

# International Investor

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## Inside 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	57%	Bullish	Bullish	Bearish	Neutral	-0.5%	+9.5%	+7.7%	7,801.30
Austria	62%	Bullish	Bullish	Bearish	Bullish	+7.0%	+10.8%	+16.4%	3,658.69
Belgium	48%	Neutral	Bullish	Bearish	Neutral	+3.3%	+6.2%	+7.8%	3,903.30
Canada	50%	Neutral	Bullish	Bearish	Neutral	-0.8%	+7.1%	+7.4%	22,007.00
Denmark	55%	Bearish	Bullish	Neutral	Bearish	+4.9%	+33.0%	+42.5%	2,888.92
Finland	61%	Bullish	Neutral	Bearish	Bullish	+2.2%	+3.0%	-1.1%	10,178.57
France	46%	Bullish	Bullish	Bearish	Neutral	-1.0%	+7.2%	+10.7%	5,940.92
Germany	53%	Bullish	Bullish	Bearish	Neutral	+2.9%	+11.4%	+17.0%	18,555.39
Ireland	53%	Bullish	Bullish	Bearish	Bullish	+0.4%	+16.3%	+16.3%	9,835.68
Italy	71%	Bullish	Bullish	Bearish	Neutral	+2.5%	+14.5%	+26.6%	36,884.93
Japan	50%	Bearish	Bullish	Neutral	Bearish	-8.5%	+10.7%	+6.6%	38,660.50
Netherlands	52%	Bearish	Bullish	Bearish	Neutral	+5.9%	+18.8%	+22.3%	923.71
New Zealand	38%	Neutral	Bearish	Neutral	Bullish	-6.1%	-6.8%	-13.9%	1,184.78
Norway	64%	Bullish	Bullish	Bearish	Bullish	+8.1%	+11.5%	+18.0%	1,646.98
Spain	56%	Bullish	Bullish	Bearish	Neutral	+9.6%	+12.2%	+23.1%	1,128.82
Sweden	80%	Bullish	Bullish	Bullish	Neutral	+13.9%	+25.4%	+29.5%	1,683.69
Switzerland	67%	Bullish	Bullish	Neutral	Neutral	+3.0%	+8.9%	+9.7%	12,259.19
Un. Kingdom	55%	Bullish	Bullish	Bearish	Neutral	+6.6%	+10.8%	+10.3%	8,245.37
USA	42%	Bearish	Bullish	Bearish	Neutral	+4.4%	+16.1%	+24.4%	5,346.99
Argentina	60%	Bearish	Bullish	Neutral	Bullish	+42.7%	-34.7%	+7.7%	1,519,209
Brazil	52%	Bullish	Bearish	Bullish	Neutral	-10.3%	-11.1%	-4.4%	120,767.00
Czech Rep.	77%	Bullish	Bullish	Bullish	Neutral	+7.4%	+9.5%	+14.3%	1,546.76
Chile	65%	Bullish	Bullish	Neutral	Neutral	+10.2%	+6.5%	-0.4%	33,664.08
China	49%	Bullish	Neutral	Bearish	Neutral	-0.7%	+1.6%	-7.1%	3,051.28
Greece	48%	Neutral	Bullish	Bearish	Neutral	+1.0%	+15.0%	+16.2%	1,458.37
Egypt	27%	Neutral	Bearish	Bearish	Neutral	-12.2%	-30.4%	-1.8%	26,428.65
Hong Kong	57%	Bullish	Bullish	Neutral	Bearish	+12.5%	+12.5%	-4.9%	18,366.95
Hungary	71%	Bullish	Bullish	Neutral	Neutral	+5.2%	+16.6%	+33.9%	69,879.43
India	51%	Bearish	Bullish	Bearish	Neutral	+2.6%	+9.8%	+20.9%	76,693.36
Indonesia	43%	Bullish	Bearish	Neutral	Neutral	-10.7%	-7.6%	-5.5%	6,919.58
Israel	46%	Neutral	Neutral	Bearish	Bullish	-6.3%	+4.6%	+3.1%	1,943.94
Korea	50%	Neutral	Bullish	Neutral	Bearish	-2.8%	+3.6%	-3.5%	2,722.67
Malaysia	66%	Bullish	Bullish	Neutral	Neutral	+5.0%	+11.6%	+15.6%	1,617.86
Mexico	38%	Bullish	Bearish	Bearish	Neutral	-11.2%	-7.3%	-8.0%	52,977.32
Philippines	44%	Bullish	Bearish	Neutral	Bearish	-11.2%	-1.1%	-4.3%	6,518.76
Poland	71%	Bullish	Bullish	Neutral	Neutral	+4.3%	+11.3%	+32.1%	84,902.68
Portugal	45%	Bullish	Bullish	Bearish	Neutral	+8.0%	-0.8%	+1.6%	4,662.65
Russia	53%	Bullish	Bullish	Bearish	Bearish	+0.4%	+11.0%	+1.6%	1,141.71
Singapore	61%	Bullish	Bullish	Bearish	Neutral	+4.2%	+5.8%	+4.8%	352.48
Sth Africa	54%	Bullish	Neutral	Neutral	Bearish	+4.0%	+4.8%	-2.3%	70,531.54
Taiwan	51%	Bearish	Bullish	Neutral	Bearish	+7.1%	+22.2%	+22.7%	21,858.38
Thailand	29%	Bullish	Bearish	Bearish	Bearish	-7.5%	-6.8%	-17.1%	1,332.74
Turkey	51%	Neutral	Bullish	Bearish	Bullish	+9.4%	+14.8%	+30.7%	10,138.97
Venezuela	62%	Bullish	Bullish	Neutral	Bearish	+40.5%	+22.3%	+51.2%	71,570.16

