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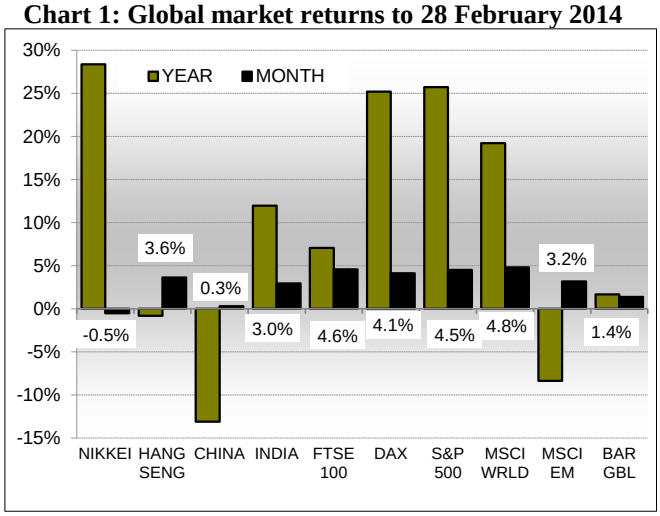
February in perspective – global markets

Whereas markets started the year off on a soft note, posting declines across the board, February saw a rebound in most markets, taking many of them into positive territory for the year-to-date. What makes the positive returns from markets interesting is that almost all of the economic data emanating from the US was disappointing or lower than expected. Extreme weather conditions across much of the northern hemisphere continue to be a feature of the year so; this is creating a lot of "noise" in the economic data and disguising a clear view of the global economy. Towards the end of the month the political developments in Ukraine moved to the front stage, as ominous tones of the Cold War and sabre-rattling between the US and Russia became apparent. Turning to the detail, the MSCI World index rose 4.8%, while the MSCI Emerging market index continued to lag, rising "only" 3.2%. The Japanese market remained weak, declining 0.5%, although its annual gain to end-February is still 28.4%. The UK market rose 4.6%, the US 4.5%; the Nasdaq rose 5.0%, providing evidence of a robust global tech sector. The German market rose 4.1%. The S&P mid and small cap indices rose 4.7% and 4.4% respectively. Emerging markets produced mixed fortunes; India rose 3.0% and China 0.3%, but Brazil declined 1.1% and Russia 2.6%. On the other hand, Indonesia rose 4.6% and the SA equity market rose 4.9% in rand terms and 9.1% in dollar terms (it is still down 0.2% in dollar terms for the year-to-date).

Chart 1: Global market returns to 28 February 2014



The dollar was weak during February, despite expectations amongst most market participants for a strong dollar this year (that was the expectation last year as well, when most economists also got it wrong). The euro and pound gained 2.4% and 2.0% respectively against the dollar, whilst within the emerging currency space the rand rose 4.0%, the Brazilian real 3.7%, the Australian dollar 2.6%, the Turkish lira 2.5% and Indian rupee 1.1%. The Russian rouble fell 2.0% against the greenback. Partly due to the weaker dollar and partly due to the favourable sentiment in February, commodity prices enjoyed a strong month. Amongst precious metals, gold, platinum and silver rose 6.3%, 5.3% and 10.2% respectively. The oil price rose 2.4% although base metals were mixed, with the rise in nickel and aluminium prices offsetting declines in copper and iron ore prices. The CRB and S&P GSCI indices, both broad-based commodity indices, rose 6.4% and 3.3% respectively.

Table 1: SA economic growth (%)

	2012	2013	2013 qoq % saar	
	ann. ave	ann. ave	Q3	Q4
Agriculture	2.0	2.3	3.6	6.4
Mining	-3.6	3.1	11.4	15.7
Manufacturing	2.1	0.8	-6.6	12.3
Electricity	-1.6	-0.4	3.8	-5.6
Construction	2.3	2.8	2.1	3.1
Trade	3.8	2.2	1.3	2.3
Transport & comms	2.4	1.9	2.6	1.6
Finance & business	3.7	2.4	1.3	1.5
Government	2.8	1.5	0.4	0.9
Personal services	2.1	1.8	1.6	1.3
GDP at basic prices	*2.4*	*1.9*	*0.6*	*4.1*
Taxes less subsidies	2.7	2.1	2.1	1.8
Total GDP	**2.5**	**1.9**	**0.7**	**3.8**

Source: Deutsche Bank

What's on our radar screen?

