

International Investor

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Inside International Investor

Dividend Yields near historical lows
indicating high stock prices 2, 4, 5

World Stockmarket Valuations 4, 5
World Stockmarket Capitalisations 6

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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	70%	Neutral	Bullish	Bullish	Bullish	+4.7%	+19.6%	+25.3%	6,691.57
Austria	74%	Bearish	Bullish	Bullish	Bullish	+14.0%	+39.9%	+24.4%	3,082.50
Belgium	55%	Bearish	Bullish	Neutral	Neutral	-0.6%	+14.6%	+15.8%	3,769.14
Canada	71%	Neutral	Bullish	Bullish	Neutral	+6.1%	+17.0%	+20.6%	18,380.96
Denmark	44%	Bearish	Neutral	Neutral	Neutral	-2.1%	+6.8%	+26.8%	1,365.35
Finland	66%	Neutral	Bullish	Bullish	Bullish	+1.8%	+12.4%	+27.7%	11,078.46
France	57%	Bearish	Bullish	Bullish	Bearish	+1.3%	+17.3%	+18.7%	4,485.17
Germany	63%	Neutral	Bullish	Bullish	Neutral	+2.9%	+9.1%	+27.3%	13,920.69
Ireland	66%	Bearish	Bullish	Bullish	Neutral	-0.2%	+22.0%	+28.5%	7,629.67
Italy	63%	Bearish	Bullish	Bullish	Bearish	+1.8%	+18.4%	+16.9%	24,958.37
Japan	56%	Bearish	Bullish	Neutral	Bearish	+3.7%	+21.9%	+35.2%	28,864.32
Netherlands	58%	Bearish	Bullish	Bullish	Neutral	+4.4%	+21.8%	+29.9%	653.87
New Zealand	54%	Bearish	Bullish	Bullish	Bearish	+3.6%	+17.9%	+22.1%	1,836.68
Norway	76%	Neutral	Bullish	Bullish	Neutral	+15.9%	+28.7%	+39.1%	1,136.04
Spain	66%	Bullish	Bullish	Bullish	Neutral	-1.7%	+21.4%	+5.1%	830.30
Sweden	55%	Bearish	Bullish	Bearish	Neutral	+6.9%	+21.1%	+43.9%	1,471.68
Switzerland	50%	Neutral	Neutral	Neutral	Neutral	-1.9%	+2.6%	+9.7%	10,607.79
Un. Kingdom	69%	Neutral	Bullish	Bullish	Neutral	+4.2%	+19.1%	+8.8%	6,630.52
USA	64%	Bearish	Bullish	Bullish	Neutral	+3.9%	+12.1%	+29.3%	3,841.94
Argentina	43%	Bearish	Bearish	Bullish	Neutral	-21.9%	-13.6%	-7.3%	47,242.26
Brazil	47%	Bearish	Neutral	Bullish	Bearish	-8.2%	+6.0%	-4.4%	115,202.20
Czech Rep.	79%	Bullish	Bullish	Bullish	Neutral	+8.5%	+19.8%	+12.9%	1,067.58
Chile	71%	Bullish	Bullish	Bullish	Bullish	+15.2%	+29.5%	+26.6%	23,784.48
China	48%	Bearish	Bullish	Bullish	Bearish	+2.2%	+9.9%	+23.1%	3,501.99
Greece	78%	Bullish	Bullish	Bullish	Bearish	+3.3%	+29.9%	+27.1%	825.02
Egypt	69%	Bullish	Neutral	Bullish	Bullish	+2.7%	+2.0%	-8.5%	11,333.86
Hong Kong	68%	Bearish	Bullish	Bullish	Bullish	+8.3%	+17.6%	+11.4%	29,098.29
Hungary	72%	Bullish	Bullish	Bullish	Neutral	+5.9%	+22.6%	+1.2%	43,269.00
India	67%	Bearish	Bullish	Bullish	Bearish	+12.8%	+31.6%	+35.7%	50,405.32
Indonesia	78%	Neutral	Bullish	Bullish	Bullish	+5.8%	+22.6%	+12.7%	6,258.75
Israel	58%	Bearish	Bullish	Bullish	Neutral	+5.2%	+18.3%	+13.2%	1,601.54
Korea	64%	Bearish	Bullish	Bullish	Neutral	+6.4%	+34.5%	+56.3%	3,026.26
Malaysia	55%	Neutral	Bullish	Bullish	Bearish	-1.7%	+7.5%	+11.3%	1,600.12
Mexico	72%	Bearish	Bullish	Bullish	Bearish	-1.5%	+28.6%	+5.6%	46,342.54
Philippines	69%	Bearish	Bullish	Bullish	Bullish	-4.6%	+18.9%	+5.7%	6,881.37
Poland	61%	Bearish	Bullish	Bullish	Neutral	-0.2%	+11.5%	+15.5%	57,643.55
Portugal	61%	Bullish	Bearish	Bullish	Neutral	-3.0%	+11.5%	+11.0%	3,434.13
Russia	72%	Bullish	Bullish	Bullish	Neutral	+6.3%	+20.1%	+6.1%	1,447.46
Singapore	69%	Neutral	Bullish	Bullish	Neutral	+5.2%	+22.1%	+4.5%	3,013.85
Sth Africa	64%	Neutral	Bullish	Bullish	Bearish	+13.7%	+36.8%	+33.7%	68,271.19
Taiwan	61%	Bearish	Bullish	Bullish	Bearish	+13.3%	+31.9%	+49.9%	15,855.23
Thailand	68%	Bearish	Bullish	Bullish	Neutral	+5.3%	+20.9%	+16.3%	1,544.11
Turkey	48%	Bearish	Bullish	Bearish	Bearish	+20.0%	+40.2%	+13.8%	154,198.00
Venezuela	81%	Bullish	Bullish	Neutral	Bullish	+77.4%	+367.7%	+2156.8%	2,441,750

