JANUARY 4, 2023 MONTHLY

Global Investment Letter

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PREPARE FOR A VOLATILE 2023

2022 was a very difficult year in almost every sense of the word, though we can take some comfort from an investment standpoint that our analysis kept us properly bearish o markets, and thus, we avoided most of the market decline. Moreover, we were able to seize some opportunities (notably in oil stocks early in the year) that allowed us to post a positive return for our investing activities for the calendar year.

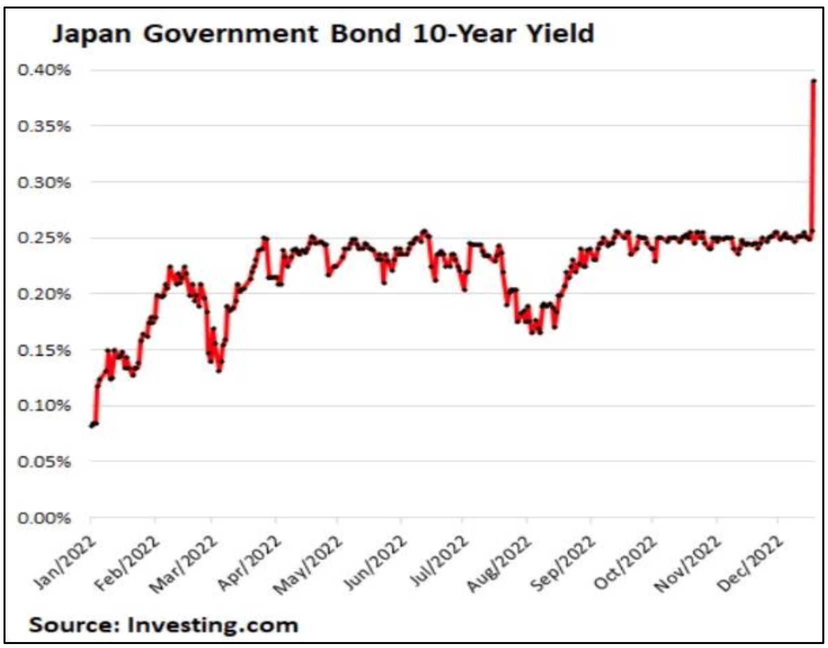
The key to our success in 2022 was maintaining a clear-eyed realism about inflation and central bank policies. We conspicuously maintained that central banks would adopt a far more aggressive policy of interest rate increases than was reflected by markets. This view of ours earned us a surprising amount of opprobrium on social media from those who maintained that a “pivot” to lower rates was just around the corner and that markets, therefore, represented “a great buying opportunity.” This response provided us with more evidence to back our contention that investor sentiment is still far from bearish enough to create the market bottom that would herald a new bull market.

At the dawn of 2023, our thoughts are drawn to a recurring topic of the last few issues, that stresses are becoming more apparent in the global economy and capital markets, which sets the stage for continued market volatility in 2023. Some of these stresses are well-known, such as the hawkish policies of central banks and escalating geopolitical tensions. Some are more subtle, such as when we drew subscribers’ attention to the dramatically negative response by the UK bond market to former Prime Minister Liz Truss’s misguided economic policy of major tax cuts (which would balloon the existing budget deficit) for those in higher tax brackets. What is notable is that the Trump administration in the United States implemented the same “trickle-down” economic policy without any major consequences for U.S. bonds. The already fragile global economy is seemingly becoming more fragile by the day. Recent pronouncements by central banks (reviewed below) promise to add to global financial stress and contribute to market volatility.

The most noteworthy news from a central bank in the past month, and that which may prove to have the most far-reaching consequences, came from the Bank of Japan (BOJ). The BOJ, the only major central bank that had refused to move from its long-held ultra-accommodative stance, finally relented in December by widening its price band for 10-year Japanese Government bonds to 50 basis points on either side of its target 0% yield from the previous 25 basis points limit. The net effect is that the BOJ has begun the process of allowing interest rates to rise on government bonds.

The importance of this development is difficult to overstate. The BOJ has closely managed the Japanese yield curve for some time and has been a very aggressive buyer of Japanese government debt to maintain low-interest rates (they own over 50% of outstanding government debt as well as corporate securities). We believe this loosening of the interest rate limits may well precede the ending of the BOJ's policy of negative interest rates, meaning we may see rising rates in Japan in 2023.

The effect of higher Japanese interest rates will have a major effect on global capital flows, as Japan is the world's largest creditor nation (for example, as of July 2022, Japan was the largest holder of U.S. Treasuries). Higher domestic rates may provoke substantial repatriation of Japanese capital from foreign markets, increasing demand for the yen (driving the currency higher versus the U.S. dollar) while putting downward pressure on non-Japanese markets and the Nikkei (because of its inverse correlation with the yen). This effect is already being felt by the yen and the Nikkei, and not least by Japanese bonds (chart below).



We pay attention to capital flows because of their often-strong influence on capital markets, and this change in policy by the BOJ is likely to have substantial consequences for markets.

The Bank of Japan was not the only central bank whose recent actions deserve the attention of investors. The European Central Bank (ECB) meeting in December revealed insights into the ECB's policy intentions that will undoubtedly affect investment results.

Of particular note is that the ECB revealed that it estimates that core inflation in the European Union (EU) will remain at least as high as 4.2% by December 2023, which is more than twice its target of 2%. This expectation of persistently high inflation strongly suggests that we can expect further interest rate increases by the ECB.