**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.

# AI Hype and Tech Growth Slows

We have recently stumbled across some websites that are openly sceptic of Technology growth and AI. No, not written by *Luddites* or *Neo-Luddites* but technology people who are genuinely sceptical.

A programmer using the pen name Glyph has written *A Grand Unified Theory of the AI Hype Cycle* ([blog.glyph.im/2024/05/grand-unified-ai-hype.html](http://blog.glyph.im/2024/05/grand-unified-ai-hype.html)).

He describes 13 stages in the AI hype cycle (which we won't discuss here).

This isn't the first AI hype cycle. Previous ones include: "Neural networks and symbolic reasoning in the 1950's, Theorem provers in the 1960s, Expert systems in the 1980's, Fuzzy logic and hidden Markov models in the 1990's and Deep learning in the 2010s".

"Each of these cycles has been larger and lasted longer than the last" and "each cycle has produced *genuinely useful technology*" . . . but each leads to an S-shaped growth curve, not to exponential growth!

The author concludes "This hype cycle is unlike any that have come before in various ways. There's more money involved now. Its much more commercial".

"I cannot tell you when the current mania will end and this bubble will burst. What I can tell you is that computers cannot think".

A podcast entitled "The Rot-Com Bubble" ([wheresyoured.at/rotcombubble/](http://wheresyoured.at/rotcombubble/)) by Ed Zitron discusses what is rotten in the Technology sector today. Hint: The podcast sees a lot of problems!

It asks "What if the next big thing in tech is actually years or decades away? What if the era of hypergrowth in tech is over?". So many "new products don't seem to really do anything".

In 2023, "only 100 million" new internet users went online for the first time, "which is the slowest growth in the last 18 years". That is not because everyone is already online. "33% of the world's population - 2.6 billion people - have never actually used the internet".

"The majority of the top 100 web properties have seen significant declines in traffic since 2021". Google Search traffic is down 5%, YouTube 4%, Facebook 28%, Amazon 12%, Wikipedia 25%. The two top porn sites are down 24% and 17%. The growth is gone.

"We were told that NFTs would replace physical, tangible collectables". "We were told our futures were in the metaverse" but "when we actually got there it was just a wonky virtual reality space that Zuckerberg somehow burned \$6 billion on".