Here are a couple of items we are keeping a close eye on:

- *The SA economy:* the SA inflation rate rose from 5.4% to 5.8% thanks in part to a large (0.7%) monthly increase. Food, transport and "other" price increases were largely to blame for the increase although the core inflation rate i.e. excluding food and energy prices remained flat at 5.3% for the fifth month in a row. The SA economy grew at 3.8% during the final quarter of 2014, slightly ahead of expectations. That growth, though, was off a low base – the economy grew only 0.7% during the September quarter. The economy grew at 1.9% for 2014 as a whole, down from a growth rate of 2.5% in 2013. As shown in Table 1 above, a large part of the growth came from the mining and manufacturing sectors, both of which are driven by external factors such as global demand and the rand exchange rate. Notably absent from the growth was any sign of life in the consumer sector, which seems to indicate that not only is this growth rate unsustainable but that we are now even more reliant of external factors beyond our control.

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Photonomics: Kenya - Zebra on the Serengeti plains

- *The US economy*: Fourth quarter (Q4) US economic growth was revised down from 3.2% to 2.4%. The downgrade was driven largely by a downward revision in consumer spending from 3.3% to 2.6%, although at 2.6% it was still the highest quarterly growth during 2013. The downward revisions follow a string of other weaker than expected economic indicators, including retail sales, industrial production and job creation.
- *Developed market economies*: the final estimate for Q4 **German** economic growth was 0.4%, up marginally from 0.3% in Q3 of last year. **France** grew 0.3% over the same period while the initial estimate of French Q3 growth of -0.1% was revised up to 0.0%. The **eurozone** as a region grew 0.3% in Q4, up from the initial estimate of 0.2%. Eurozone January inflation held steady at 0.8%. The annual inflation rate in the **UK** declined to 1.9% in January, falling below the 2% target range of the Bank of England (BoE) for the first time in four years. UK inflation peaked at 5.2% in 2011 but has declined steadily ever since. You will remember we highlighted the risks of declining inflation in the developed world in last month's *Intermezzo*. Unemployment in the UK rose marginally to 7.2% in the three months to December, although it has been declining quite quickly since it peaked at 7.9% only a few months ago. **Japanese** February inflation was 1.4%, slightly lower than January's 1.6%. Core inflation rose at 0.7% year-on-year.
- *Emerging market economies:* **Chinese** January inflation came in at 2.5%, the same as in December, due largely to subdued food prices. It declined further to 2.0% in February, this time due to soft food and non-food prices.

SA Budget – salient features

The Budget was delivered by the Finance Minister on 26 February. We didn't have great expectations of the budget and we were consequently not surprized by the lack of major announcements; "boring, more of the same" is probably the best way to summarize this year's Budget. Tax collection was a bit better than expected, allowing the fiscus some room to improve its balance sheet, although the major twin deficits i.e. deficits on both the current and capital account, remain an intrinsic weakness that undermines our international financial position. Some of the major features of the Budget were as follows:

- Government's *growth expectations* were lowered for 2014 to 2.7%. They expect the SA economy to grow 3.2% and 3.5% in 2015 and 2016 respectively (*Ed*: funny how they never forecast a decline in growth)
- *Inflation* is expected to breach the upper 6% limit this year, peaking at 6.2%
- *The budget deficit* i.e. the extent to which government spends more than it earns, is likely to be 4.0% for the current fiscal year
- The *current account deficit* (an Achilles heel for the country) is expected to average 5.7% over the next three years
- 69% of taxpayers have taxable incomes of R250 000 and they contribute 17% of all income tax paid
- The top 2.4% of SA's 6.4m taxpayers will pay 30.7% of income tax. These 154 000 taxpayers have annual taxable income exceeding R1m.

A few quotes to chew on

More of the same … Here we go again – Part 1

On 20 February Nigerian President Goodluck Jonathan sacked the Nigerian Central Bank Governor, Lamido Sanusi. *Deutsche Bank analyst Ryan Ayache* commented as follows: "Mr Sanusi is widely regarded as the architect and enforcer of the banking sector clean-up and monetary discipline Nigeria has experienced in recent years. His sacking, mere months ahead of the end of his official tenure in early June, is a calamitous blow to the credibility of reforms in Nigeria, and makes it clear that institutions remain at the mercy of politics. We expect equities to react negatively, reflecting the damaged credibility of Nigerian institutions and that politics should only get messier from here on, given that presidential elections are only a year away."