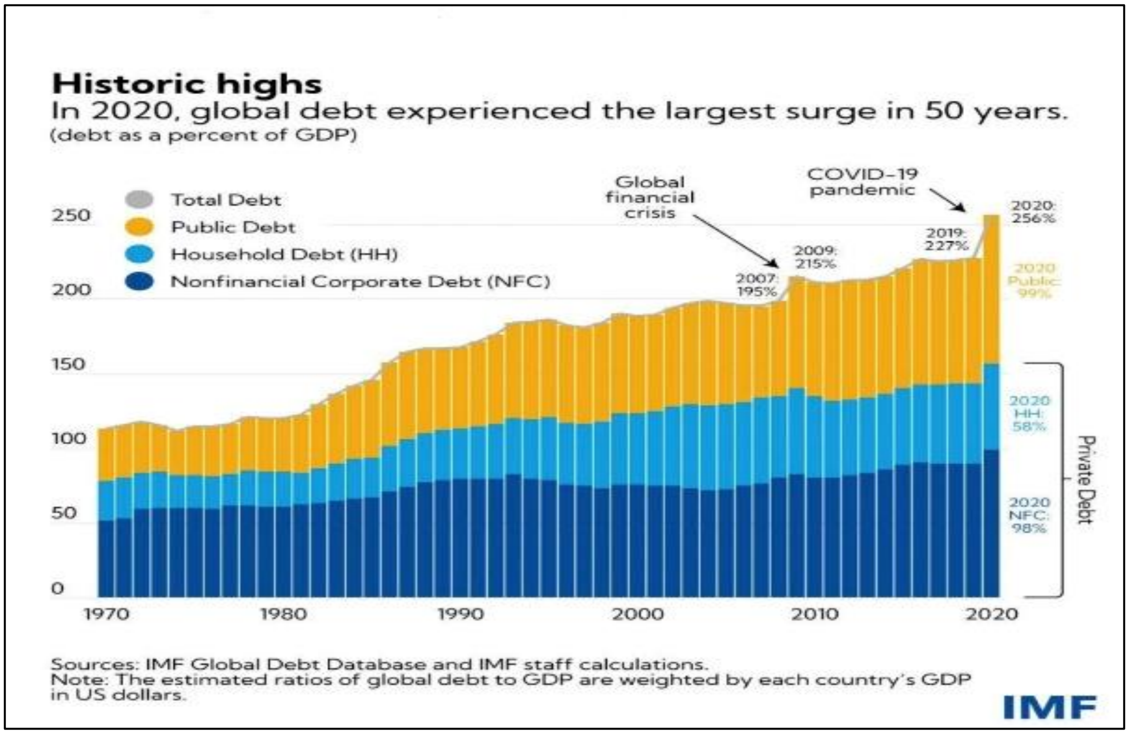
How far could ECB rates rise? Central banks typically believe that they must raise nominal rates above the level of core inflation to effectively dampen inflationary pressures. With a 1-year inflation estimate of 4.2%, ECB interest rates appear set to continue to increase significantly.

As well, the ECB indicated its intention in December to begin Quantitative Tightening in 2023. This shrinking of the money supply will initially be modest (about 15 billion euros per month) but will likely be increased through 2023.

We can take the liberty of paraphrasing the old investment maxim of "Don't fight the Fed" to 'Don't fight Central Banks," for all major central banks have now embarked on a tightening policy that will almost certainly produce a sharp global recession and, along with it, continued difficulties for markets.

The recession that appears likely in 2023 will not only pose economic challenges but will likely also further complicate the already fraught geopolitical scene. For example, rising interest rates and a reduced money supply in Europe can be expected to exacerbate the economic and political challenges that we have long viewed as existential risks to the European Union maintaining its present form. A sharp recession will heighten the economic disparities between northern and southern Europe, which could bolster support for far-right Eurosceptic political parties and likely produce another Brexit-type event. Italy, the third largest economy in the EU, seems the most vulnerable to such sentiments.

The combination of the Federal Reserve, the European Central Bank, the Bank of Japan and other central banks embarking on a coordinated effort to aggressively crush inflationary pressures a la the Fed's Paul Volcker in the early 1980s will produce a recession that we believe will be severe because of the chart on the following page.



The chart above illustrates that the global financial system is burdened by unprecedented debt levels at a time when interest rates are rising rapidly from historic lows. The negative leverage to rising interest rates that the global economy is exposed to is immense and will be felt through 2023 by mounting evidence of recession and considerable downward pressure on corporate earnings.

THE INVESTMENT ENVIRONMENT

Not surprisingly, given this issue's bearish interpretation of the recent policy developments of the Bank of Japan and the European Central Bank (in addition to our market analysis of recent issues), we continue to view the prospects for most markets as unattractive.

It remains our opinion that two conditions must be met to see an end to the current bear market. The first is a switch by central banks to a policy of declining interest rates and expanding the money supply. The second is evidence of an extreme of bearish investor sentiment sufficient to create a market low through capitulation selling. We have yet to see either condition emerge. Indeed, central banks seem more intent than ever to deal forcefully with inflation and investor sentiment has yet to turn sufficiently bearish (reflected by the absence of capitulation selling which typically marks the end of bear markets).

If our bearish view is correct, how much downside risk remains in markets? That is obviously impossible to predict with precision, but the graphic on the following page may offer clues.

2008 vs. Today

	August 2008	Today
P/E Ratio	13x	16.8x
10 year yield	3.80%	3.48%
CPI y/y	5.30%	7.10%
10 Year Breakevens	2.30%	2.13%
Equity Risk Premium	380bps	250bps
ISM Mfg PMI	50	49
S&P % Change From Peak	-18%	-19%
NTM EPS % Change From Peak	-5%	-3.90%
Unemployment Rate	6%	3.70%
Jobless Claims	435,000	211,000
3Month-10Year Spread	+200bps	-79bps
Fed Cuts to Date	325bps	0

Source: Bloomberg, Morgan Stanley Research

The graphic above represents a snapshot of economic conditions in August 2008 versus mid-December 2022. We would remind subscribers that the ultimate stock market low following the Financial Crisis of 2008 did not occur until March 2009.