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.

World Stockmarket Outlook

On many important stockmarkets - the United States, the United Kingdom, Japan, China, Australia, India, France and Taiwan (see pages 4 and 5) - Dividend Yields are *at or below* historical lows. That suggests stockmarkets are at historical highs of valuation!

Certainly there is a need to be cautious.

The only counter argument is that companies responded to the Covid-19 crisis by cutting dividends (to retain cash for survival in an unknown crisis) and the Dividends (and therefore Dividend Yields) are at *artificially* low levels. *If* that is the case, then we would expect to see average Dividend Yields rebound over the next several months as companies restore normal dividend payouts. But we are not “betting the farm” on that being the situation!

Most governments are keeping interest rates low and continuing with stimulus payments. That is favourable for Commodities, Gold, Oil, Emerging Markets and Utilities.

The medium term risk is that as vaccines are rolled out and as the economy re-opens, governments will end stimulus payments and the liquidity bubble that is inflating equity (and other asset) prices will burst.

Recommended Funds Geographic Portfolio Spread

Fund Name	Size (Mil)	Leverage (%debt)	Top 10 Hldgs (%)	Portfolio invested in (%):													
				Cash	HK	Australia	Malay	Taiwan	Korea	Sing.	Thail'd	Phil.	China	India	Indo	6.1	
Aberdeen Std Asian	£483	11	31.0	4.1	5.6		7.9	10.2	6.3	10.2	11.4	4.7	2.1	15.1	Indo	6.1	
India Capital Growth	£98	Nil	44.6	1.3										98.7			
Scottish Oriental Sm Coys	£315	Nil	30.3	0.8	5.4		1.2	6.1	3.5	2.8	1.2	10.5	11.3	36.4	Indo	16.4	
				Cash	USA	UK	Europe	Japan	Canada	Aust	Russia	China	Sth Afr	Sweden	Brazil		
Aberforth Small Cos Trust	£1324	5	26.3			100.0											
Baillie Gifford Shin Nippon	£764	8	27.0	1.4				98.6									
CQS Natural Resources	£116	10	42.6														
Fidelity Japan Trust plc	£307	25	42.0	0.0				100.0									
Herald Investment Trust	£1570	Nil	16.5	7.7	24.6	48.7	9.0	10.0									
iShares Oil & Gas Exp	£152	Nil	66.4	0.3	60.0			2.3	16.9	9.7	7.7	5.9			1.7		
iShares S&P500 Utilities	£67	Nil	62.9		100.0												
VanEck Gold Miners	£465	Nil	58.0		18.1				42.2	14.7		4.6	4.3			6.4	
VanEck Junior Gold Miners	£304	Nil	41.1		4.7	1.6			44.8	20.5	0.9	1.0	7.2			3.6	
				Cash	Nth	Amer	Lat Am	Global	Euro	Asia	Africa	Aust					
CQS Natural Resources	£116	10	42.6	0.0	24.1	15.1	14.5	9.0	8.0	18.9	10.4						
				Cash	US	UK	China/HK	Korea	Taiwan	Brazil	India	Russia	Sth Afr	Thai			
Templeton Emerging Mkts	£2590	Nil	59.9	0.0			40.1	13.3	13.3	4.6	8.9	2.8	3.5	1.8			

Recommended International Investment Funds

Fund Reports

Herald Investment Trust plc lifted net assets 37.0% over the year to 31 December 2020. Its UK benchmark index rose just 4.9% while the US benchmark was up 38.8%. No dividend will be paid.