What do spaghetti and the internet have in common?

On 22 February Koos Bekker, Chief Executive Officer (CEO) of Naspers announced that he would be retiring from the Group and taking (another) year off. He will return to Naspers in 2015 into the position of Chairman of the company. Writing a feature on Bekker himself, *Anton*

Harber, professor of journalism and media studies at Wits University and former editor of the Mail & Guardian, related the following story. "'The (Naspers) Group internet approach' he (Bekker) told analysts at a company results presentation in 2012, 'is basically to throw spaghetti on the wall as fast as possible and some pieces stick and some pieces fall off. The cost of throwing spaghetti is very low. Then if you see you get traction on something, you add five engineers and then it if works better, you add 30 engineers; you resource success and kill failure'". Harber is the author of a book about Bekker, *Gorilla in the Room*, which is available from www.mampoer.co.za. You can read a bit more about Naspers in the File 13 section, below.

Photonomics: Bali - Children playing at Tukad Unda dam

Straight from the horses' mouth

Whilst presenting the company results recently, outgoing *Northam Platinum CEO Glyn Lewis* left a clear and stark message about the state of mining in South Africa for all who are prepared to listen. Although sombre and depressing in nature, I thought it worthwhile to quote some of what he said. It will also shed some light into what seem to be intractable issues currently playing out on the ground at the mines. He began by laying into the government for failures regarding a string of problems hampering the mining industry, including "dysfunctional legislation and an overregulated environment". He cited a critical need for the provision of basic infrastructure such as power, water, sanitation and good roads. Lewis said: "The consequences are simple. There will be a decrease in mining investment in South Africa and a lower demand for manufactured products that support the industry, with associated consequences such as job losses, declining taxes and declining mineral exports." He added: "I do not believe that the demands being made on the mining industry at present are fair or just. The continual reference being made to 'abundant resources' is absolutely fallacious given that the grades that are being mined are low, as well as the cost and time it takes to establish new, deep-level mines. I believe we need an enabling environment to assist the mining industry to regain some of the margins that have been lost. That involves investment in infrastructure," he said. Asked to provide examples, Mr Lewis said: "We had to spend R80m to put in a power line for the Booysendal mine and then we handed it over to Eskom. We built 300 houses for our workers but it took three-and-a-half years before we got power laid on there. It's ridiculous that we pay rates and taxes on our properties and housing developments but we still have to provide the facilities to remove the rubbish," he said. "If the road networks are not improved - if you look at the potholes on the roads on the eastern limb of the Bushveld Complex - we are going to have accidents, we are going to have fatalities. There is so much infrastructure required in this country and it can't all be placed on one industry. We need basic infrastructure like water and sanitation otherwise we are not going to succeed." Addressing the circumstances around the strike Lewis said: "Continued intimidation, associated violence and disregard for the law and the infringement of a person's right to work appear to be receiving little or no attention. I can only hope that common sense will prevail sooner rather than later in the current impasse in the rest of the industry for the benefit of all stakeholders."

Another serious case of divergence to consider

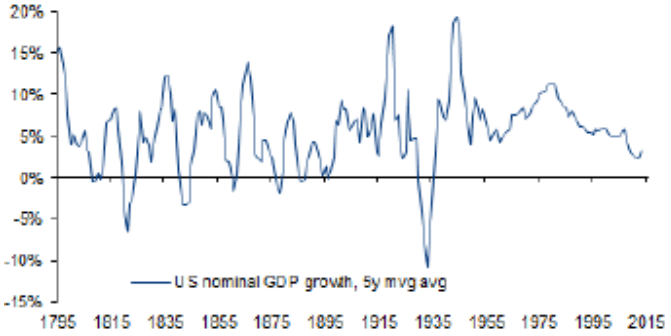
You will be aware that the Chinese economic growth rate is an important consideration in any investment decision. Slowing growth in China does not bode well for the global economy or investment markets in general. The recent economic news out of the US, the other (probably more) important economy to watch has been mixed at best but the economic data emanating from China has actually been very poor. There are real concerns that it may not grow at 7.5% this year. Commenting on another bout of poor data from China, *Deutsche Bank's Jim Reid* made the following prescient observation; "Looking at a longer time horizon, it's interesting that in the 5-year period since the lows on March 6, 2009 the S&P 500 has gone up by over 2.7 times in price terms, whereas the Shanghai Composite is actually slightly down. The latter now being at its lowest level since January 2009 and at a level first breached in the summer of 2000. The Chinese economy has grown 68%, and 470% in nominal terms, since these two dates. So it does seem that the market is telling us something quite different from the bottoms-up perspective to what the top down has been telling us. Surely such a divergence can't go on forever?"

