

CAZENOVE

CAPITAL MANAGEMENT

Mapping the Markets

Robin Griffiths

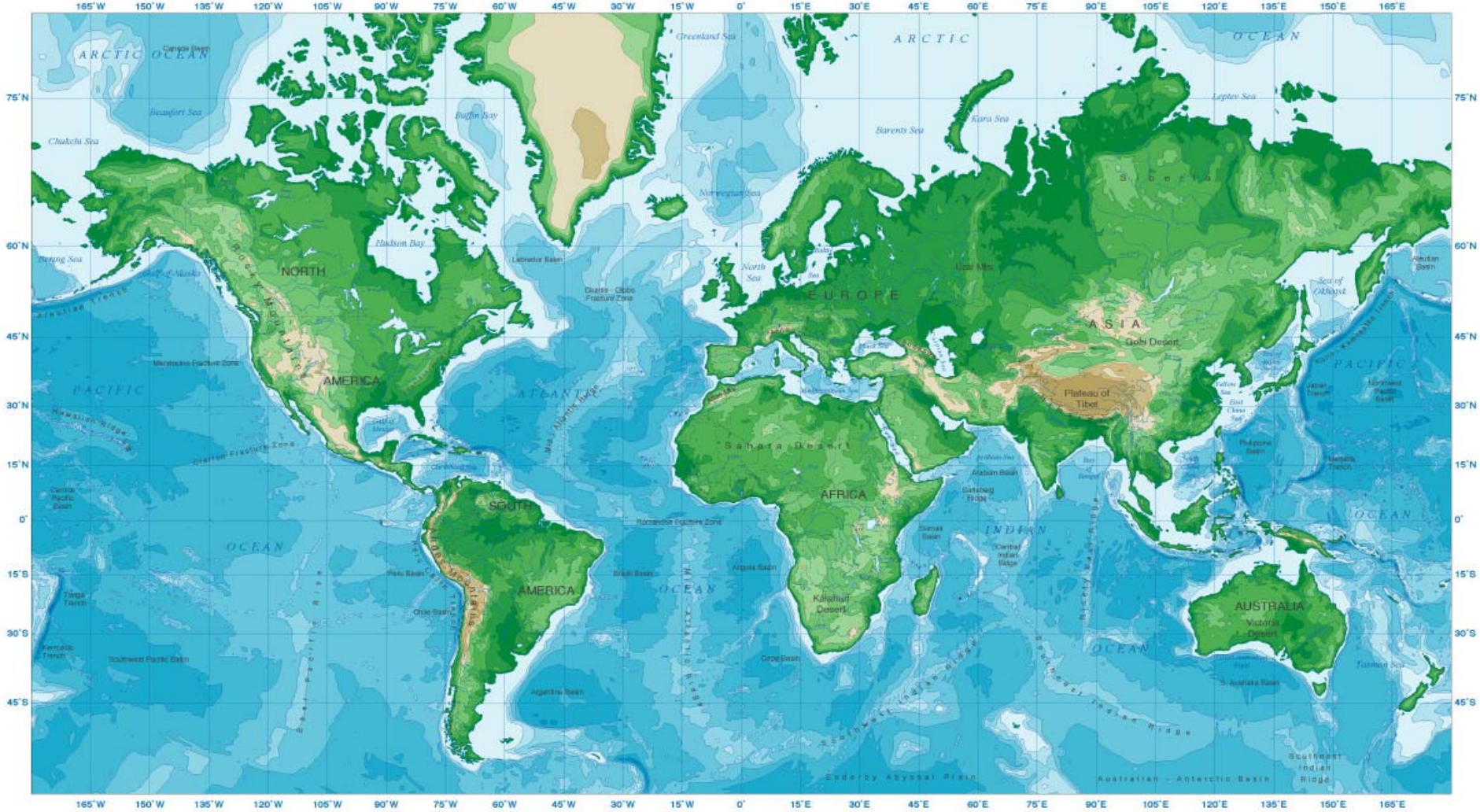
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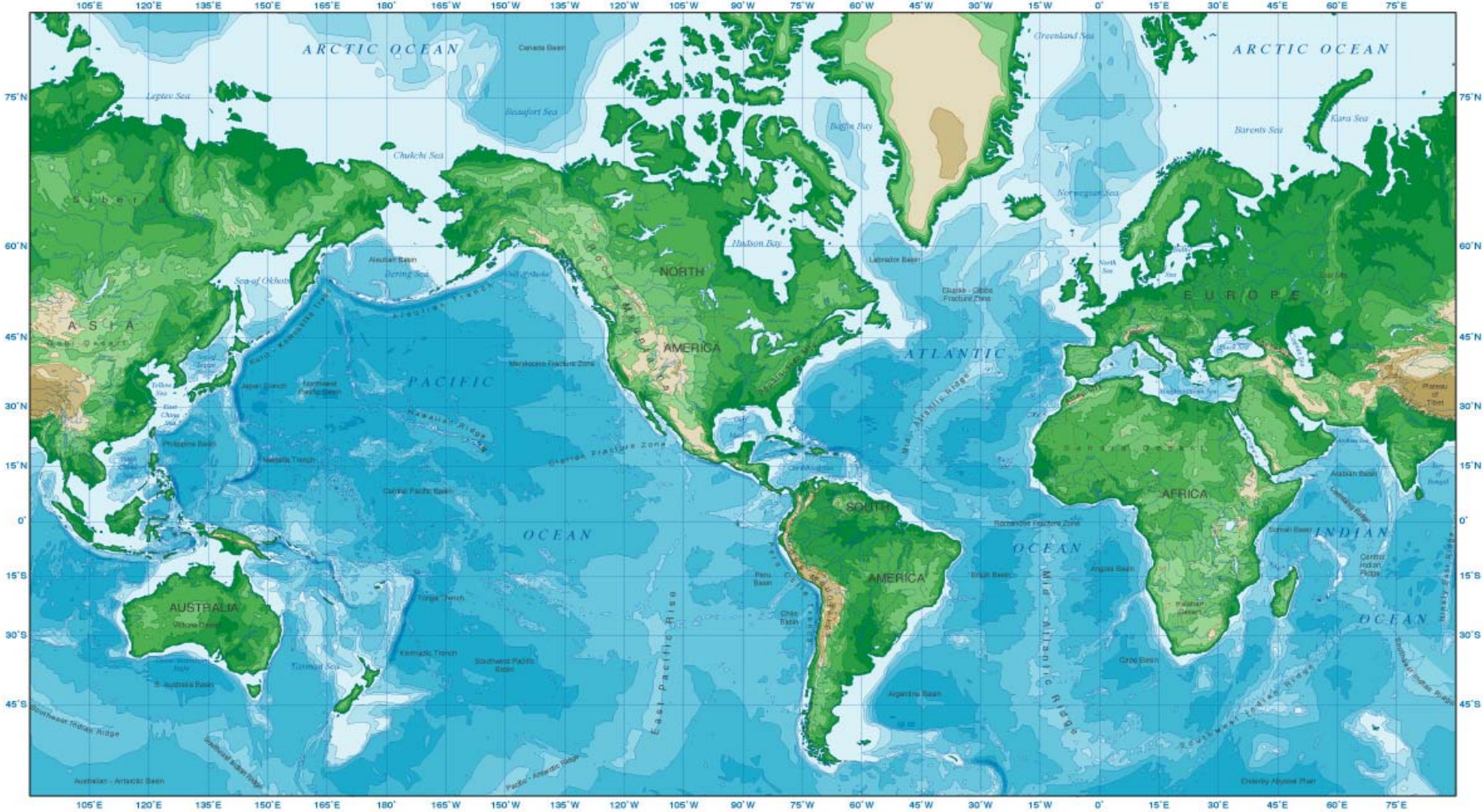