In August 2008, the S&P 500 was trading at 13X earnings and the U.S. yield curve was positively sloped following interest rate cuts of 325 basis points by the Fed.

Today, the S&P 500 is trading at 16.8X earnings while the U.S. yield curve is inverted and the Fed has not only not as yet cut rates but is expected to implement additional increases in the first half of 2023.

The currently inverted yield curve and the lagging effects of the 2022 Fed rate increases suggest that the economic cycle of mid-December 2022 is well behind that of August 2008 and that worsening economic news (and disappointing corporate earnings) can be expected in 2023.

How much additional downside is possible for the S&P 500 before the end of the bear market is reached? The market's still elevated P/E ratio of 16.8, the prospect of further interest rate increases, insufficiently bearish investor sentiment, and the tendency of markets to bottom months after the first interest rate cut eventually occurs suggest that the bear market may be with us for some time yet. Historic precedent suggests to us that the S&P 500 has the potential for a further 20%-25% downside, though such forecasts cannot be expected to be precise. What we are more confident of is that equity markets are far more probable to be under pressure than rise in the first half of 2023.

Therefore, our very cautious view of markets remains unchanged.

Amid this gloomy scenario, there are constructive signs to be seen. Two of our core investment themes, health care and defence, have been exhibiting very strong relative strength and seem poised to be leading sectors in the next bull market. Further comments on their respective merits can be found later in this issue.

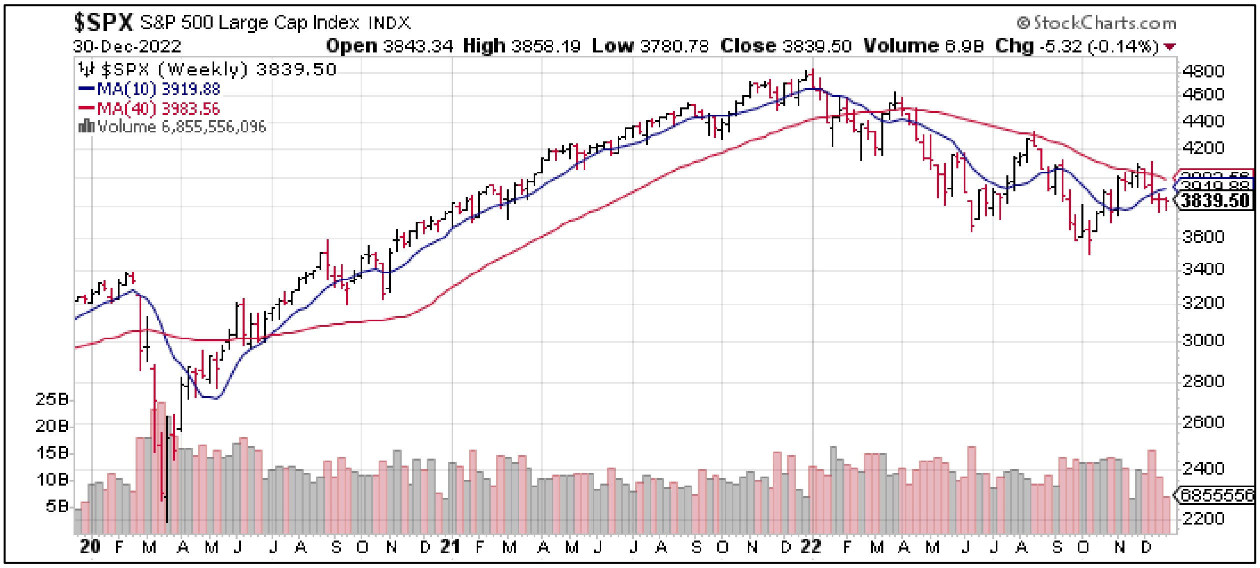
Other potential leaders of the next bull market are drawing our attention and are being added to our watchlist for further study and monitoring in preparation for the eventual bull market that will follow the current bear market.

In the meantime, our focus must be on effectively navigating the current difficult investing environment to preserve capital. Thus, while we may establish long positions during this bear market on those rare occasions when price action compels us to do so, our positions will remain much smaller than they would be during a bull market.

We remind subscribers of the old sports maxim that, “Defence wins championships” and continue to advocate a cautious approach to markets.

EQUITIES COMMENT

S&P 500 (WEEKLY)



The chart of the S&P 500 continues to paint a bearish picture, with a series of lower highs and a major reversal bar in December.

Corporate earnings estimates have fallen sharply in recent months and we believe are set to fall considerably further as the effects of a recession become more apparent.

It has proven unwise to “fight the Fed” and we will not do so.

We remain bearish on the S&P 500 until we see a cut in interest rates by the Fed and a peak in bearish investor sentiment that produces the capitulation selling that results in a major market bottom and will mark the end of the current bear market.

HEALTH CARE TRADE

HEALTH CARE SPDR ETF (XLV) (WEEKLY)

We remain bullish on the long-term prospects of the health care sector and are heartened by the strong relative strength exhibited by the sector in 2022.

We are prepared to re-establish a position on a breakout to a new price high. It is noteworthy that the previous high at circa 140 proved to provide sufficient technical resistance to reverse the recent rally. We await a new buying opportunity that will eventually be presented.

FTSE 100 (DAILY)

The FTSE ended December near major technical resistance just above the 7500 level, which has been a barrier to further appreciation by the index on multiple previous occasions.

The risk/reward prospects for purchasing positions near such major resistance points are poor, especially considering the currently poor investing climate.

We continue to view the FTSE with a bearish eye but would establish a small position in the unlikely event that it traded above its 2020 price high.