Celebrating 5 years of bull market

The market trough reached on 6 March 2009, in the depths of the 2007/9 Great Financial Crisis, seemed to come and go

without fanfare. We thought the following comment from *Merrill Lynch's Chief Investment Strategist Michael Hartnett*, was worth sharing: "Five years ago … on March 6th, 2009, the S&P500 index traded at 666, marking the low point in the second greatest bear market of the last century. The end of the bear market was preceded a day earlier by a peak in the US dollar, the same day that saw the Bank of England launch the first major QE asset purchase program, an announcement swiftly followed by QE from the Swiss National Bank and the US Fed. In the past 5 years global equities have rallied 169%, commodities are up 55% and bonds are up 33%. The S&P500 has risen 175% in price terms and 206% in total returns terms, an appreciation exceeded only by the Indonesian equity market over the same period. The only major assets that have depreciated have been Greek equities (-30%) and the US dollar (-8%). We believe this remarkable bull market in equities has been built on liquidity and pessimism, not on growth and optimism. US Nominal GDP growth has averaged only 3.3% over the last five years, just up from the slowest rate of growth since the 1930s (Chart 2). But a backdrop of excess debt, deflation and deleveraging has not prevented soaring asset prices thanks to a central bank policy of maximum liquidity and a corporate policy of maximum profits. Both have allowed asset prices, particularly equities, to climb a wall of worry: since the beginning of 2009 only $132 billion has flowed into global equity funds, while $1.2 trillion has flowed into global bond funds. We believe the bull market is far from over. Neither inflation nor recession features in our macro base case. High corporate and investor cash levels are more visible than greed and leverage. And central bankers remain in 'whatever it takes' mode".

Chart 2: US nominal GDP (economic) growth rate (%)



Source: Merrill Lynch

How much steam is left in this US economic recovery?
In similar mode, whilst discussing how much momentum is left in the current US economic cycle, *Merrill Lynch's fixed income strategist Martin Mauro* comments as follows on the sustainability of this US economic cycle: "How much of a bounce in growth can we get this late in the business expansion? This recovery has already passed the half-way point for a typical business cycle recovery, as measured in the number of quarters. Clients ask: Isn't this the point where growth starts to fade, even as inflation pressures start to build? In short, doesn't the economy need both anti-cholesterol and high blood pressure medicine? The short answer is that this business cycle is middle-aged in terms of years, but is young at heart. Business cycles do not die of old age, they die of three kinds of excesses: overexpansion of cyclical sectors, asset bubbles, and tight capacity, which results in inflation. This recovery looks fairly young by all of these metrics… There is no scientific law that guarantees a full recovery in these cyclical sectors. However, unless the business cycle has been repealed, we think that there is plenty of room for further recovery. If housing, business investment and consumer durable spending all just rebounded to their average share over the last 40 years, it would add about 3.5 percentage points to GDP. That is a significant boost to growth".

Photonomics: Cameroon - Jameson's mamba

February in perspective – local investment markets
The SA market was driven by ongoing positive sentiment towards the resource (mining) sector, which we find strange, given that the actual labour situation on the mines is now worse than ever with no resolution to the strikes in sight. Of course the firm rand also weighs heavily on mines' profitability. One also has to see the past two months' gains in the context of very weak performances in 2013; despite the February returns of 5.2% and 13.9% from the basic material and gold mining sectors, their respective annual returns to end-February are still only 13.2% and -21.4%, which compare unfavourably to the respective returns over the same period from the financial and industrial sectors of 15.7% and 29.9%. One can't deny the dramatic change in sentiment towards the mining sector so far this year; it is

