

# International Investor

Issue No. 60

P.O. Box 34-162, Auckland

December 12, 2000.

## Inside International Investor

Stockmarket Reviews:

US, UK, Taiwan, Korea ..... 3, 4

Listed Investment Trust Warrant Analysis ..... 5, 6

Editor and Research Director: 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	39%	Bearish	Bullish	Neutral	Bearish	-2.7%	-2.8%	-10.5%	3,232.50
Austria	39%	Bullish	Bearish	Neutral	Bearish	-6.3%	-13.6%	-17.1%	1,084.06
Belgium	43%	Neutral	Neutral	Neutral	Bearish	+1.9%	-1.7%	-14.8%	3,033.87
Canada	28%	Bearish	Neutral	Bearish	Bearish	-13.9%	-4.5%	+17.1%	9,548.73
Denmark	36%	Bearish	Neutral	Neutral	Bearish	-5.2%	-1.4%	+4.8%	931.53
Finland	39%	Bearish	Bullish	Neutral	Bearish	+7.2%	-18.1%	+1.5%	14,829.51
France	28%	Bearish	Bearish	Bearish	Bearish	-9.1%	-14.8%	-5.8%	3,781.68
Germany	30%	Bearish	Bearish	Bearish	Bearish	-5.7%	-14.1%	-3.8%	6,691.25
Ireland	45%	Bearish	Bullish	Bearish	Neutral	+9.2%	+8.7%	+5.1%	5,811.95
Italy	40%	Neutral	Neutral	Neutral	Bearish	-2.4%	-8.5%	+5.5%	31,490.00
Japan	23%	Bearish	Bearish	Bearish	Bearish	-14.9%	-16.1%	-23.7%	14,696.51
Netherlands	31%	Bearish	Bearish	Bearish	Neutral	-4.0%	-10.1%	-6.5%	919.40
New Zealand	24%	Neutral	Bearish	Bearish	Bearish	-8.1%	-14.8%	-23.8%	2,101.58
Norway	36%	Bearish	Bearish	Bearish	Neutral	-11.1%	-1.1%	+0.1%	762.01
Spain	26%	Bearish	Bearish	Bearish	Bearish	-9.6%	-15.3%	-19.5%	909.31
Sweden	21%	Bearish	Bearish	Bearish	Bearish	-15.1%	-26.4%	-13.2%	5,119.00
Switzerland	38%	Bearish	Bullish	Bearish	Bearish	+3.6%	-1.0%	+1.7%	7,995.80
Un. Kingdom	48%	Bearish	Bearish	Bullish	Bearish	-2.3%	-6.2%	-16.5%	6,288.30
USA	34%	Bearish	Bearish	Neutral	Bearish	-8.3%	-6.0%	-3.3%	1,369.89
Argentina	44%	Bullish	Bearish	Bearish	Bullish	-14.3%	-17.7%	-24.4%	16,129.84
Brazil	31%	Neutral	Bearish	Bearish	Bearish	-20.5%	-16.1%	-4.2%	14,982.99
Czech Rep.	37%	Bearish	Bearish	Neutral	Bullish	-14.0%	-25.1%	-17.8%	1,372.00
Chile	37%	Neutral	Bearish	Bearish	Bearish	-3.1%	-10.3%	-8.6%	4,879.80
China	33%	Bearish	Bearish	Bearish	Neutral	-19.3%	-14.1%	-6.5%	681.12
Greece	50%	Bearish	Bearish	Bullish	Neutral	-13.3%	-22.5%	-41.6%	3,736.40
Hong Kong	44%	Bearish	Bearish	Bullish	Bearish	-12.1%	-5.8%	-7.5%	15,189.33
Hungary	36%	Neutral	Bearish	Neutral	Bearish	-9.2%	-26.8%	-23.8%	7,499.54
India	38%	Bearish	Bearish	Bullish	Bearish	-13.1%	-15.9%	-19.3%	4,156.08
Indonesia	32%	Bearish	Bearish	Neutral	Bearish	-19.6%	-18.5%	-48.5%	431.81
Israel	50%	Neutral	Bearish	Bullish	Bearish	-15.9%	-9.1%	+14.2%	439.79
Korea	49%	Bullish	Bearish	Bullish	Bearish	-23.8%	-40.1%	-50.1%	534.81
Malaysia	31%	Bearish	Bearish	Neutral	Bearish	-0.8%	-14.9%	-1.4%	733.49
Mexico	28%	Neutral	Bearish	Bearish	Bearish	-17.3%	-4.8%	-15.1%	5,795.09
Philippines	20%	Neutral	Bearish	Bearish	Bearish	-16.6%	-22.3%	-41.4%	1,400.36
Poland	38%	Bearish	Bearish	Bearish	Bullish	-8.4%	-15.0%	-8.4%	16,716.20
Portugal	36%	Neutral	Bearish	Neutral	Bearish	-8.3%	-17.8%	-14.9%	2,557.57
Russia	27%	Bearish	Bearish	Neutral	Bearish	-26.8%	-16.7%	+57.6%	1,657.22
Singapore	16%	Bearish	Bearish	Bearish	Bearish	-8.2%	-4.8%	-21.0%	1,960.16
Sth Africa	34%	Neutral	Bearish	Bearish	Bearish	-12.6%	-5.0%	-20.2%	8,007.70
Taiwan	38%	Bullish	Bearish	Neutral	Bearish	-33.4%	-45.9%	-35.4%	5,252.83
Thailand	33%	Bearish	Bearish	Bullish	Bearish	-12.0%	-27.9%	-42.1%	273.69
Turkey	44%	Bearish	Bearish	Bullish	Neutral	-22.0%	-47.8%	-34.1%	9,799.00
Venezuela	58%	Neutral	Bullish	Bullish	Bearish	-0.9%	-0.8%	+21.6%	6,839.51