Ancient world view



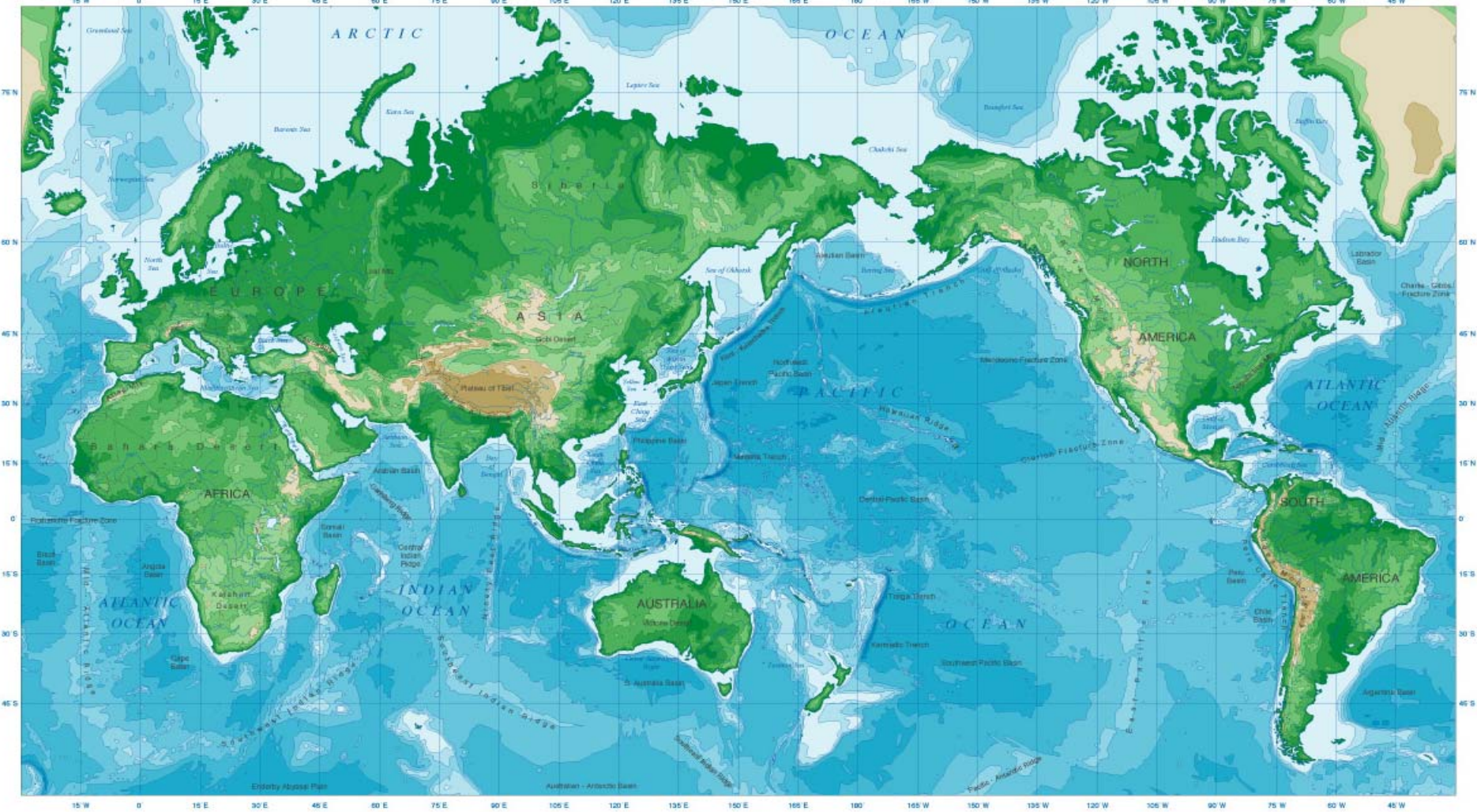
Source: mapresources.com

Current world view