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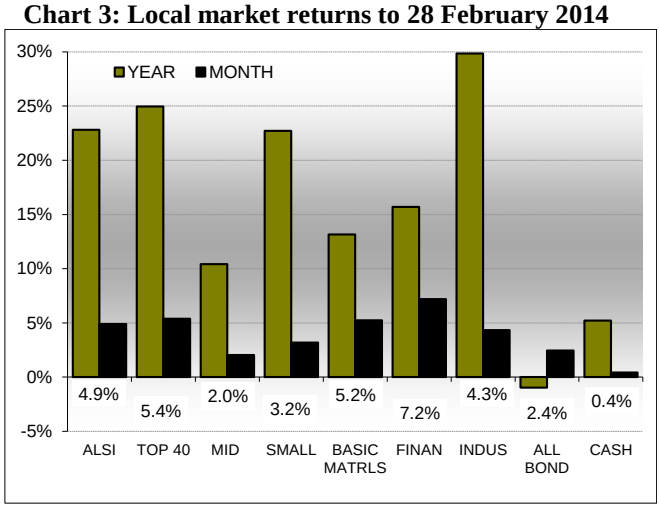
very evident from the returns: the gold index year-to-date return is 45.3%. Whether or not this positive momentum will continue remains to be seen; we have our doubts and have taken the view that we will not chase mining stocks right now. We retain our bias in favour of financial and industrial shares, especially after the strong run in the basic material sector, which has already risen 10.9% so far this year. For the record, the basic material index rose 5.2% in February, the financial index rose 7.2% (but it fell 6.9% last month, leaving it down 0.2% for the year-to-date) and the industrial index rose 4.3% (it fell 4.6% in January leaving it down 0.5% for the year-to-date). The mid cap sector continues to struggle in the face of headwinds for the consumer (remember that a number of retailers are to be found in that index). It rose 2.0% while the small cap sector rose 3.2%. Their respective year-to-date returns are -2.0% and 1.7%.

Chart 3: Local market returns to 28 February 2014



The best performing sectors during February were media, which rose 14.3% (Naspers rose 14.4%), gold up 13.9% and household goods up 13.3% (Steinhoff rose by a similar amount). On the "downside" the worst performing sectors were industrial transport, which declined 4.2%, coal mining 4.6% and food producers, which declined 5.5% (Tiger Brands fell 8.1%). Local bond investors also had reason to cheer. The All bond index rose 2.4% although it is still down by 0.9% so far this year. Cash returns remained steady around 0.5% per month, but this is likely to rise slightly in the face of the recent interest rate increase by the Reserve Bank.

For the record

Table 2 below lists the latest returns of the mutual and retirement funds under Maestro's care. You can find more detail on our website at www.maestroinvestment.co.za. Returns include income and are presented *after* fees have been charged. Fund Summaries for each respective fund listed in the table are available on our website.

Table 2: The returns of funds under Maestro's care

	Period ended	Month	Year to date	Year
Maestro Equity				
Prescient Fund	**Feb**	**4.4%**	**-0.4%**	**24.1%**
JSE All Share Index	*Feb*	*4.9%*	*2.4%*	*22.8%*
Retirement Funds				
Maestro Growth Fund	**Feb**	**2.8%**	**-0.1%**	**18.1%**
Fund Benchmark	*Feb*	*3.3%*	*1.7%*	*17.0%*
Maestro Balanced Fund	**Feb**	**2.5%**	**-0.1%**	**16.0%**
Fund Benchmark	*Feb*	*2.8%*	*1.6%*	*15.2%*
Maestro Cautious Fund	**Feb**	**2.5%**	**0.1%**	**12.4%**
Fund Benchmark	*Feb*	*2.4%*	*0.8%*	*8.6%*
Central Park Global Balanced Fund ($)	**Dec**	**1.7%**	**-0.9%**	**-0.9%**
*Benchmark**	*Dec*	*0.9%*	*10.6%*	*10.6%*
*Sector average **	*Dec*	*0.5%*	*7.8%*	*7.8%*

* 40% MSCI World Index, 20% each in Barclays US Aggregate Bond Index, Credit Suisse Tremont Hedge Index and 3-month US Treasury Bills
** Lipper Global Mixed Asset Balanced sector ($)

Photonomics: Chile - Torres de Paine mountains

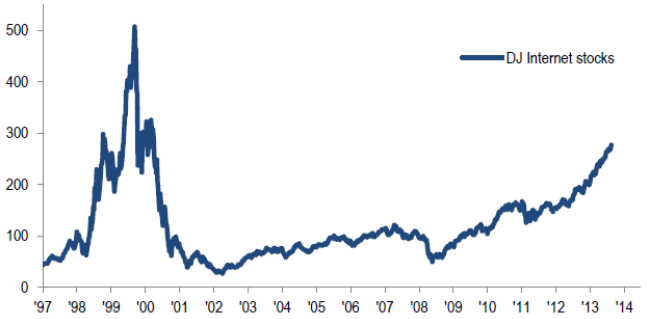
File 13. – Things almost worth remembering