"AI spits out incorrect information authoritatively, which Google CEO Persha has said is an inherent feature of the technology he's now plugged into Google Search".

"Products aren't useful. Windows laptops will soon integrate an AI powered feature called Recall" that will take screen shots of your laptop every few seconds. "It can't distinguish between regular computer usage and sensitive information you would not want your computer to record". Its "the kind of thing a hacker might install on a victim's computer".

All "major tech companies are integrating AI into their products and services" but that AI "doesn't seem to do anything new".

"Even the companies seem incapable of explaining why AI is such a big deal. Microsoft's *Super Bowl* commercial for its AI powered co-pilot assistant featured" it appearing to do "multiple things that it cannot do".

## Summary and Recommendation

Some readers may think Your Editor is trapped in an internet echo chamber . . . but whatever the situation it is difficult to get excited about Technology and AI valuations that are *so high* that it would take many, many years of exponential growth to justify current share prices. And *further* growth to offer a positive return!

We prefer to invest in under-valued, out-of-favour sectors like Energy, Commodities, Gold and Utilities.

## Recommended Funds Geographic Portfolio Spread

FundName	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	£574	12	35.1	1.1	4.2		4.1	13.9	7.5	2.2	4.2	3.6	10.6	23.0	Indo	10.7		
India Capital Growth	£162	Nil	41.8	6.8										93.2				
Scottish Oriental Sm Coys	£360	8	44.2		4.8			7.4	4.9	2.0	1.5	9.1	13.3	44.4	Indo	15.3		
				Cash	USA	UK	Europe	Japan	Canada	Aust	Russia	China	Sth Afr	Mexico	Brazil			
Aberforth Small Cos Trust	£1398	9	24.6			100.0												
Baillie Gifford Shin Nippon	£486	20	23.8	1.0				99.0										
Fidelity Japan Trust plc	£286	21	41.8	0.0				100.0										
Herald Investment Trust	£1293	Nil	19.1	8.3	30.6	39.6	10.6	10.9										
iShares Oil & Gas Exp	£315	Nil	60.9	0.3	65.8		1.4	2.3	20.9	7.9								
iShares S&P500 Utilities	£284	Nil	59.3	0.8	99.2													
VanEck Gold Miners	£878	Nil	59.6	0.2	17.3				41.3	11.5		6.0	10.6		6.1			
VanEck Junior Gold Miners	£433	Nil	44.3	0.1	4.6	2.9	2.6	53.4	15.9			1.8	5.7	3.9				
				Cash	Nth Amer	Lat Am	Global	Euro	Asia	Africa	Aust							
CQS Natural Resources	£154	8	36.1		42.0	9.6	12.5	2.3	7.8	12.6	13.2							
				Cash	US	UK	China/HK	Korea	Taiwan	Brazil	India	Mexico	Sth Afr	Thai				
Templeton Emerging Mkts	£2030	Nil	46.5	1.5	3.1		24.6	21.4	17.9	9.3	12.4	2.4	1.0	2.5				

# Recommended International Investment Funds

## Fund Report

**Templeton Emerging Markets Investment Trust plc** lifted net assets +7.9% for the year to 31 March 2024, outperforming its benchmark index that rose +5.9%. The share price was up +4.9%.

A final dividend of 3.0 pence, payable 26 July (ex-dividend 20 June) will make 5.0 pence for the year. This offers a 3.2% dividend yield.

The shares have been trading at a discount to net assets so the company will seek to “substantially increase the rate of share buybacks”. The trust repurchased £218.2 million of its own shares (at a discount to net asset value) over the last five years “resulting in a meaningful uplift in net assets for continuing shareholders”. “If the discount continues”, it now plans to buyback up to £200 million worth of shares on-market over the next 12-24 months - and “continue at a suitable rate as required thereafter”.

It also plans a “conditional tender offer”. If net assets under-perform the benchmark index over the next five years to 31 March 2029 then shareholders will be given the opportunity to redeem 25% of their shares in a tender offer (at a price 2% below net asset value).