**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.

# Stockmarket Outlook

Stockmarkets continued to decline last month. Technology shares fell sharply when the NASDAQ index fell 20% in November (although recovering a little in early December) on signs that the *new economy* is not immune to an economic slowdown.

Although investors are starting to look beyond the current down trend to a stockmarket recovery in 2001 we believe that major world stockmarkets will likely fall significantly over the next 3-9 months.

On the positive side, major Central Banks have indicated an end to monetary tightening, with interest rates now likely to fall next year. The US Federal Reserve is now satisfied that the slowing US economy will keep inflation under control. There will be no further interest rate rises, although the Federal Reserve is unlikely to cut interest rates in the near future unless the economy falls sharply into recession - which is a very real risk! The Bank of England has also lowered its inflation forecasts to 2.5% - its *target* inflation rate - so UK interest rates are also probably past their peak in the current cycle. This change in monetary conditions sent the NASDAQ index soaring 10% one day last week - but it is far too early for investors to become bullish (i.e. optimistic).

The major risk now facing stockmarkets is a *hard landing* in the US economy. The *wealth effect* of a buoyant stockmarket has boosted US consumer spending over several years and helped fuel the long period of economic growth. With a *negative* savings rate, the US is importing foreign capital to fund its growth. The fall in US stock prices *to date* is enough to cause a *negative wealth effect*. An aging US population will cut back on expenditure - and even start to once again save - to replace wealth lost in the stockmarket decline. That will further depress economic activity and corporate profits - putting further pressure on

stock prices.

This can lead to a vicious cycle of lower stock prices lower personal wealth, lower consumer spending and lower corporate profits putting further pressure on stock prices and continuing to repeat the cycle. In this situation the Federal Reserve can be expected to cut interest rates, but lower interest rates will not boost consumer spending and stock prices would likely continue to fall in the face of declining corporate profits. This is one economic battle that the Federal Reserve may not be able to easily win by simply lowering interest rates. US investors may soon experience the sort of Bear Market decline not seen for over one quarter of a century (i.e. 1973-74).