More of the same … Here we go again – Part 2

Many of us are avid What's App users and so will relate to the following interesting information. Many of you would have seen the mid-month announcement that Facebook had bought the mobile messaging application What's App's for a cool $19bn. To put that into perspective What's App's US$19bn valuation is greater than the market caps of some major household names such as News Corp, Alcoa and Tiffany. If What's App was a stand-alone company in the S&P 500 index it would be ranked somewhere around 228 out of 500 in terms of market cap. There is a sense amongst

many of us "more mature" i.e. older market watchers who recall the crazy days of 2000, "Y2K" and the subsequent "Tech Wreck" that we seem to be moving, at least in the internet and mobile tech space, to the heady days of the 2000 tech boom and bubble. While this is a whole debate in itself, the following chart puts that thought into perspective.

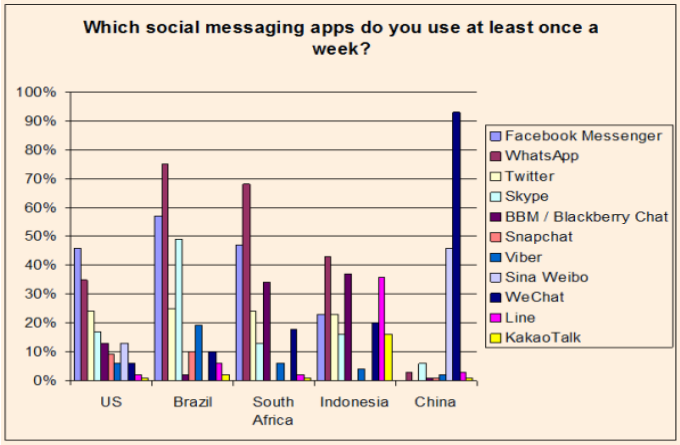
Chart 4: Internet stocks – here we go again



Source: Merrill Lynch

But returning to What's App for the moment, the following chart is informative. Of course the dominant messaging app in China, WeChat, belongs to none other than Tencent, in which Naspers has a 35% holding and the performance of which has propelled Naspers to one of the most meteoric risers on the SA equity market. Naspers has also long been one the larger holdings in all the equity portfolios under Maestro's management.

Chart 5: Compose message …send

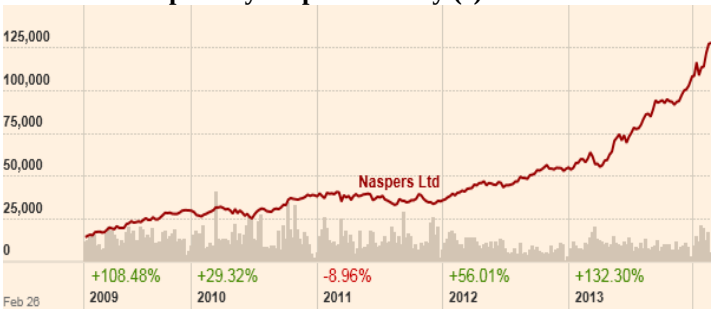


Source: FT.com

A quick reminder of the Naspers phenomenon

In mid-February Naspers CEO announced his retirement. The news was greeted by the market, strangely, by another increase in the share price on the day of the announcement. Naspers has been one of the larger holdings in our client portfolios for many years. Few people really appreciate the remarkable success of the company as an investment (apart from many others measures of success the company has achieved) and even fewer understand why the share price keeps on rising. One of the most common comments we hear from clients, observers and competitors, is that we should sell the share because it is wildly over-valued and is about to collapse. We have been hearing this same story (mostly from people who don't own the share) for the past four or five years. We have not acted on that kindly advice, and our clients are probably grateful for our stubbornness in this regard.