DAX INDEX (WEEKLY)

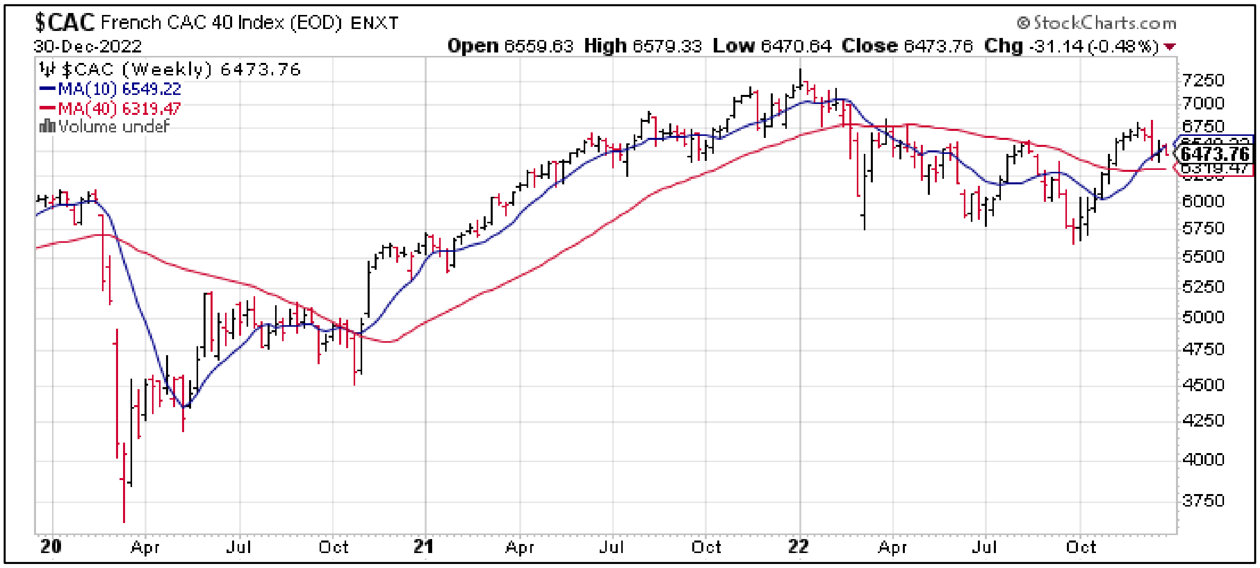
We have been surprised by the strength of the German Dax Index given the considerable challenges faced by the German economy and the general weakness of equity markets over the past year.

A slowing economy, rising energy costs and now a rising euro (bad news for the export-dependent German economy) conspire to make German stocks less than attractive.

A realization by investors of these factors may have produced the bearish weekly reversal bar in early December, which suggests that the recent rally by the DAX is at an end and lower prices are probable.

We are therefore bearish on the prospects for the DAX.

CAC 40 (WEEKLY)



There is little to comment on the Paris CAC 40 this month. The risk/reward proposition of this market is less than compelling at this time.

NIKKEI INDEX (WEEKLY)

The announcement by the Bank of Japan in December that it is moving from its ultra-dovish monetary policy to one that will embrace higher interest rates had a predictable effect on Japanese capital markets. The yen strengthened and the Nikkei declined.

Substantial technical support exists for the Nikkei just under circa 26000 and again at the 25000 level. Further weakness by the Nikkei, especially below 25000, would increase the probability of significant further declines.

We have been on the sidelines of the Nikkei because of its lack of a clear trend. We will continue to remain on the sidelines but would consider taking a short position in the Nikkei on a break below 25000. We await developments.

SENSEX (WEEKLY)

We continue to hold our long position in the Indian Sensex Index, which we purchased in November at 61500. We continue to maintain our protective sell price at 59700.

The ongoing relative strength of the Sensex versus other equity markets prompted us to establish a small position on the recent breakout to new highs. The recent weakness of the U.S. dollar has presumably helped the Sensex, as it has other emerging markets.

The rally by the Sensex is vulnerable to renewed dollar strength as well as general weakness by global equity markets. Our small position size and use of a protective sell price will serve to minimize risk in the current challenging investment climate.

EMERGING MARKETS ETF (EEM) (WEEKLY)

Our proxy for emerging markets, the EEM ETF, saw its recent rally stall at its 40-week moving average.

The recent weakness of the U.S. dollar has been a significant boost to emerging markets, but our generally cautious view of markets prompts us to remain on the sidelines.

FIXED INCOME COMMENT

10-YEAR US TREASURY NOTE (WEEKLY)

We retain our long-position in 10-year U.S. Treasuries purchased at 113.65 at the end of November and are maintaining our protective sell price at 111.50.

The sharp decline by the 10-year in Late December was disconcerting, but its importance is mitigated by the diminished trading volumes seen over the Holidays.

Our investment thesis remains that we expect a further inversion of the U.S. yield curve as the Fed continues to raise short-term interest rates while the perception of easing inflationary pressures (as evidence of a recession builds) causes longer-term interest rates to fall.

CURRENCY COMMENT

US DOLLAR INDEX (DXY) (WEEKLY)

From the December issue: *"The US Dollar Index has descended to its 40-week moving average, which may offer some technical price support. A move below the moving average by the dollar, however, would add to the bearish outlook, especially if it traded below 104 (the 2020 price high), which would open the prospect of significant further downside."*

The U.S. Dollar Index did end the year trading below its 2020 high, which is very bearish indeed. The past few months have seen historic levels of volatility for all the major currencies, which has provided tremendous opportunities for traders. We take pride in identifying the top of the dollar for subscribers. (Being on the right side of the major currency moves was one of the pillars of our investment success in 2022).