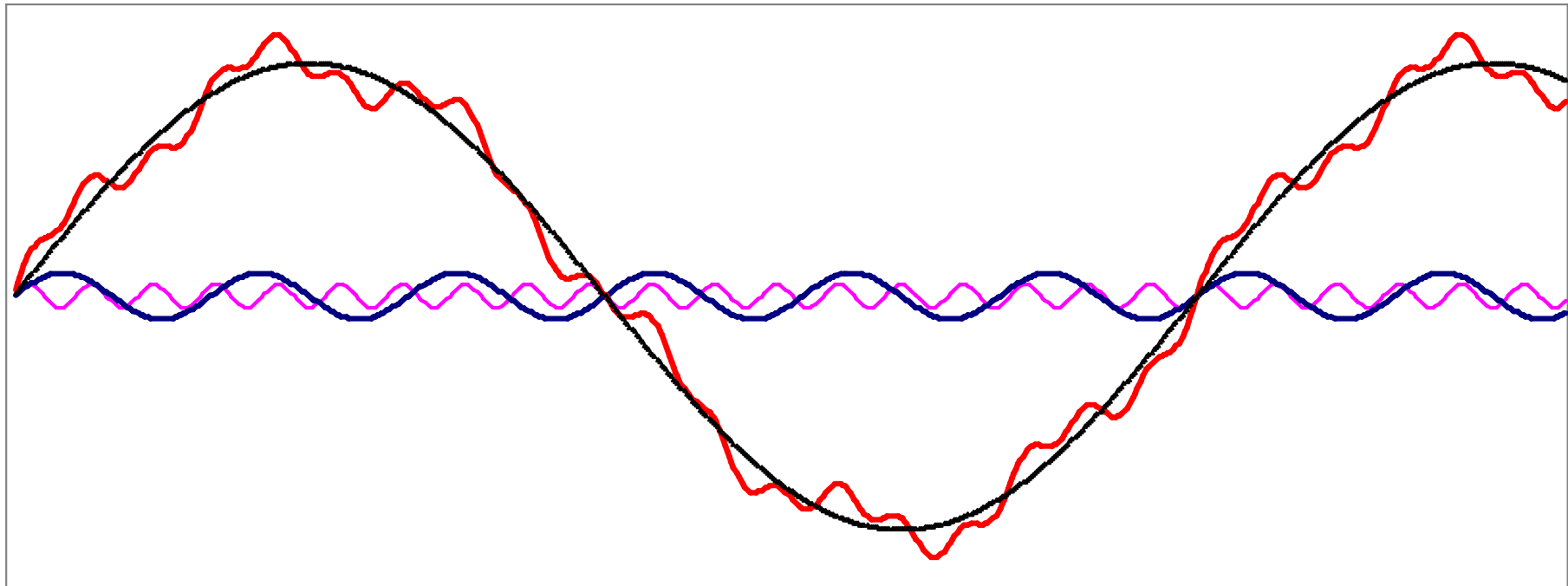
Source: mapresources.com

Future world view

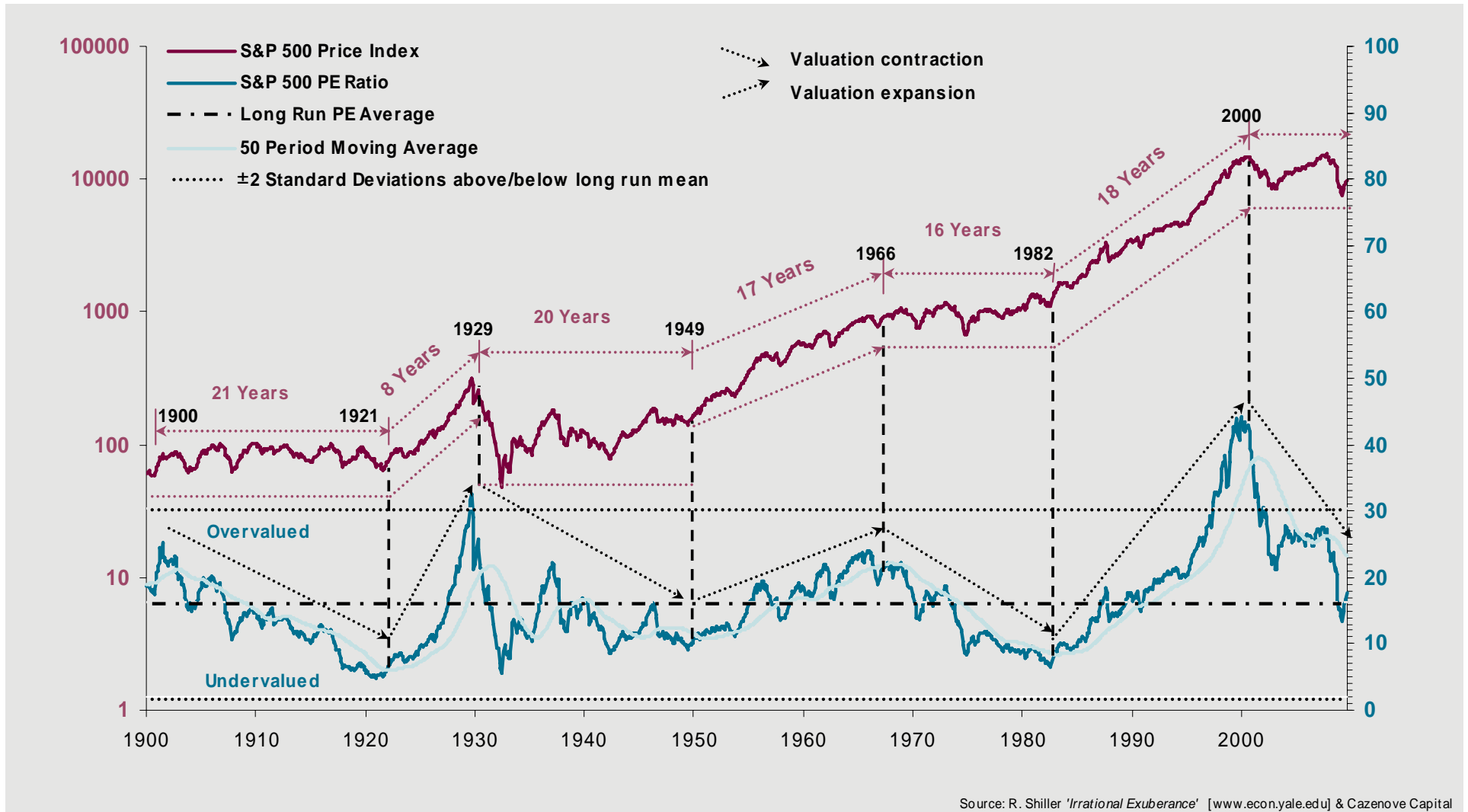