Chart 6: Naspers 5 year price history (c)



Source: FT.com

This is not the time and place to table our full view on Naspers or provide a full explanation of what the company does. However, I thought that the following excerpt from the article by Anton Harber, referred to above, provided a lovely cameo into the start and subsequent success of this remarkable story. Naspers is a home-grown South African company, not without a controversial history, that has risen to be a giant in global tech terms; it can lay claim to being the largest media company outside of the US and China. Harber writes as follows:

> In 1985 Naspers was a local Afrikaans newspaper operation worth about R24m. CEO Ton Vosloo was grappling with how to rescue a company losing audience and revenue to television when he received a message from a South African studying at Columbia University, New York. He asked a colleague who was in New York to meet this student and hear what he had to say. That student was Koos Bekker, and as part of his studies, he had written a business proposal for pay-TV in South Africa - essentially what was to become M-Net. The Naspers executive who met him phoned Vosloo and told him he needed to meet this young man. Vosloo flew him out, heard his pitch and a month later got his board to agree to hire Bekker, and give him a secretary and R50 000 to implement the plan. Largely on M-Net/MultiChoice's success, Naspers was worth R5.6bn by the time Bekker took over as group CEO in 1997 - more than 200 times its 1985 size. It has grown 100 times since then and when Bekker announced his retirement as CEO on Saturday at age 61 it was worth more than R500bn.

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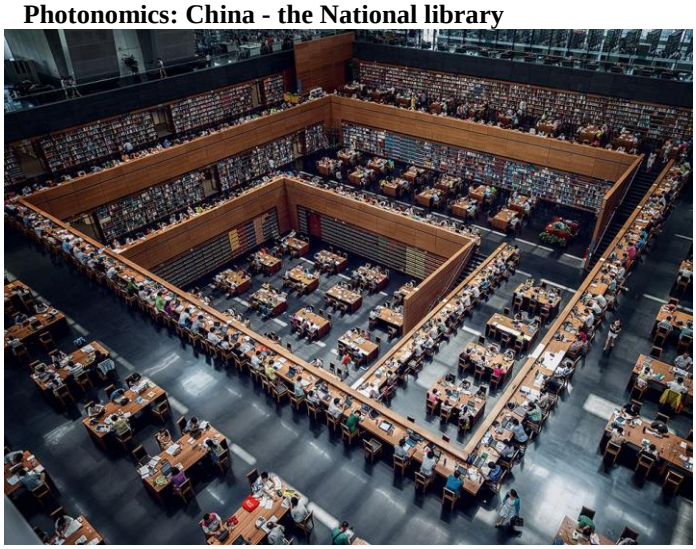
Photonomics: China - the National library



And finally, time for some fun and reflection…
I have a habit of keeping old research articles and facts about market data. Periodically, due to physical space constraints, I am forced to clear out my "hoard", which is when the fun starts. Although the lessons are always different, I find that so much can be learnt from the process of reflecting on old research articles about companies or strategic investment recommendations, such as sector or asset allocation. So it was that I recently stumbled over some market data, which I have listed in Tables 3 and 4, which I am sure "old-time" market watchers amongst our readers will find fascinating.

Table 3: Ten largest companies on the JSE

At 31 December 2002			At 28 February 2014	
Company	Size (Rbn)	*Current* size (Rbn)*	Company	Size (Rbn)*
Anglo	186	*360*	BATS	1 166
Billiton	111	*688*	SABMiller	845
Richemont	83	*535*	Glencore	733
Sasol	70	*367*	Billiton	688
Anglo Gold	64	*82*	Naspers	535
SABMiller	61	*845*	Richemont	535
Gold Fields	56	*34*	MTN	384
Old Mutual	46	*167*	Sasol	367
Standard Bnk	40	*199*	Anglo	360
Remgro	30	*93*	Standard Bnk	199

*At 14 March 2014

When one considers the above information, I am conscious again that, throughout this period, Maestro has consistently stayed away from gold shares and has maintained a very light weighting in mining shares, with the exception of Billiton. We have invested heavily in financial and industrial shares over this period. You look at Table 3 and decide for yourself if this has been the appropriate investment stance to have adopted ☺. And of course I am not even taking into account the mid and small cap companies we invested into in the early 2000s, which have today proved to be exceptionally rewarding investments over this period; the likes of Aspen, Capitec, Cashbuild and Mr Price immediately come to mind.

To emphasize the point, here is another interesting comparison, drawn from my piles of old paper; Table 4 shows selected sectors' weighting in the All share index.