The company's management fee will reduce slightly from 1.0% of assets to 1.0% on the first £1250 million and 0.8% on the balance.

Share Repurchases and Sales

Aberdeen Asia Standard Focus made seven on-market share purchases over the last four weeks to acquire a total of 130,000 shares for £1,571,625.

Fidelity Japan Trust made one repurchase of 20,000 shares for £43,250.

Herald Investment Trust made five trades on-market, repurchasing 193,874 shares and returning £4,380,777 to investors.

Baillie Gifford Shin Nippon issued and sold a total of 2,150,000 shares on-market in five trades. This raised £5,199,000 in new cash for investment.

Current Advice	Investment Fund	EPIC Code	Initial Recommendation --- Date ---	Offer Price		Prem/ Disc to Net Assets	Recent Price Bid-Offer or Last Sale	Price NZ Cents	Gain or Loss %
				Foreign	NZ Cents				
United States									
HOLD	iShares S&P500 Utilities	IUSU	13/08/18	422.3p	819.4		461.75p	891.4	+9
United Kingdom									
BUY	Aberforth Smaller Cos Trt plc	ASL	15/07/03	375.5p	1042.0	-6%	1384.0p	2671.8	+156
Gold & Commodities									
BUY	VanEck V. Gold Miners	GDGB	14/01/19	1731.0p	3253.8		2388.0p	4610.0	+42
BUY	VanEck V. Junior Gold Miners	GJGB	14/01/19	2011.0p	3780.1		2727.0p	5264.5	+39
BUY	CQS Natural Resources G&I	CYN	11/01/21	136.8p	256.1	-14%	126.5p	244.2	-5
Asian Regional									
HOLD	Aberdeen Std Asia Focus	AAS	09/09/03	89.2p	247.8	-112%	1225.0p	2364.9	+854
HOLD	Scot Oriental Smaller Coy	SST	11/11/03	121.9p	330.5	-13%	1010.0p	1949.8	+490
India									
HOLD	India Capital Growth plc	IGC	07/11/16	80.5p	137.6	-15%	95.0p	183.4	+33
Japan									
HOLD	Baillie Gifford Shin Nippon plc	BGS	11/01/94	31.2p	88.1	+2%	224.0p	432.4	+391
HOLD	Fidelity Japan Trust plc	FJV	10/01/06	126.0p	322.7	-6%	215.0p	415.1	+29
International									
HOLD	Herald Investment Trust	HRI	12/10/04	310.8p	820.1	-12%	2075.0p	4005.8	+388
BUY	iShares Oil & Gas Exp & Prod	SPOG	08/04/19	1287.0p	2491.8		1063.25p	2052.6	-18
BUY	Templeton Emerging Markets	TEM	11/01/21	996.0p	1865.2	-8%	998.0p	1926.6	+3

* United Kingdom based Unit Trust

The average Gains/Losses of all current investments from initial recommendation is +185.6%. This is equal to an average annual rate of +19.3%, 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 +13.2%.