Slower economic growth and lower interest rates would also lead to a weakening in the over-valued US dollar.

## Summary & Recommendation

Forecasting stockmarket trends is not easy. Earlier this year we built up a 30-40% cash reserve as stockmarkets were at historically high valuations and the outlook was unfavourable. That cash reserve will prove extremely valuable if we are able to buy back into major world stockmarkets at very depressed levels in mid to late 2001.

Unfortunately, we left 60-70% of our portfolio in Asian funds - partly as we see good long term potential for this region and partly as we were not prepared to hold less of our portfolio out of the stockmarket! Over recent months Asian stockmarkets have been hit by (1) a lack of progress on restructuring and (2) higher oil prices. Now both of those factors are improving.

A slowdown in world economies will depress demand for Asian exports, but this can be offset via a relatively small *competitive devaluation* in the exchange rate - probably in the region of 5-8%.

## Recommended Funds Geographic Portfolio Spread

Fund Name	Size (Mil)	Leverage (% debt)	Top 10 Hldgs (%)	Portfolio invested in (%):-											
				Cash	HK	Australia	Malay	Japan	Taiwan	Korea	Sing.	Thail'd	Phil.	China	
Fidelity Asian Values plc	£213	14	35.1	9.7	32.0		10.0		24.0		12.0				
Fleming Asia IT plc	£175	15	38.6	13.0	41.0		4.0		13.0	7.0	12.0	1.0			India 8%, Indonesia 1%
Gartmore Pacific Gth Fund	£88	Nil	46.0	6.4	38.3	8.7	0.4		11.7	13.5	19.1	0.6			1.3
HSBC Asian Fund	£25	Nil	40.5	12.7	26.7		5.6		15.5	15.7	11.9	2.3			Indonesia 0.4%
HSBC Hong Kong Gth Fund	£35	Nil	52.0	14.5	82.5										3.5
Henderson Pacific Capital	£142	Nil	24.2	6.2	21.6	24.7	2.9		11.0	9.7	14.4	1.7			7.7
Schroder Asia Pacific plc	£110	8	47.9	1.3	43.1		4.4		18.1	15.7	14.5	1.1	0.5		Indonesia 1.3%
Baring Korea	£52	Nil	48.9	5.3						94.7					
Old Mutual Thailand	£6	Nil	55.4	0.2								98.8			
				Cash	USA	UK	Europe	Japan							
Baillie Gifford Shin Nippon plc	£74	21	30.1	25.8				74.2							
Invesco Japan Discovery Trt	£39	9	39.8	5.3				94.7							
				Cash	Asia	Latin Amer	Africa	Europe & Middle East							
Aberdeen Emerging Markets	£13	Nil	28.6	1.7	43.4		23.9	9.0		22.0					
Templeton E/Markets plc	£609	Nil	21.8	13.4	33.1		23.2	13.2		17.1					

(South Africa 13.2%, Mexico 9.8%, Brazil 9.3%, South Korea 8.1%, Thailand 6.3%, Poland 5.1%, HK 4.9%, Turkey 4.9%)

# Recommended International Investment Funds

We continue to recommend holding 30-40% of international portfolios in cash. At this stage we anticipate using this cash to add to existing positions and to finance new investments probably in the second or third quarters of 2001. There is a risk that major stockmarkets will decline sharply over the next 3-9 months - which would make our cash reserve a very valuable resource. We shall continue to hold all existing positions.