Table 4: Sector weighting within the All share index (%)

Sector	31 Dec 2002 %	28 Feb 2014 %
Gold	10.4	2.1
Platinum	4.7	2.2
Mineral extractors/General mining	24.6	18.1
Oil and gas	5.7	4.9
Mining	45.9	25.4
Media (think of Naspers today)	0.8	7.5
Beverages (think of SAB today)	5.0	8.3
Banks	8.8	5.9
Life insurance	6.4	5.0
Real estate	2.7	4.0
Retailers	2.9	5.9
Technology	0.8	0.4
Telecoms (think MTN, Vodacom)	1.4	6.9

So what's with the pictures?
Seeing that global emerging markets are performing so poorly right now, I thought it might be the time to include a few photos from emerging and frontier markets to remind ourselves that these countries are not just about failing policy and underperforming markets. All photographs are sourced from National Geographic's Photo of the Day series.

Photonomics: India - Jal Mahal

Table 5: MSCI returns to 28 February 2014 (%)

28-Feb-2014	Market cap (U$m)	US$ perf (%)		
Region/Country (# Co)		2013	1M	YTD
North America (705)	18,868,734	27.6	4.4	0.7
Canada (96)	1,307,094	3.3	4.3	-0.2
US (609)	17,561,640	29.9	4.4	0.8
Europe (432)	9,024,087	21.7	7.1	2.9
Austria (8)	38,578	10.9	2.6	0.1
Belgium (11)	161,415	24.6	9.2	2.5
Denmark (11)	184,613	23.4	14.8	18.6
Finland (13)	122,211	41.6	10.4	2.0
France (72)	1,372,341	23.3	8.5	3.1
Germany (55)	1,273,703	28.2	6.7	1.2
Ireland (4)	46,963	38.9	19.2	22.8
Italy (24)	322,160	16.9	7.1	7.7
Netherlands (23)	360,444	28.5	5.9	-0.2
Norway (10)	108,332	5.3	7.5	0.6
Portugal (5)	25,177	7.5	10.7	7.9
Spain (22)	457,253	27.7	4.5	2.3
Sweden (31)	442,271	21.4	7.2	3.0
Switzerland (38)	1,233,212	23.8	6.5	4.4
UK (105)	2,875,413	16.2	6.6	1.9
Israel (9)	65,494	8.0	6.8	11.1
Asia Pac (1003)	6,572,696	9.3	2.2	-2.5
Japan (320)	2,653,279	24.9	-0.6	-4.4
Australia (69)	998,664	-0.3	6.9	1.1
New Zealand (5)	16,698	6.2	7.5	9.2
Asia Pac ex-Japan (683)	3,919,417	0.5	4.2	-1.1
Asia ex-Japan (609)	2,904,055	0.7	3.3	-1.9
China (138)	720,849	0.4	2.6	-4.3
Hong Kong (39)	371,805	8.1	4.5	-1.3
India (71)	234,867	-5.3	3.4	-0.7
Indonesia (30)	95,589	-25.0	10.2	14.9
Korea (104)	593,189	3.1	3.0	-3.1
Malaysia (44)	144,422	4.2	3.8	-2.0
Philippines (19)	36,166	-4.3	9.5	9.8
Singapore (30)	187,818	-1.8	3.3	-3.6
Taiwan (106)	436,030	6.6	1.7	-1.6
Thailand (28)	83,321	-16.9	4.3	2.1
EMEA (139)	647,138	-8.0	5.0	-4.8
Czech Republic (3)	9,760	-14.9	8.6	5.4
Egypt (4)	8,313	6.2	5.6	11.9
Greece (10)	20,933	46.2	17.1	16.9
Hungary (3)	8,680	-9.0	-6.0	-10.1
Poland (22)	68,008	-1.7	12.0	5.5
Russia (22)	203,501	-2.6	-2.4	-12.3
South Africa (50)	276,563	-8.8	9.2	-1.9
Turkey (25)	51,380	-28.1	3.4	-10.3
Latin America (143)	667,380	-15.7	1.6	-8.1
Brazil (75)	373,361	-18.7	3.2	-7.9
Chile (21)	57,778	-23.0	8.4	-5.3
Colombia (15)	35,763	-23.7	3.8	-9.3
Mexico (29)	184,135	-2.0	-3.7	-10.0
Peru (3)	16,343	-31.0	2.0	2.3
Developed Markets (1609)	32,186,580	24.1	4.8	0.9
Emerging Markets (822)	3,658,949	-5.0	3.2	-3.6
World (2431)	35,845,529	20.3	4.6	0.4

Source: Merrill Lynch

Photonomics: Kenya – baby baboon

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