Source: mapresources.com

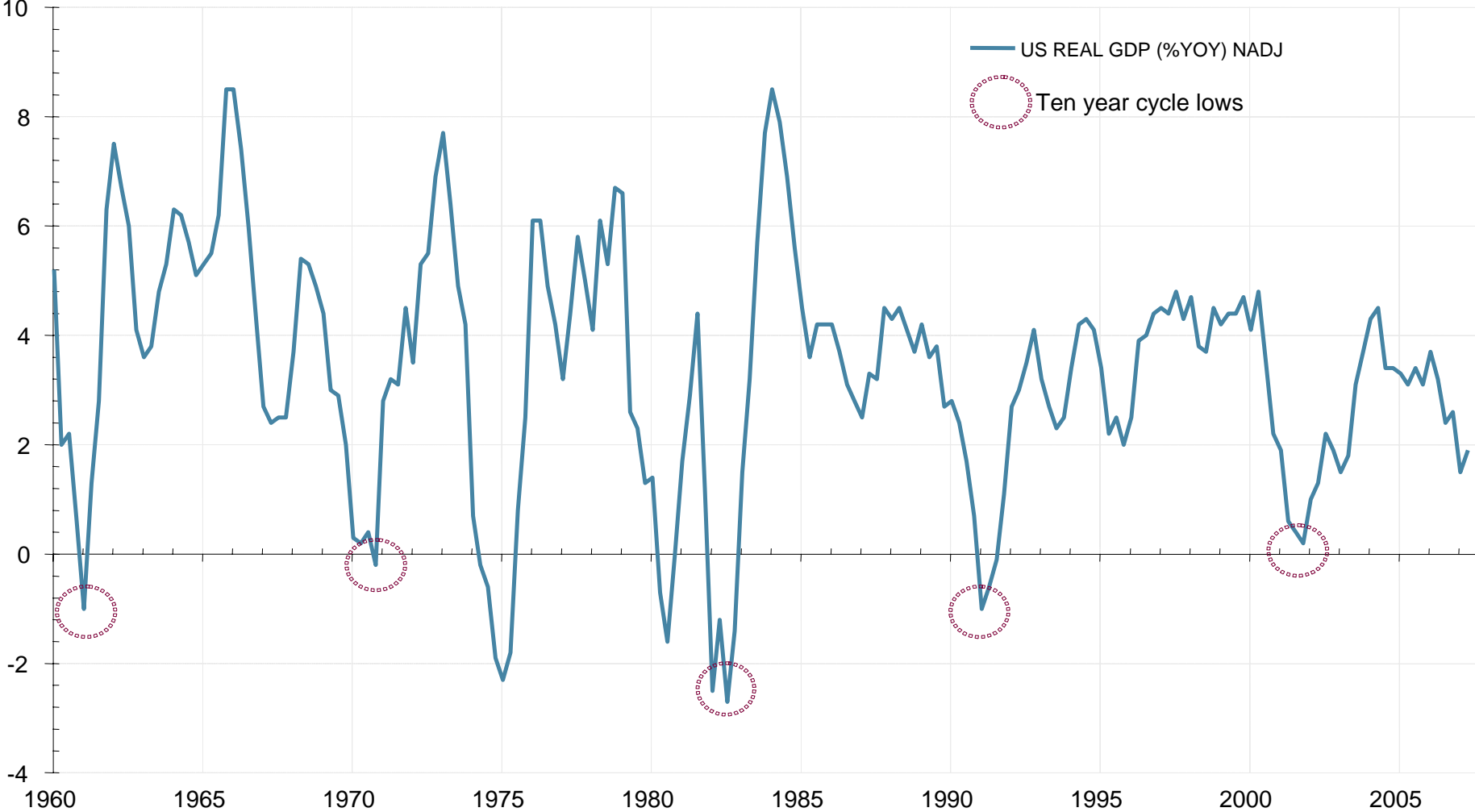
Joseph Schumpeter Three Cycle Schema



How long is long term?