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>Asian Regional</b>									
BUY	Fleming Asia WARRANTS	FAIW	07/03/00	43.8p	141.7	22.3p	75.5	-47	
HOLD	Fidelity Asian Values WARRANTS	FASW	10/03/98	17.5p	49.7	15.75p	53.4	+7	
HOLD	Gartmore Pacific Growth Fund	*	29/10/85	41.4p	105.4	178.03-189.94p	624.1	+492	
HOLD	HSBC Asian Fund	*	10/11/98	34.4p	106.3	44.0p	149.2	+40	
HOLD	HSBC Hong Kong Growth Fund	*	07/04/98	159.4p	481.6	200.0p	678.4	+41	
BUY	Henderson Pacific Capital	*	08/08/00	342.2p	1122.6	276.0p	936.2	-17	
HOLD	Schroder Asia Pacific WARRANTS	SDPW	13/07/99	25.5p	75.8	16.5p	56.0	-26	
<b>Japan</b>									
HOLD	Baillie Gifford Shin Nippon plc	BGS	11/01/94	156.0p	440.3	-19%	145.25p	492.7	+12
HOLD	Invesco Japan Discovery Trust	IJD	13/07/99	95.5p	284.0	-10%	103.0p	349.4	+23
<b>Korea</b>									
HOLD	Baring Korea Trust	*	12/04/94	81.1p	209.4		58.10-62.18p	204.0	-3
<b>Thailand</b>									
HOLD	Old Mutual Thailand Trust	*	08/12/98	49.0p	155.9		37.93-41.34p	134.4	-14
<b>International</b>									
HOLD	Aberdeen Prolific Emerging Markets	*	13/08/91	39.0p	116.1		62.03-65.63p	216.5	+86
HOLD	Templeton E/Markets WARRANTS	TEMA	13/07/99	40.3p	119.7		19.0p	64.5	-46

\* United Kingdom based Unit Trust

## Other Shares and Warrants

Alternative investments in the UK listed investment trust shares and warrants recommended above include **Fidelity Asian Values** shares at 70 pence (-11%, i.e. 11% below net asset value), **Fleming Asian** shares at 93½ pence (-10%), **Schroder Asia Pacific** shares at 71¼ pence (-14%), **Templeton Emerging Markets** shares at 110 pence (-20%), **Baillie Gifford Shin Nippon** warrants at 37¼ pence and **Invesco Japan Discovery** warrants at 49½ pence.

## Stockmarket Reviews

### United States

Price/Earnings Ratio:	27.7	Gross Domestic Product:	+5.3%
Dividend Yield:	1.1%	Industrial Production:	+5.2%
Real Money Supply:	+6.4%	Unemployment:	3.9%
ST Interest Rates:	6.5%	Inflation:	3.4%
LT Interest Rates:	7.3%	Retail Sales:	7.0%

Technically the US stockmarket looks to have formed a broad top formation over the last year and having peaked will likely fall sharply over the next 6-12 months.

Economic indicators suggest that four years of rapid expansion is over, putting pressure on corporate profits. Lower interest rates will reduce the value of the US dollar.



(Continued on Page 4)

(Continued from Page 3)

## United Kingdom

Price/Earnings Ratio: 24.5	Gross Domestic Product: +2.9%
Dividend Yield: 2.1%	Industrial Production: +0.6%
Real Money Supply: +5.6%	Unemployment: 3.6%
ST Interest Rates: 5.9%	Inflation: 3.1%
LT Interest Rates: 6.1%	Retail Sales: 3.8%

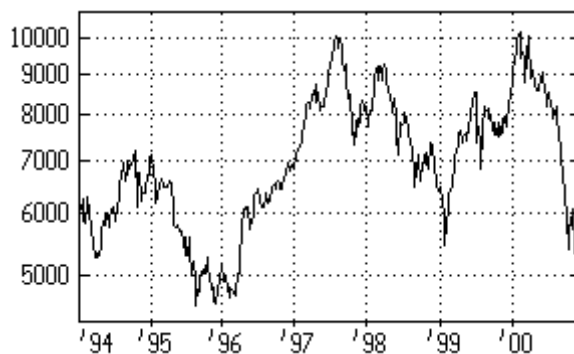
The UK stockmarket has moved sideways for two years - so will probably decline moderately over the next six months. Fundamental valuations are still too high and some slowdown in the economy is likely. Monetary indicators, however, have turned Bullish (i.e. favourable). Inflation appears to have peaked and is expected to decline towards the Bank of England target rate of 2.5%. As a result, interest rates have peaked, with short term interest rates falling over the last six months and long term interest rates declining over the last three months.