The annual management fee will also be lowered slightly. The current fee is 1.00% for the first £1 billion

in assets, 0.75% for the next £1 billion and 0.50% on the balance over £2.0 billion. The middle tier will reduce annually over the next two years and from 1 July 2026 the fee structure will be 1.00% on the first £1 billion and 0.50% on assets above £1 billion.

## Share Repurchases

**CQS Natural Resources** made four on-market share repurchases over the last four weeks to acquire 148,000 shares for £285,481.

**Scottish Oriental Smaller Companies** made five trades to buyback 65,000 shares at a cost of £892,376.

**India Capital Growth** made one trade, buying 40,000 of its own shares for £65,600.

**Baillie Gifford Shin Nippon** bought back 200,000 shares, in two trades, for £446,940.

**Fidelity Japan Trust** made 14 trades, repurchasing 953,968 shares for £1,648,218.

**Herald Investment Trust** made six trades, buying back 205,076 of its own shares and returning £4.5 million to investors.

**Templeton Emerging Markets** appears to have started its increased share buyback, with 17 trades acquiring 7,639,165 shares and returning just under £12.2 million 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	
	<b>United States</b>							
HOLD	iShares S&P500 Utilities	IUSU	13/08/18	422.3p	819.4	652.5p	1358.2	+66
	<b>United Kingdom</b>							
BUY	Aberforth Smaller Cos Trt plc	ASL	15/07/03	375.5p	1042.0	-11%	1520.0p	+204
	<b>Gold &amp; Commodities</b>							
BUY	VanEck V. Gold Miners	GDGB	14/01/19	1731.0p	3253.8		2963.0p	+90
BUY	VanEck V. Junior Gold Miners	GJGB	14/01/19	2011.0p	3780.1		2924.0p	+61
BUY	CQS Natural Resources G&I	CYN	11/01/21	136.8p	256.1	-6%	203.0p	+65
	<b>Asian Regional</b>							
HOLD	abrdn Asia Focus	AAS	09/09/03	17.8p	49.6	-16%	278.0p	+1068
HOLD	Scot Oriental Smaller Coy	SST	11/11/03	121.9p	330.5	-15%	1355.0p	+753
	<b>India</b>							
HOLD	India Capital Growth plc	IGC	07/11/16	80.5p	137.6	-7%	168.5p	+155
	<b>Japan</b>							
HOLD	Baillie Gifford Shin Nippon plc	BGS	11/01/94	31.2p	88.1	-12%	111.8p	+164
HOLD	Fidelity Japan Trust plc	FJV	10/01/06	126.0p	322.7	-11%	173.0p	+12
	<b>International</b>							
HOLD	Herald Investment Trust	HRI	12/10/04	310.8p	820.1	-13%	2160.0p	+448
BUY	iShares Oil & Gas Exp & Prod	SPOG	08/04/19	1287.0p	2491.8		2125.5p	+78
HOLD	Templeton Emerging Markets	TEM	11/01/21	199.2p	373.0	-15%	158.0p	-12

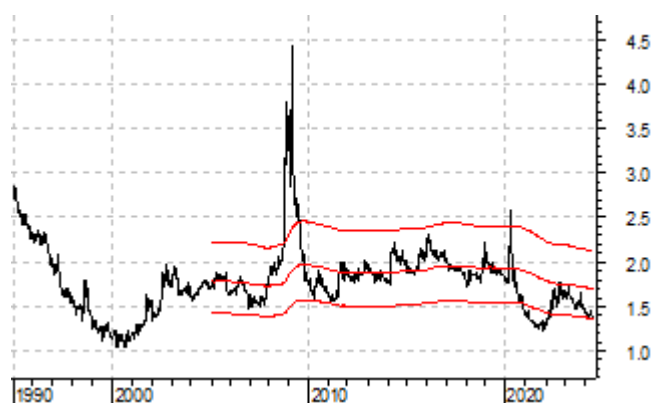
The average Gains/Losses of all current investments from initial recommendation is +242.4%. This is equal to an average annual rate of +18.9%, based upon the length of time each position has been held. The average annual rate of gain of ALL recommendations (both the 13 current and 59 closed out) is +13.6%.