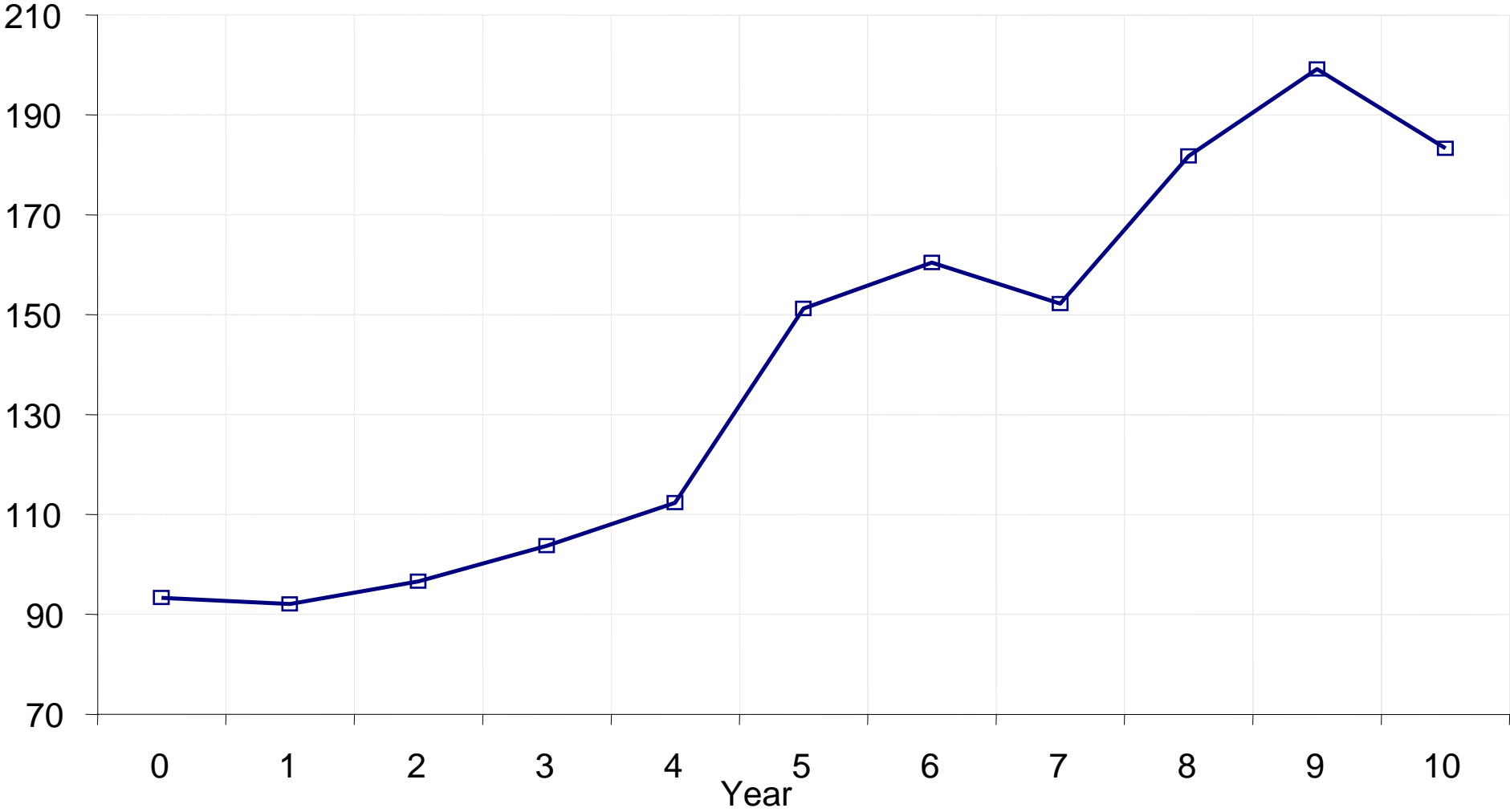


Ten year economic cycle (juglar wave)