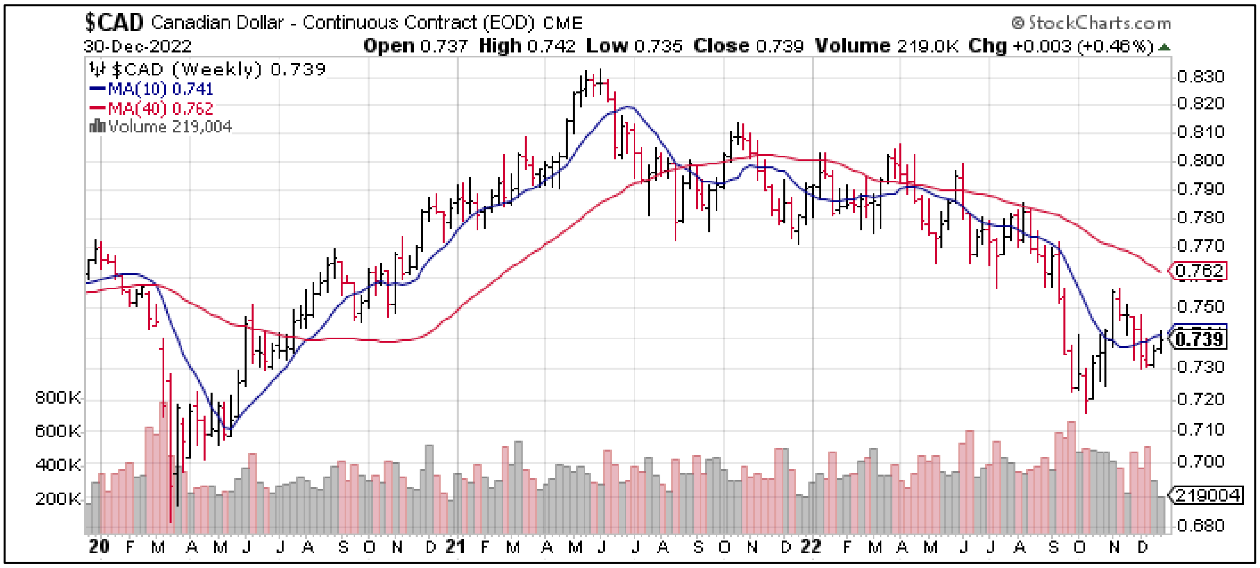
Why such a sharp decline in the dollar? We think the factors are twofold. First, the dollar could legitimately be said to be over-bought by September, which produced the weekly reversal bar that marked the top. The shattering of bullish sentiment for the dollar ignited the sharp decline, which has been fueled more recently by the awareness that other central banks (ECB and Bank of Japan) were prepared to adopt more aggressive policies to address inflation. Therefore, the positive interest rate differential against other major currencies that contributed to the previous strength of the dollar appears likely to narrow (putting additional pressure on the dollar). For example, as we discussed earlier this issue, it would not be surprising for the recent policy change by the Bank of Japan to result in a portion of Japanese capital invested in dollar-denominated assets being converted to yen-based assets (investors would effectively be selling dollars to buy yen).

How long will the dollar's weakness last? The technical picture for the dollar looks very bearish, and bearish sentiment around the dollar is building to the extremes of the bullish sentiment that characterized much of 2022. This could produce capitulation selling of the dollar that, in turn, could produce surprisingly low prices. So the potential for further material downside for the dollar is very real.

Offsetting these bear considerations is that the plunge of the dollar has created an oversold condition that makes a near-term rally probable. A rally back to the 40-week moving average (which now represents technical resistance) would be a likely target. The path of the dollar following a counter-trend rally would be highly dependent on the ongoing perception of the determination of other central banks to combat inflation. If the ECB and the Bank of Japan hold their resolve, further dollar weakness is likely.

Notwithstanding the nearer-term challenges facing the dollar, we remain bullish on the long-term prospects for the currency. The U.S. dollar remains the world's reserve currency and safe haven for capital when perceptions of economic and geopolitical risk are elevated. We expect both economic and geopolitical issues to continue to roil markets through the end of this decade, which will cause capital to flow into U.S. dollar-denominated assets, as it has done in the past.

CAD/USD (WEEKLY)



The Canadian dollar weakened versus its U.S. counterpart before rallying in the last half of December to post a modest decline compared to the month previous.

It is not coincidental that the rally by the Canadian dollar occurred simultaneously with a rally in the price of oil, given the strong correlation between the two.

As always, the future path of the Canadian dollar will depend on the price of oil. If we see a mid to late winter spike in oil, then the dollar should rise with it. In the absence of geopolitical influences, the global recession we expect to become apparent in 2023 argues for softer oil prices through diminished demand (which will be bearish for the dollar).

As well, the Bank of Canada will likely retain an interest rate differential with the Federal Reserve that will encourage a weaker Canadian currency (which is in Canadian interests as it makes exports to the U.S. more price competitive).

EUR/USD (WEEKLY)

The sharp ascent by the euro against the dollar continued in December, aided by general dollar weakness and hawkish comments by ECB president Christine Lagarde on interest rates and Quantitative Tightening.

The chart of the euro looks very bullish, trading as it does well above both its 10 and 40-week moving averages. However, the euro's very steep rise makes it susceptible to a pullback in the near term. Steeply rising (or falling) markets typically get overextended and need to pull back and/or consolidate before resuming their trend. A pullback by the euro to its 40-week moving average would not be surprising.

We will allow the euro's price action to determine our level of bullishness or bearishness in the near term. Longer term, we still remain bearish on the euro's prospects because of the considerable economic and political challenges facing the European Union in the years ahead.

POUND/USD (WEEKLY)

We commented in the last issue, *"We think it likely that the bulk of the move by the pound is over. The dramatic recent appreciation of the pound following its plunge in 2022 was driven by the combined forces of the trend reversal of the dollar and the return to a semblance of normality in British markets and political life."*

The pound did continue to rise in early December before reversing course mid-month to end December just slightly higher than the month before.

Of special note is the weekly reversal bar that occurred when the pound rose to circa 1.24 only to close the week at a lower price than the week previous.