# World Stockmarket Valuations

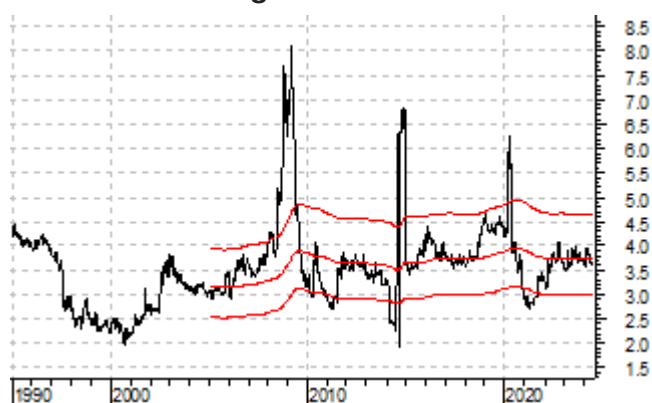
Country	Dividend Yield	Price/Earn. Ratio
Australia .....	3.7	20.0
Austria .....	5.3	7.1
Belgium .....	2.8	19.5
Canada .....	3.0	17.8
Denmark .....	1.2	36.0
Finland .....	4.9	13.9
France .....	2.9	16.7
Germany .....	3.1	14.4
Ireland .....	2.7	22.6
Italy .....	4.9	9.1
Japan .....	2.1	16.5
Netherlands .....	1.8	23.7
New Zealand .....	2.8	26.5
Norway .....	6.0	12.4
Spain .....	4.2	10.2
Sweden .....	2.9	14.3
Switzerland .....	2.9	19.0
Un. Kingdom .....	3.7	12.7
USA .....	1.4	26.5
Argentina .....	0.9	23.6
Brazil .....	7.6	8.2
Czech Rep. ....	13.3	12.0

Country	Dividend Yield	Price/Earn. Ratio
Chile .....	4.4	11.7
China .....	2.6	13.6
Greece .....	2.4	7.1
Egypt .....	2.3	8.4
Hong Kong .....	3.1	12.7
Hungary .....	1.8	11.1
India .....	1.0	27.7
Indonesia .....	5.1	14.3
Israel .....	2.2	15.9
Korea .....	2.0	17.6
Malaysia .....	3.5	20.5
Mexico .....	3.5	15.7
Philippines .....	2.8	11.1
Poland .....	4.0	9.8
Portugal .....	3.6	15.5
Russia .....	11.0	4.1
Singapore .....	4.7	14.3
Sth Africa .....	3.7	13.2
Taiwan .....	2.5	23.3
Thailand .....	3.3	17.9
Turkey .....	2.2	8.3