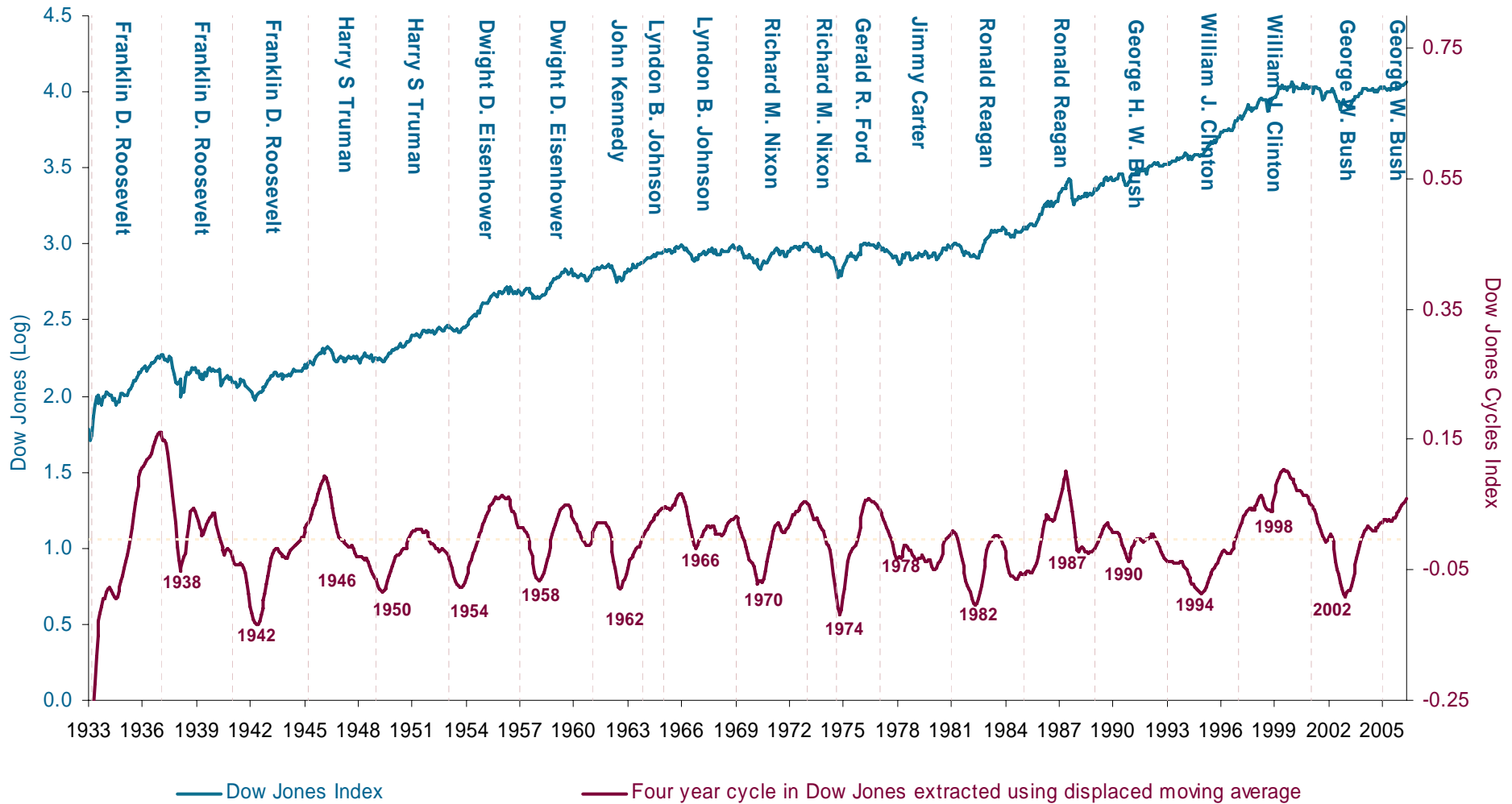


Source: Thomson Datastream

Dow Industrial: Decennial pattern 1900 - 1999

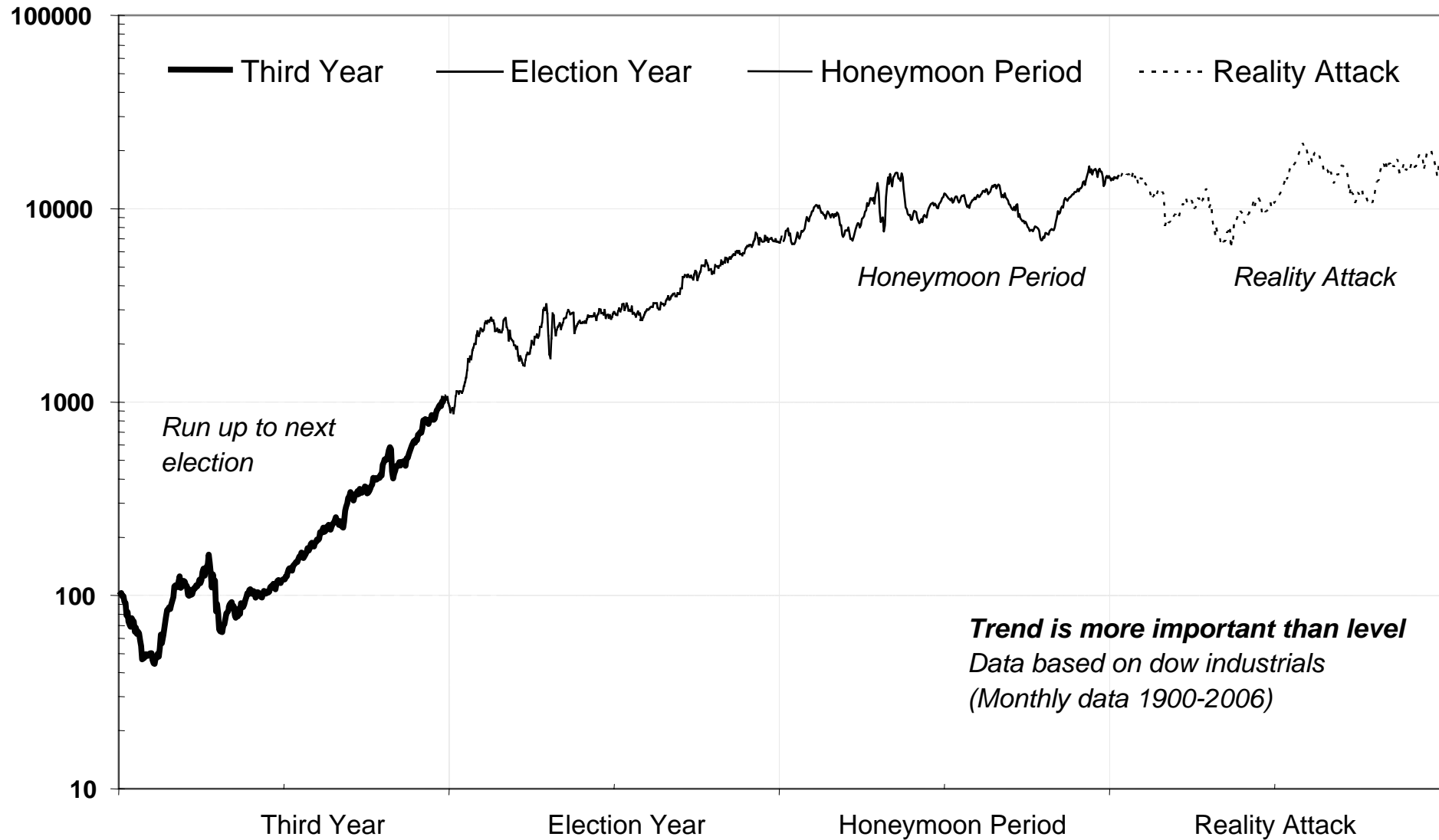


The four year market cycle interlaid on