## Taiwan

Price/Earnings Ratio: 18.7	Gross Domestic Product: +6.6%
Dividend Yield: 1.9%	Industrial Production: +7.2%
Real Money Supply: +1.8%	Unemployment: 3.2%
ST Interest Rates: 5.6%	Inflation: 2.3%

Taiwan's stockmarket is in a downtrend and has lost half of its value this year. Political problems include a fragmented Parliament and minority government. Opposition parties are seeking to impeach the President for economic mismanagement after unilaterally cancelling construction of the island's fourth nuclear power plant. The plant is 40% complete (with US\$1,500 million already spent) and widely supported as Taiwan needs more electricity to keep the economy growing. Recent stockmarket falls also reflect concerns of a slowdown in demand for high-tech products by US consumers - although the size of the decline suggests these fears have *fully anticipated* any decline in high-tech exports. The stockmarket has now fallen to a level where shares are near historical extremes of under-valuation - so Fundamental indicators are favourable.

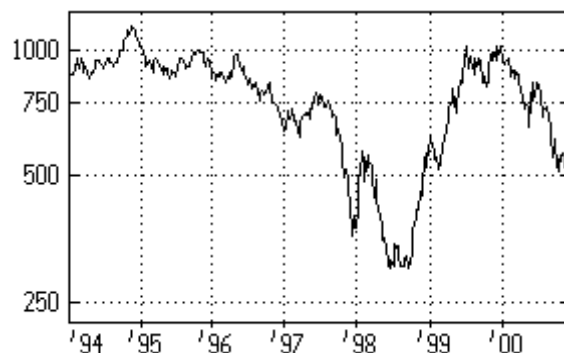


## Korea

Price/Earnings Ratio: 7.8	Gross Domestic Product: +9.2%
Dividend Yield: 2.6%	Industrial Production: +11.6%
Real Money Supply: +25.2%	Unemployment: 3.9%
ST Interest Rates: 6.9%	Inflation: 2.6%
LT Interest Rates: 7.9%	Retail Sales: 7.4%

Korea is finally moving to deal with its debt problems. The Government's Financial Supervisor Service allowed the trading banks to decide the fate of 300 heavily indebted companies. 52 of these will be allowed to fail (or merge or be sold) - but the banks were careful not to select any high profile companies to be closed. Dong Ah Construction was placed in receivership, as was Daewoo Motors. Attempts to sell Daewoo Motors to foreign car manufacturers have been unsuccessful, and receivership was the only option after labour unions rejected plans to cut jobs and salaries to repay debts. On a negative note, restructuring may lead to civil unrest. Hyundai Motors has indicated that it may help raise funds for Hyundai Engineering & Construction - indicating a lack of independence among affiliated companies.

As briefly discussed last month, Korean shares are currently trading at an historical extreme of *under-valuation*, while Monetary conditions (e. low inflation, stable interest rates) are also favourable.



# Listed Investment Trust

## Warrant Analysis

If stockmarkets weaken over the next 6-9 months then *now* probably isn't the best time to be buying and owning leveraged warrants. However, when stockmarkets start to recover, warrants will multiply investors returns.

One attractively positioned warrant - worth watching in anticipation of a buying opportunity in 2001 - is **Montanaro UK Small Companies**. At 59½ pence these warrants trade at 28% *below* their intrinsic value (i.e. the share price less the exercise price, 183-100=83 pence) and at a 45% discount to their fair value (as determined by the Black-Scholes warrant valuation model). The break-even rate is *minus* 3%, so the warrants offer a leveraged gain *unless the share price falls by 3% per annum*. The trust's name accurately describes its investment portfolio. The shares rate well

with a *Superiority Rating* of +5% in our October *Investment Fund Survey* and are currently trading at a large 19% discount to net asset value.

