18	Slovakia	2	0.00
Russia	191	0.18	Mongolia	2	0.00
Chile	168	0.15	Georgia	1	0.00
Kuwait	148	0.14	Latvia	1	0.00
Ireland	126	0.12	Syria	1	0.00
Peru	126	0.12	Sudan	0	0.00
Austria	113	0.10			
New Zealand	109	0.10			
Portugal	92	0.08			
Colombia	75	0.07			
Nigeria	63	0.06			
Argentina	63	0.06			
Greece	62	0.06			
Morocco	60	0.06			
			TOTAL	\$108,795	100.00%

Next Issue:

The next issue of *International Investor* will be emailed in four weeks time on **Monday October 10, 2022**.

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

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