American presidential election cycles

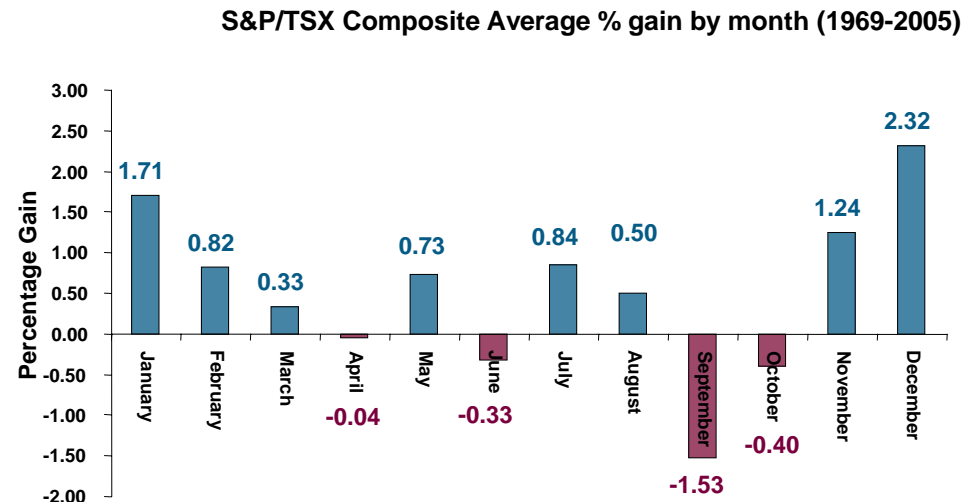
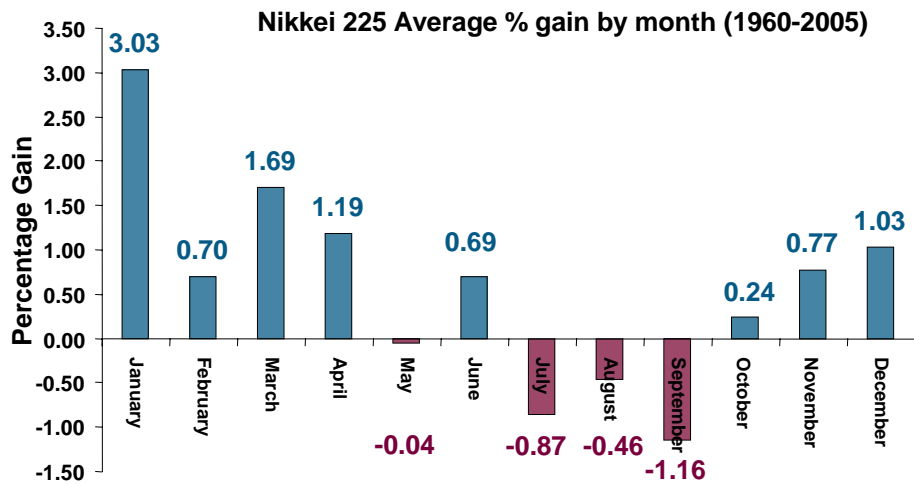
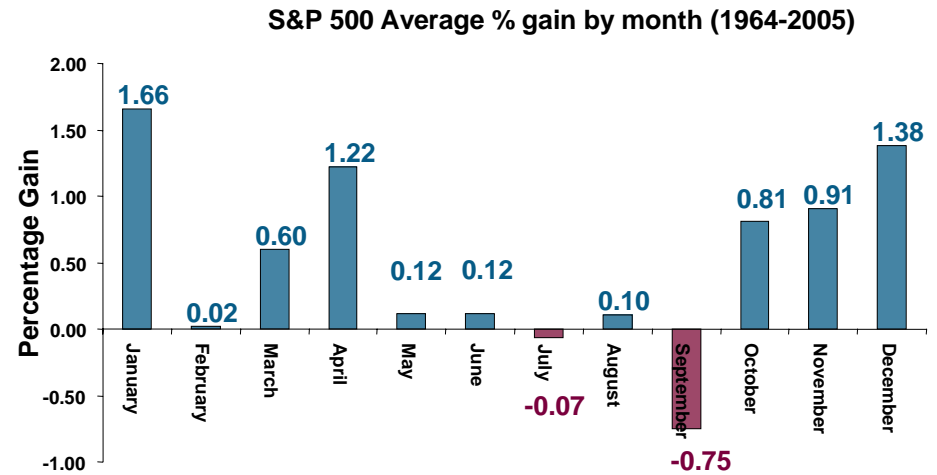
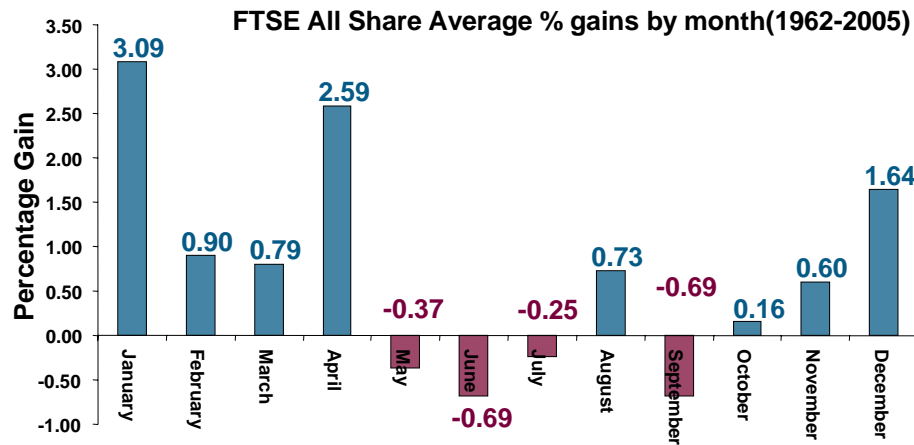