### Warrant Analysis

Our *Listed Investment Trust Warrant Analysis* is published quarterly, in the March, June, September and December issues of *International Investor*. At all other times, investors can update this analysis for individual warrants by using the on-line *Black-Scholes Warrant and Option Pricing* valuation model at [www.stockmarket.co.nz/free.htm](http://www.stockmarket.co.nz/free.htm). To do so, you will need the current share price (which can be found on-line at many sites), the UK interest rate (currently 5.9%) plus the following information from our table below: the Warrant Exercise Price, Share Volatility and Year/Months to Expiry.

Warrant	Current Share Price	Warrant Exercise Price	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
<b><u>INDIA</u></b>												
Fleming Indian	81.5p	100.0p	3-2	17.50p	21.34p	-18	0.385	2.5	-100.0	-15.6	+34.9	+12%
<b><u>UNITED KINGDOM</u></b>												
Aberforth Smaller Coys	288.5p	100.0p	2-3	188.50p	200.96p	-6	0.232	1.4	+7.5	+14.9	+29.1	+0%
Dartmoor	136.0p	118.0p	1-7	17.00p	30.90p	-45	0.187	4.0	+39.9	+72.1	+129.9	-0%
Eaglet Investment Trust	421.0p	100.0p	1-10	319.00p	331.27p	-4	0.270	1.3	+6.9	+13.3	+26.1	-0%
Edinburgh Smaller Coys	190.3p	100.0p	7-9	109.50p	130.17p	-16	0.287	1.4	+6.4	+13.8	+26.6	+1%
F & C Income Growth	124.5p	100.0p	2-7	32.00p	40.14p	-20	0.183	2.9	+10.3	+26.9	+55.1	+2%
Fidelity Special Values	236.0p	100.0p	3-1	136.00p	152.70p	-11	0.215	1.5	+8.4	+16.3	+31.2	+0%
Gartmore Fledgling Indx	183.0p	100.0p	1-0	81.50p	88.79p	-8	0.258	2.1	+13.1	+24.3	+46.7	-1%
Gartmore Irish Smaller	225.0p	100.0p	0-7	122.50p	128.39p	-5	0.247	1.8	+12.9	+22.5	+41.9	-2%
Hill Samuel UK Emerging	178.0p	100.0p	1-3	77.25p	85.84p	-10	0.329	2.0	+12.2	+23.4	+45.6	-0%
Legal & Gen'l Recovery	157.5p	100.0p	3-10	75.00p	77.96p	-4	0.160	2.0	+4.8	+14.7	+31.9	+3%
Montanaro UK Small Coys	183.0p	100.0p	4-7	59.50p	107.43p	-45	0.222	1.7	+18.4	+27.8	+44.5	-3%
Perpetual Income & Gth	129.0p	100.0p	5-8	36.50p	61.43p	-41	0.236	1.9	+12.2	+23.6	+41.6	+1%
Schroder Income & Grwth	147.0p	100.0p	3-0	51.00p	63.51p	-20	0.162	2.3	+11.2	+23.3	+44.5	+1%
Schroder UK Growth	139.0p	100.0p	1-8	42.00p	49.28p	-15	0.219	2.7	+12.1	+27.5	+56.2	+1%
Guinness Flight Extra	145.5p	100.0p	1-6	32.50p	54.18p	-40	0.185	2.7	+44.7	+63.4	+99.0	-6%
<b><u>UNITED STATES</u></b>												
F & C US Smaller Coys	209.5p	100.0p	1-11	109.50p	120.23p	-9	0.209	1.7	+9.4	+18.5	+35.9	+0%
<b><u>LATIN AMERICA</u></b>												
Aberdeen Latin American	63.8p	100.0p	8-10	17.75p	35.26p	-50	0.493	1.4	-100.0	+11.9	+32.9	+7%
Edinburgh Inca	24.8p	50.0p	8-2	5.00p	10.85p	-54	0.466	1.6	-100.0	-3.0	+35.5	+10%
<b><u>EMERGING MARKETS</u></b>												
Abtrust Emerging Econ.	64.5p	100.0p	7-1	16.25p	25.19p	-35	0.390	1.8	-100.0	+7.3	+34.8	+9%
Dresdner RCM Emerg Mkts	83.3p	100.0p	3-7	18.50p	21.29p	-13	0.330	2.6	-100.0	-2.1	+38.9	+10%
F & C Emerging Markets	59.8p	102.0p	2-3	5.25p	8.81p	-40	0.470	3.0	-100.0	-100.0	-100.0	+30%
Murray Emerg. Economies	54.8p	100.0p	3-2	5.25p	9.85p	-47	0.448	2.6	-100.0	-100.0	-100.0	+23%
Schroder Emer Countries	61.5p	100.0p	5-9	11.00p	19.26p	-43	0.389	2.0	-100.0	-9.0	+39.8	+11%
Tea Plantations	41.0p	100.0p	1-1	1.50p	0.03p	+5150	0.306	16.2	-100.0	-100.0	-100.0	+131%
Templeton Emerging Mkts	109.5p	133.0p	3-9	19.00p	31.88p	-40	0.372	2.3	-100.0	+5.9	+48.6	+9%

