

Dear Friends & Clients,

I still maintain the view that the US economy is in recession as I believed it was back in February this year.

The volatility in currencies and in other investment markets has been record breaking and some have called it unprecedented.

The unwinding of global debt and derivatives, is still attempting to reconfigure and to collectively manage this process will be a challenge.

On the positive I maintain that the demand on commodities (hard & soft) and Energy, that not only maintains our developed economies but also feeds the ongoing growth in the BRIC emerging economies will continue to provide investment & growth opportunities on our market.

We may well question the encouragement that we have given emerging economies to compete for the Earths resources in the days ahead.

So there are and will continue to be opportunities to pick up quality socks that benefit from this super-cycle.

I would also use stock rallies in other sectors this year as opportunities to take profits or reconfigure your portfolio.

Inflation I feel will be an issue in many economies, the US in particular.

The continuing debasement of the \$ US the worlds base currency will add pressure to global imbalances with its trading partners that I would view as sustaining volatility on markets.

I would hope some relationships developed in the recent meetings in Davos Switzerland might help in finding some solutions to deal with some of these macro issues.

Exciting times? Indeed.