We have learned to respect such technical patterns. Indeed, it was a weekly reversal bar that helped us to call the top in the U.S. Dollar Index in 2022.

The presence of the reversal bar provides further credence to our belief that the rally in the pound is over and that lower prices can be expected.

YEN/USD (WEEKLY)

The gains by the yen versus the U.S. dollar since the October low of more than 150 yen to the dollar have been dramatic. We noted in the last issue that further appreciation by the yen would not be surprising, and that certainly transpired in December.

The yen has been bolstered by the general weakness recently displayed by the dollar and the decision by the Bank of Japan in December to move away from its ultra-accommodative monetary policies.

As we noted in the introductory section of this issue, the Bank of Japan's December decision is likely to cause the repatriation of Japanese capital, which will result in a further strengthening of the yen over time.

The prospects for the yen versus the U.S. dollar continue to be bullish, though given its rise since October, an overbought pullback in the near term is possible.

YUAN/USD (DAILY)

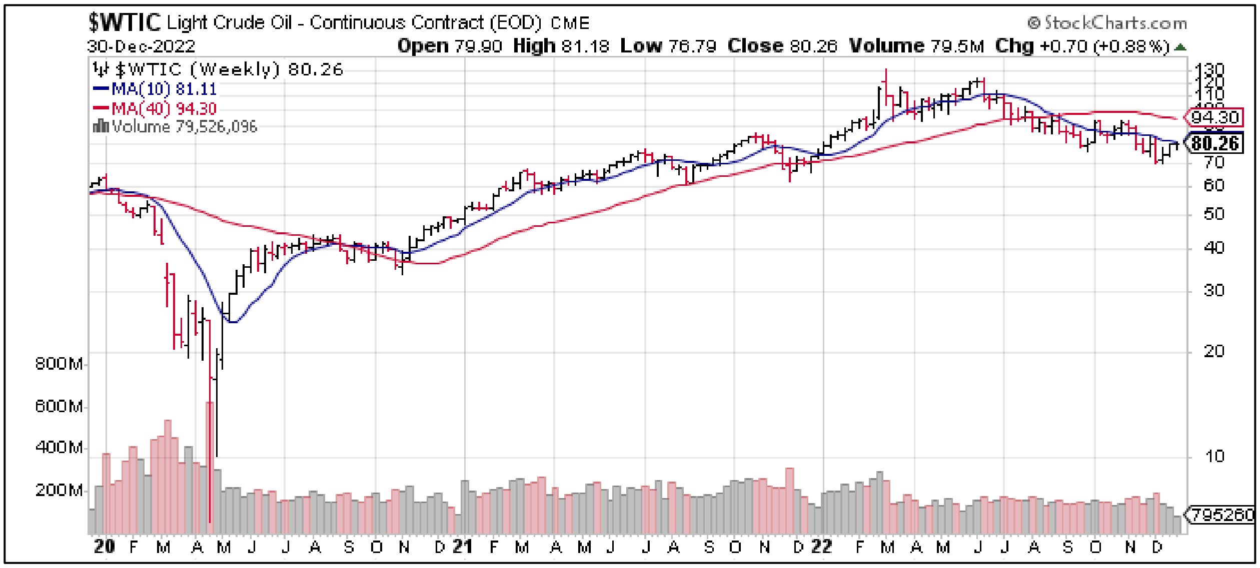
The yuan continued to strengthen versus the U.S. dollar in December.

The strength demonstrated by the yuan is likely due more to the general recent weakness of the U.S. dollar than to the merits of the yuan.

We expect that yuan strength will end when the correction of the U.S. dollar ends.

OIL COMMENT

CRUDE OIL (WTI) (WEEKLY)

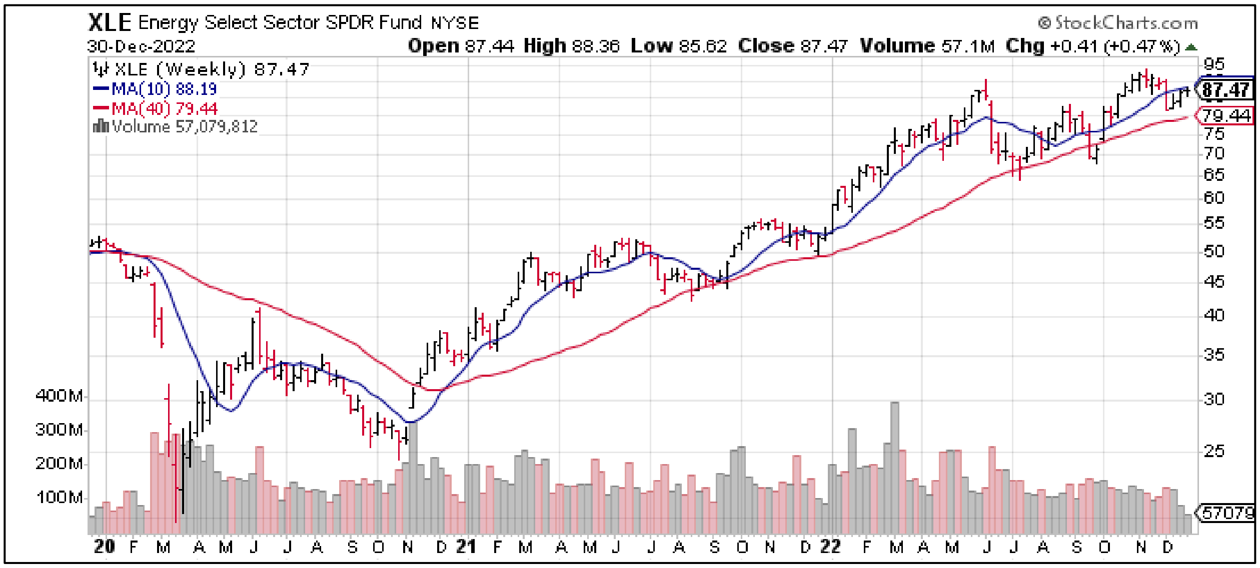


The price of oil ended December little changed from the previous month and continues to trade bearishly below both its 10 and 40-week moving averages.