	Current Share Price	Warrant Exercise Price	Years & Months to Expiry	Current Warrant Price	Black-Scholes Value	Warrant Over/Under Valued (%)	Share Volatility	Warrant Leverage	Warrant Share Price 5%pa	Warrant Return (%p.a.) from Break-Even Rate	10%pa	20%pa
--	---------------------	------------------------	--------------------------	-----------------------	---------------------	-------------------------------	------------------	------------------	--------------------------	---	-------	-------

**TECHNOLOGY**

Henderson Technology	365.0p	100.0p	4-9	266.00p	291.55p	-9	0.407	1.2	+6.6	+12.9	+25.0	+0%
Herald Investment Trust	490.0p	100.0p	2-4	390.00p	402.91p	-3	0.359	1.2	+6.2	+12.4	+24.5	+0%

**INTERNATIONAL**

Oryx International	155.0p	100.0p	4-0	62.50p	76.84p	-19	0.198	2.0	+9.1	+19.4	+37.2	+1%
Pantheon International	640.0p	250.0p	0-10	365.00p	402.01p	-9	0.182	1.6	+17.2	+26.1	+44.1	-5%
Special Utilities S	157.5p	100.0p	7-1	66.00p	93.60p	-29	0.225	1.6	+9.1	+17.7	+32.1	+1%
Asset Management	172.0p	99.2p	1-1	67.50p	79.72p	-15	0.341	2.1	+19.9	+32.5	+57.5	-3%

**EUROPE**

Fidelity Euro Values	553.0p	100.0p	0-4	450.50p	454.95p	-1	0.284	1.2	+7.9	+14.2	+26.8	-1%
Gartmore European	489.5p	220.0p	3-1	270.50p	306.75p	-12	0.252	1.6	+8.6	+16.8	+32.1	+0%
Gartmore Irish Small	225.0p	100.0p	0-7	122.50p	128.39p	-5	0.247	1.8	+12.9	+22.5	+41.9	-2%
Mercury Euro Priv.	201.8p	100.0p	3-7	112.25p	121.05p	-7	0.214	1.7	+6.4	+14.8	+30.0	+1%
TR European	348.5p	166.0p	2-10	188.00p	209.43p	-10	0.292	1.6	+8.1	+16.6	+32.6	+1%
SR Pan-European	123.5p	39.0p	0-5	83.50p	85.45p	-2	0.361	1.4	+10.5	+18.1	+33.7	-2%