### United States Dividend Yields



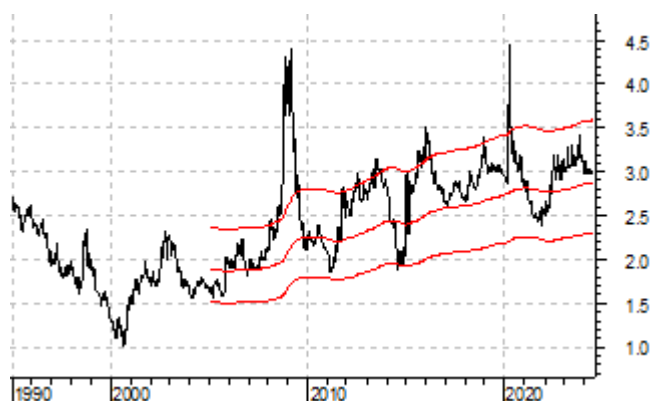
### United Kingdom Dividend Yields



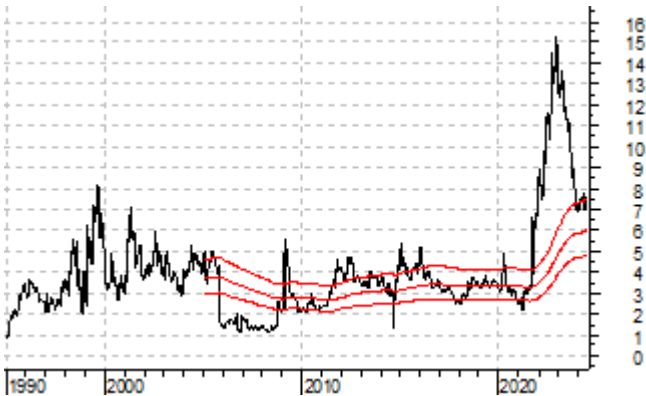
### Japan Dividend Yields



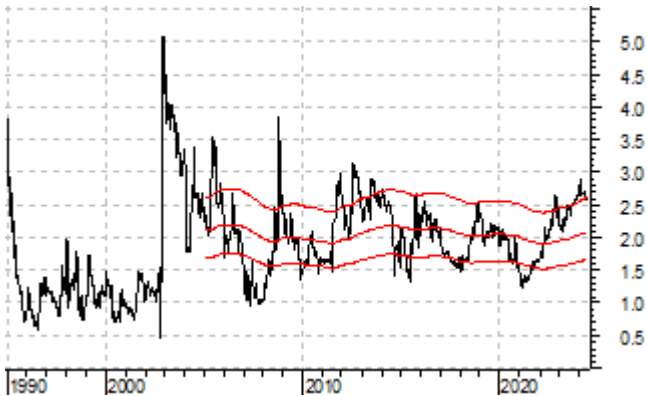
### Canada Dividend Yields



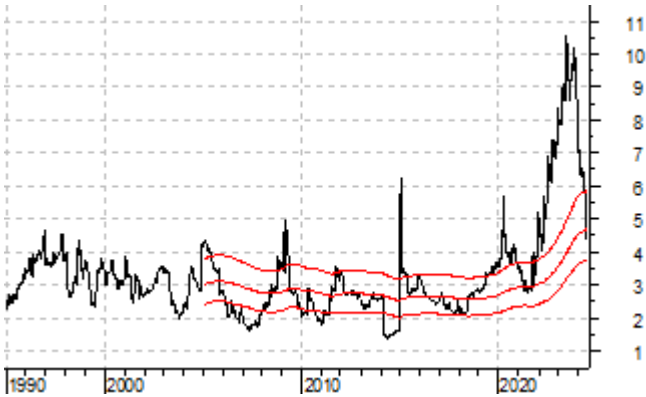
Brazil Dividend Yields



China Dividend Yields



Chile Dividend Yields



Malaysia Dividend Yields



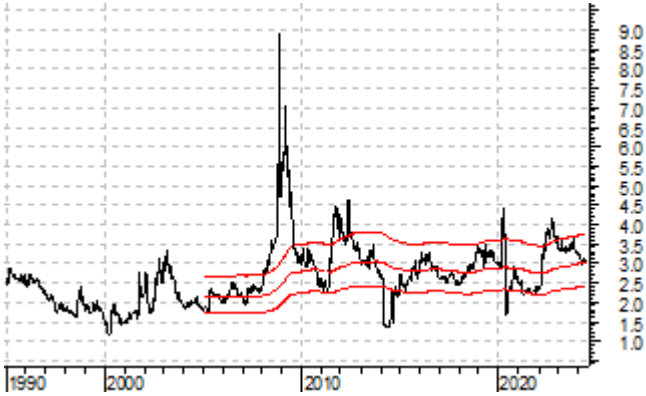
Australia Dividend Yields



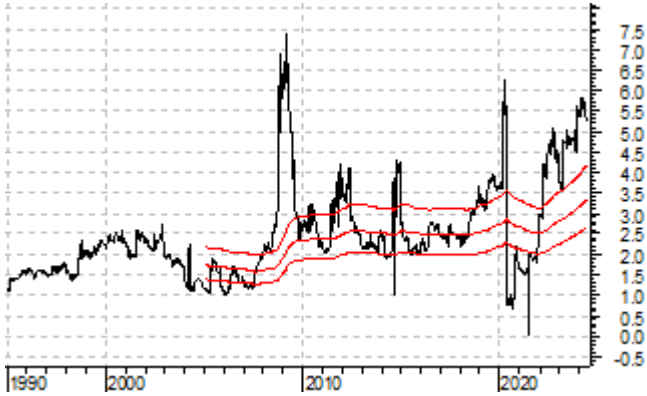
South Korea Dividend Yields



Germany Dividend Yields



Austria Dividend Yields





# World Stockmarket Capitalisations

Country	Market Capitalisation (US\$ Billions)	Percentage of Total
United States .....	50,694	43.71
China .....	10,646	9.18
Japan .....	6,323	5.45
India .....	4,940	4.26
Hong Kong .....	4,200	3.62
France .....	4,119	3.47
Saudi Arabia .....	2,729	2.35
United Kingdom .....	2,642	2.28
Canada .....	2,543	2.19
Germany .....	2,183	1.88
Taiwan .....	1,991	1.72
South Korea .....	1,853	1.60
Iran .....	1,743	1.50
Australia .....	1,724	1.49
Netherlands .....	1,689	1.46
Switzerland .....	1,640	1.41
Spain .....	1,335	1.15
South Africa .....	1,230	1.06
Sweden .....	1,086	0.94
Denmark .....	839	0.72
Brazil .....	822	0.71
Italy .....	747	0.64
Indonesia .....	727	0.63
Belgium .....	716	0.62
Mexico .....	601	0.52
Singapore .....	570	0.49
Thailand .....	559	0.48
Turkey .....	435	0.38
Poland .....	410	0.35
Malaysia .....	388	0.33
Norway .....	379	0.33
Philippines .....	305	0.26
Finland .....	285	0.25
Israel .....	268	0.23