The fundamental supply/demand prospects for oil in 2023 continue to look less than bullish, considering our expectation of the development of a fairly sharp global recession that should materially impact demand.

On a bullish note, oil futures continue to trade in backwardation (near-month prices higher than far months), which suggests that the oil market remains tight. Interesting is the 25% reduction in liquidity seen in the oil futures market, declining to just 1.82 million open contracts at year-end (the lowest level in 16 years). The decline in open interest is more pronounced among non-commercial traders, suggesting that geopolitical factors (i.e., Russia and OPEC) may be deterring traders from establishing speculative positions.

We remain of the view that while the general prospects for oil prices in 2023 are less than attractive, we would not be surprised to see a price spike in mid-to-late winter related to the halting of Russian energy exports to Europe. Once again, the price of oil may be significantly affected by geopolitical influences, if only temporarily.



Our long position in the XLE ETF, purchased at $92.20 in November on a breakout to a new yearly high was sold at our $88 protective sell price. Our position size was small in recognition of the current bear market, so our loss was not large.

The failed breakout by XLE was more attributable to the weakness of equity markets in December than to the price of oil, which did not move dramatically.

Experience has taught us to purchase significant breakouts, so we must adopt a philosophical approach to the losses associated with failed breakouts (which we minimize by using protective sell prices). Failed breakouts are especially common in bear markets, but XLE's relative strength could not be ignored.

We must take opportunities when they are presented and be content to experience small losses as the price of admission to the world of investing. Our previous position in XLE, taken in early 2022, earned a return of 35% in a couple of months. We are prepared to incur multiple small losses to participate in positions that generate significant gains.

We are prepared to establish another small position in XLE should it trade above its high of 2022.

DEFENCE SECTOR COMMENT

US AEROSPACE & DEFENCE ETF (ITA) (WEEKLY)

As per our comments in the last issue, *"The long (about 18 months) sideways trading channel of ITA increases the probability that, once a price breakout is established, the ensuing rally will be significant. We remind subscribers that volatility is strongly mean-reverting and that periods of diminished volatility (e.g. in trading channels) tend to be followed by above-average volatility.*

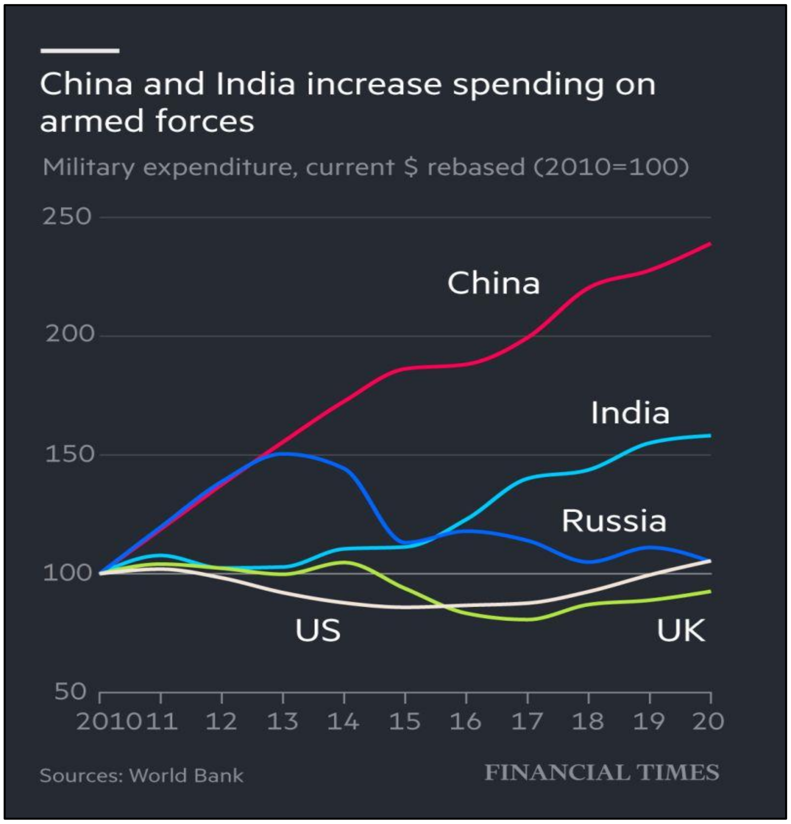
In conclusion, we will be a buyer of ITA on a break out to a new 2022 price high and will set our initial sell price 2-3% below the previous price high to guard against a failed breakout."

ITA did breakout to new price highs in early December and we duly established a position at 112.25, setting our initial protective sell price at 108.90. The position size is small compared to what we would establish in a bull market environment, for the risk of failed breakouts is much higher in bear markets. We must always be mindful of mitigating risk.

That being said, the relative strength demonstrated by ITA versus the S&P 500, the contraction of volatility and the setting of a new price high are bullish factors that we have learned not to ignore and prompted us to establish a small initial position. If the breakout ultimately fails, we will have lost very little. If the breakout proves durable, we will add to our position when appropriate.

The defence sector has been a core investment theme since the first issue of the Global Investment Letter and we previously harvested sold profits from ITA before selling our position ahead of the March 2020 market crash (see the March 4th issue for more details).

Our enthusiasm for the long-term prospects of the defence industry stems from the rapid evolution in the technology of weapons systems and the deteriorating geopolitical scene, which we consider the most fragile since WWII. We expect both factors will drive strong spending on defence in the years to come, but geopolitical influences are currently the most conspicuous reasons to be bullish on defence stocks.