**JAPAN**

B Gifford Shin Nippon	146.3p	200.0p	4-4	37.25p	44.99p	-17	0.405	2.1	-100.0	-12.4	+31.6	+12%
Fidelity Japan Values	80.3p	100.0p	3-4	21.75p	24.22p	-10	0.437	2.2	-100.0	-20.2	+26.3	+13%
Gartmore Select Japan	69.3p	100.0p	2-5	14.50p	9.86p	+47	0.362	3.4	-100.0	-100.0	-23.5	+23%
Invesco Japan	103.0p	100.0p	3-10	49.50p	48.02p	+3	0.517	1.7	-17.0	-0.6	+22.3	+10%
Invesco Tokyo	43.0p	55.0p	3-6	11.25p	10.37p	+8	0.349	2.6	-100.0	-20.6	+27.6	+13%
Martin Currie Japan	111.0p	100.0p	1-9	32.25p	29.18p	+11	0.319	3.0	-22.0	-2.0	+32.4	+11%
Martin Currie Japan 05	111.0p	100.0p	4-10	44.75p	47.07p	-5	0.319	2.0	-2.0	+11.6	+31.5	+6%
Schroder Japan Growth	89.8p	100.0p	3-11	21.25p	26.60p	-20	0.320	2.4	-20.5	+9.5	+41.7	+8%

**FAR EASTERN**

Aberdeen Asian Small	95.5p	100.0p	9-11	36.50p	54.38p	-33	0.344	1.5	+4.2	+15.0	+29.7	+4%
Edinburgh Dragon Trust	75.8p	60.0p	4-1	28.75p	34.71p	-17	0.349	1.9	+3.0	+15.5	+35.5	+4%
Edinburgh New Tiger	11.3p	50.0p	8-3	3.00p	1.01p	+196	0.311	3.0	-100.0	-100.0	-17.3	+21%
Fidelity Asian Values	69.5p	100.0p	5-8	15.75p	26.73p	-41	0.433	1.8	-100.0	+3.6	+37.4	+9%
Fleming Asia	93.5p	100.0p	4-2	22.25p	38.09p	-42	0.442	1.9	-9.7	+14.5	+43.4	+7%
Invesco Asia	54.5p	100.0p	3-7	6.50p	9.34p	-30	0.402	2.7	-100.0	-100.0	-8.4	+21%
Pacific Assets	60.0p	130.0p	1-5	1.25p	1.88p	-33	0.439	5.3	-100.0	-100.0	-100.0	+74%
Pacific Horizons	41.8p	56.0p	1-6	4.50p	5.60p	-20	0.430	3.6	-100.0	-100.0	-100.0	+28%
Schroder Asia Pacific	71.0p	100.0p	5-1	16.50p	24.73p	-33	0.417	2.0	-100.0	-1.5	+36.2	+10%
Scottish Oriental Sm Co	77.0p	100.0p	6-1	19.00p	30.83p	-38	0.390	1.8	-23.9	+11.8	+37.8	+7%

**HONG KONG / CHINA REGION**

Fleming Chinese	58.8p	100.0p	3-2	18.50p	11.94p	+55	0.453	2.5	-100.0	-100.0	-35.3	+25%
-----------------	-------	--------	-----	--------	--------	-----	-------	-----	--------	--------	-------	------

***Internet Password***

"International Investor" is published on the Internet in full but password protected to prevent unauthorised access by non-subscribers.

December's Password      January's Password

See Print Newsletters  
for Passwords

Please keep these passwords confidential!

***Next Issue***

The next issue of "International Investor" will be posted in five weeks time on Tuesday January 16, 2001 and on our internet sites on Wednesday January 17.

INTERNATIONAL INVESTOR is published 12 times per year by Securities Research Company Limited, P.O. Box 34-162, Auckland. (66 Stanaway Street. Telephone 64-9-4199 427 Facsimile 64-9-4199 428 Internet: [www.stockmarket.co.nz](http://www.stockmarket.co.nz) or [www.stockmarket-research.com](http://www.stockmarket-research.com) or [www.stockmarket-research.co.uk](http://www.stockmarket-research.co.uk) Email: [james@stockmarket.co.nz](mailto:james@stockmarket.co.nz)). Subscription Rate NZ\$165 (including GST) per year.

Readers are advised that they should not assume that every recommendation made in the future will be profitable or equal the performance of recommendations made in the past. The entire contents are copyright. Reproduction in whole or part is strictly forbidden.