Vietnam .....	212	0.18
Peru .....	211	0.18
UAE .....	183	0.16
Chile .....	181	0.16
Ireland .....	158	0.14
Qatar .....	149	0.13
Austria .....	144	0.12
Kuwait .....	135	0.12
Greece .....	107	0.09
New Zealand .....	99	0.09
Portugal .....	97	0.08
Colombia .....	89	0.08
Romania .....	73	0.06
Morocco .....	70	0.06
Kazakhstan .....	69	0.06
Russia .....	63	0.05

Country	Market Capitalisation (US\$ Billions)	Percentage of Total
Oman .....	52	0.04
Luxembourg .....	51	0.04
Hungary .....	44	0.04
Bangladesh .....	39	0.03
Egypt .....	38	0.03
Nigeria .....	38	0.03
Croatia .....	27	0.02
Jordan .....	24	0.02
Bahrain .....	21	0.02
Uzbekistan .....	20	0.01
Iceland .....	19	0.02
Lebanon .....	17	0.01
Panama .....	16	0.01
Sri Lanka .....	16	0.01
Ivory Coast .....	13	0.01
Kenya .....	13	0.01
Slovenia .....	12	0.01
Argentina .....	11	0.01
Czech Republic .....	11	0.01
Mauritius .....	9	0.01
Tunisia .....	8	0.01
Bulgaria .....	8	0.01
Ghana .....	6	0.01
Estonia .....	6	0.01
Lithuania .....	5	0.00
Malta .....	5	0.00
Bosnia & Herzegovina .....	5	0.00
North Macedonia .....	5	0.00
Malawi .....	4	0.01
Ukraine .....	4	0.00
Serbia .....	4	0.00
Cyprus .....	4	0.00
Botswana .....	4	0.00
Mozambique .....	3	0.00
Mongolia .....	3	0.00
Palestine .....	2	0.00
Costa Rica .....	2	0.00
Slovakia .....	2	0.00
Georgia .....	2	0.00
Syria .....	1	0.00
Latvia .....	1	0.00
Sudan .....	0	0.00
TOTAL .....	\$115,975	100.00%

## Next Issue:

The next issue of *International Investor* will be emailed in four weeks time on Monday July 8, 2024.

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