The chart above depicts the very strong increase in defence spending by India, but especially China over the past decade. While defence spending by the United States remains much higher than that of China, the comparison should not be taken at face value. Salaries to military personnel in the United States are much higher than in China, making the difference in the acquisition of military hardware much narrower than it first appears.

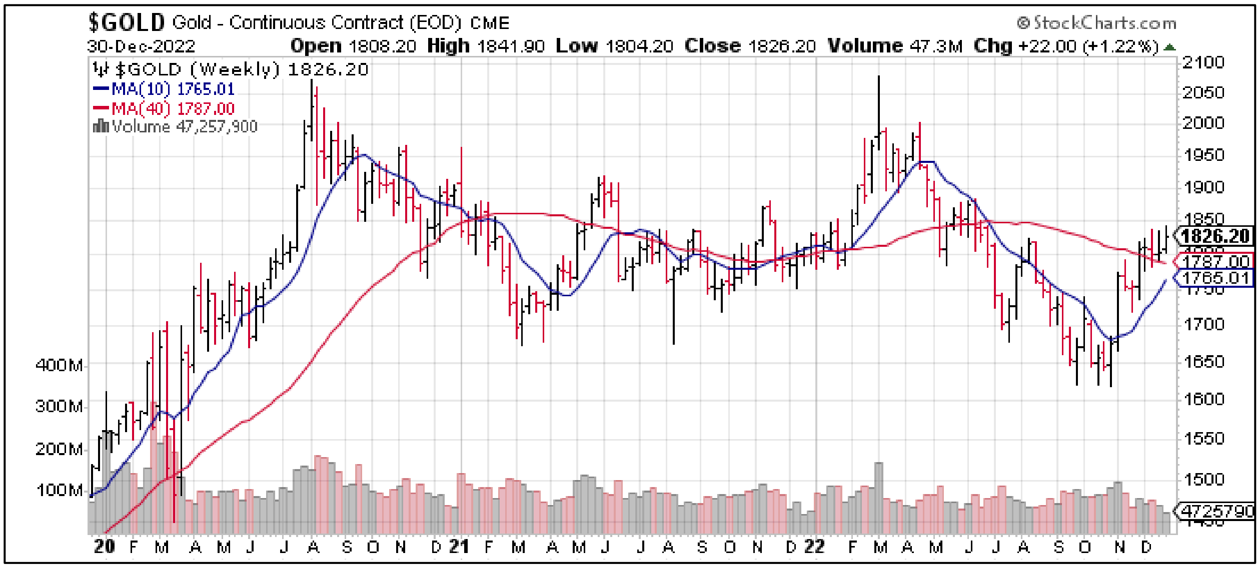
Largely in response to the rapid buildup in military capability by China, Japan announced in December that it would double its defence expenditures from 1% to 2% of GDP. This is a noteworthy development, for it is a stark departure from the essentially pacifist policy adopted by Japan since WWII and is indicative of the growing tensions in East Asia.

In addition, the Russian invasion of Ukraine has resulted in the expenditure of a good deal of military hardware, as Western nations send arms to Ukraine to aid in its defence. The stockpile of missiles, anti-tank weapons, etc., will have to be replaced by the donating nations.

We use the ITA ETF to gain diversified exposure to the defence sector. For investors wishing to purchase individual stocks, we suggest restricting exposure to defence companies making products with the highest technological inputs such as aerospace, missile systems, etc.

GOLD & SILVER COMMENTARY

GOLD (WEEKLY)



The price of gold enjoyed another month of strong performance in December, as further weakness by the U.S. dollar makes gold relatively less expensive for non-American buyers.

As we stated in last month's issue, *"We remain out of the gold market at this time but will purchase a position on the US Dollar Index breaking below 104 AND gold trading above its 40-week moving average. This combination of events would raise the probability of a continued rally. If a purchase is made, we would set our protective sell price 2-3% below the 40-week moving average."*

The U.S. Dollar Index did trade below 104 in December and gold did trade above its 40-week moving average, which prompted us to purchase a small position at $1803, with an initial protective sell price at $1765. We have established a smaller-than-normal size position because of our general concerns about the investment climate and the potential for the U.S. Dollar Index to rally from an oversold position created by its recent price weakness.

Precious metals shares, as represented by our proxy the XAU index, have spent the past month consolidating near their 40-week moving average. A move above its recent trading channel would be bullish from a technical perspective.

As we commented in the last issue, *"We will re-establish a position in silver if it moves higher than $22.75, placing our initial sell price at $21.75."*

Silver did move through $22.75, and an initial small position was established at $22.80. The initial protective sell price of $21.75 was raised to $22.25 in response to silver's price advance.

With a December close of $24.04, our position in silver is off to a strong start, with a 5.4% gain. Technical resistance exists at the circa $26 level, with a major technical price hurdle at circa $30. As with gold, the future path of the silver price will be heavily influenced by the behaviour of the U.S. dollar.

ABOUT THE EDITOR

The Editor and Publisher of the Global Investment Letter is Jonathan Baird CFA. Prior to founding the Global Investment Letter, Jonathan spent more than 25 years as an award-winning money manager in Canada, most recently winning a Lipper Award in 2010 for managing the #1 Global Equity Fund in Canada. Jonathan managed several #1 ranked funds over the course of his career as a money manager, investing in all major industries, asset classes and markets. Along with his interest in the world of investment, Jonathan has been a lifelong student of history and uses the lessons of history to help interpret and provide context to current events. Jonathan no longer invests money for others, managing only his own account. The Global Investment Letter represents his personal thoughts and opinions.

Jonathan well understands the difficulty of the investment process and the essential role that quality information and opinion play in successful investing. Each monthly issue will contain comments on major markets, economics, geopolitics as well as investment ideas. There may also be a discussion of investment philosophy or practices and reviews of books deemed of potential interest to readers.