World Stockmarket Valuations

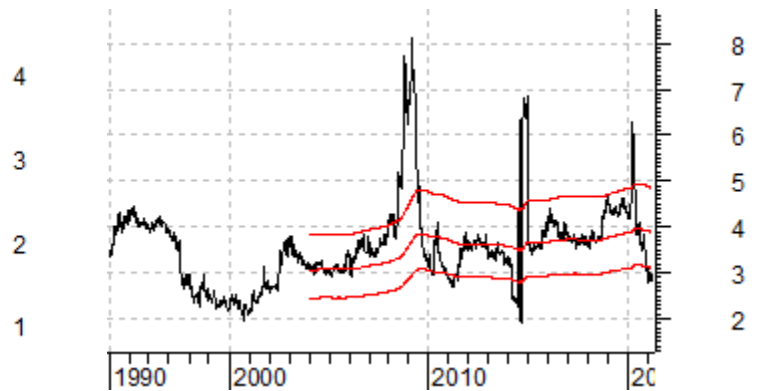
Country	Dividend Yield	Price/Earn. Ratio
Australia	2.7	27.5
Austria	1.5	14.1
Belgium	2.1	26.0
Canada	2.7	28.9
Denmark	1.4	27.4
Finland	2.8	41.5
France	1.8	36.5
Germany	2.4	24.7
Ireland	1.1	39.5
Italy	2.0	18.0
Japan	2.0	23.3
Netherlands	1.1	27.3
New Zealand	2.1	46.8
Norway	3.0	45.0
Spain	3.7	21.0
Sweden	1.2	17.8
Switzerland	2.8	22.4
Un. Kingdom	2.8	20.0
USA	1.4	35.4
Argentina	0.3	97.5
Brazil	2.2	22.5
Czech Rep.	4.0	12.6

Country	Dividend Yield	Price/Earn. Ratio
Chile	3.2	22.5
China	1.3	21.5
Greece	3.7	13.9
Egypt	3.1	8.5
Hong Kong	2.2	17.8
Hungary	1.9	10.7
India	0.9	40.9
Indonesia	2.7	23.4
Israel	0.7	29.8
Korea	1.6	25.0
Malaysia	2.6	24.4
Mexico	2.0	24.8
Philippines	1.6	20.1
Poland	0.5	24.3
Portugal	4.5	31.7
Russia	5.4	16.1
Singapore	3.6	22.6
Sth Africa	1.8	21.2
Taiwan	2.5	23.3
Thailand	2.6	26.2
Turkey	1.2	12.8

United States Dividend Yields



United Kingdom Dividend Yields



Japan Dividend Yields



Canada Dividend Yields



France Dividend Yields



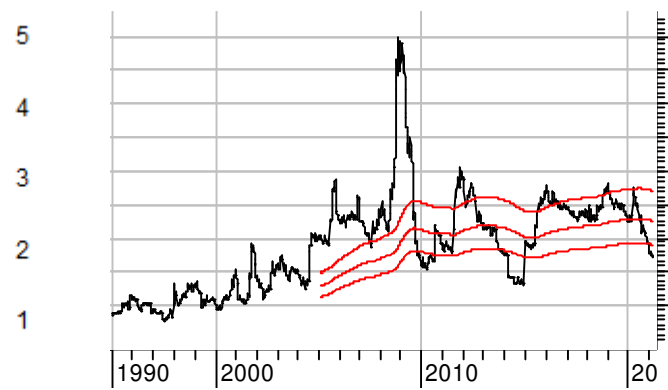
China Dividend Yields



Switzerland Dividend Yields



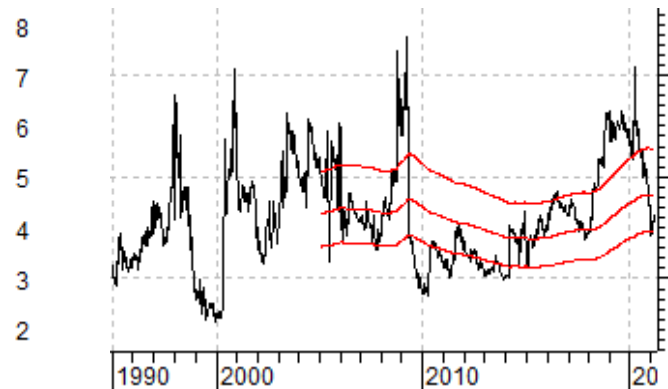
Taiwan Dividend Yields



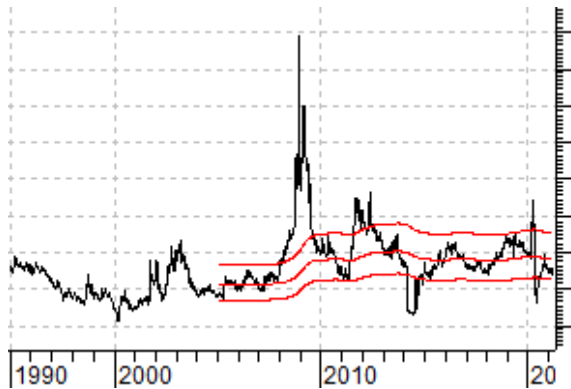
Australia Dividend Yields



South Korea Dividend Yields



Germany Dividend Yields



India Dividend Yields