Source: Datastream

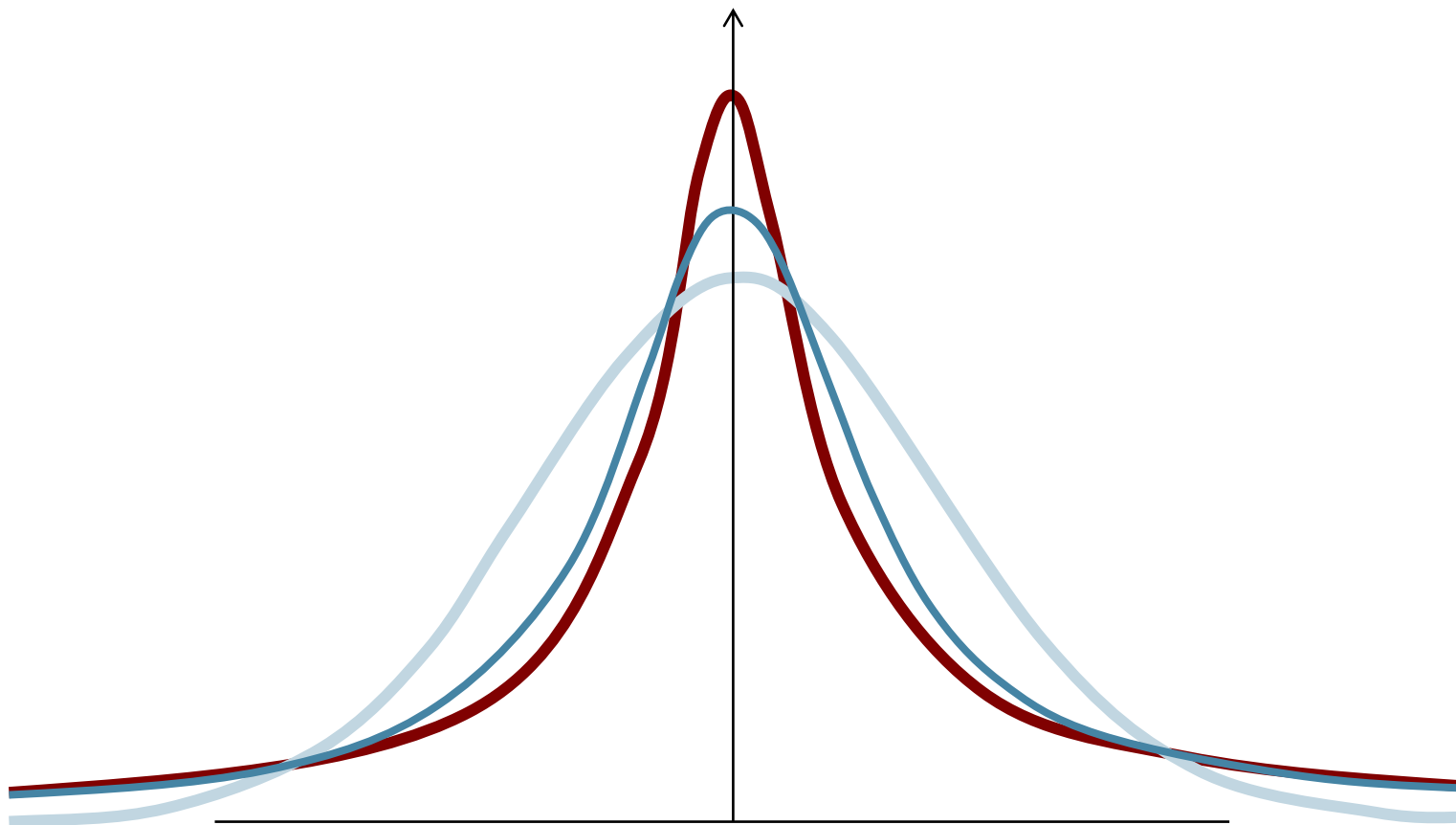
Election cycle: Performance of individual years



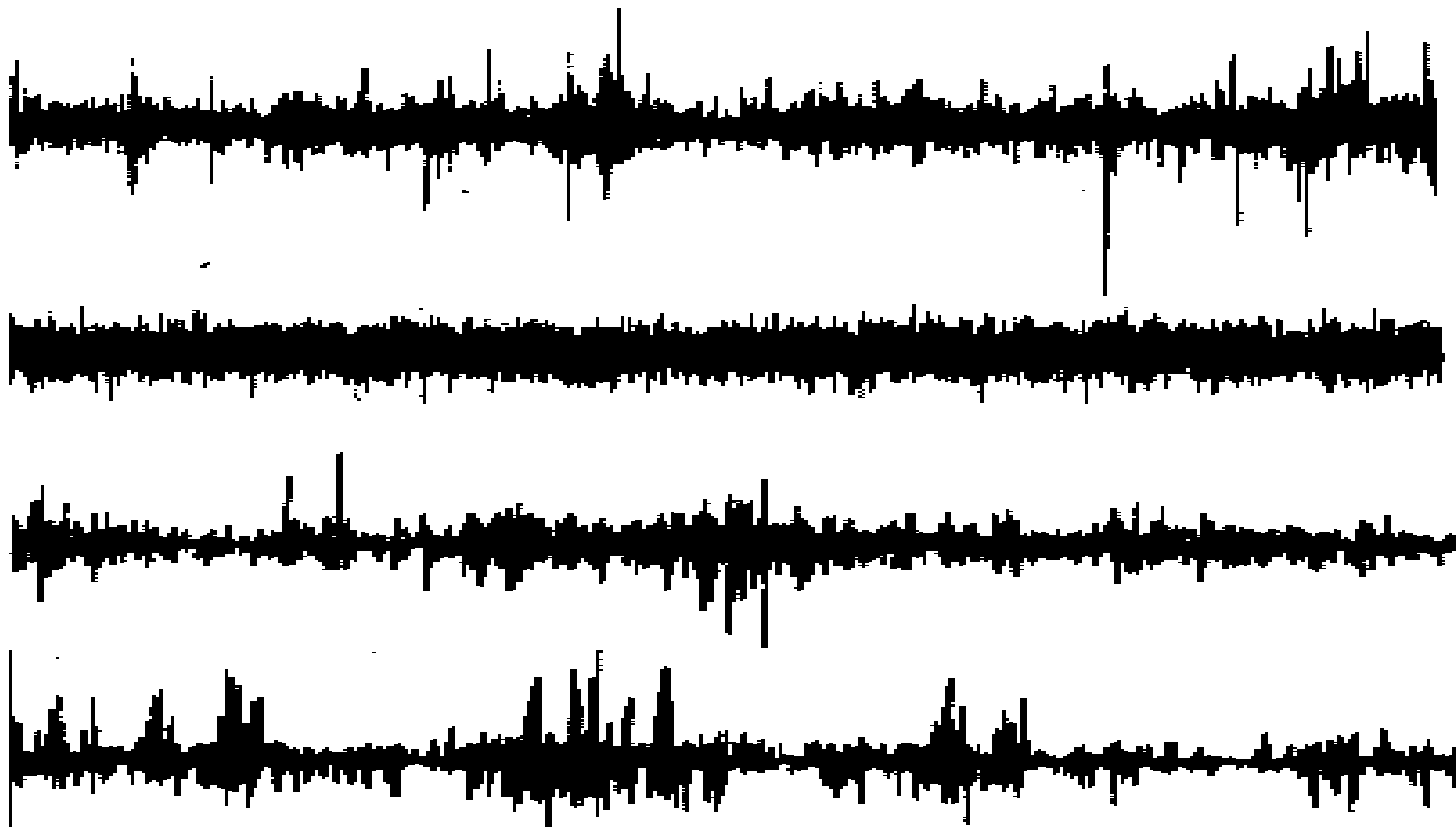
Historical average monthly stock market returns



The famous bell curve combined with two others of different properties

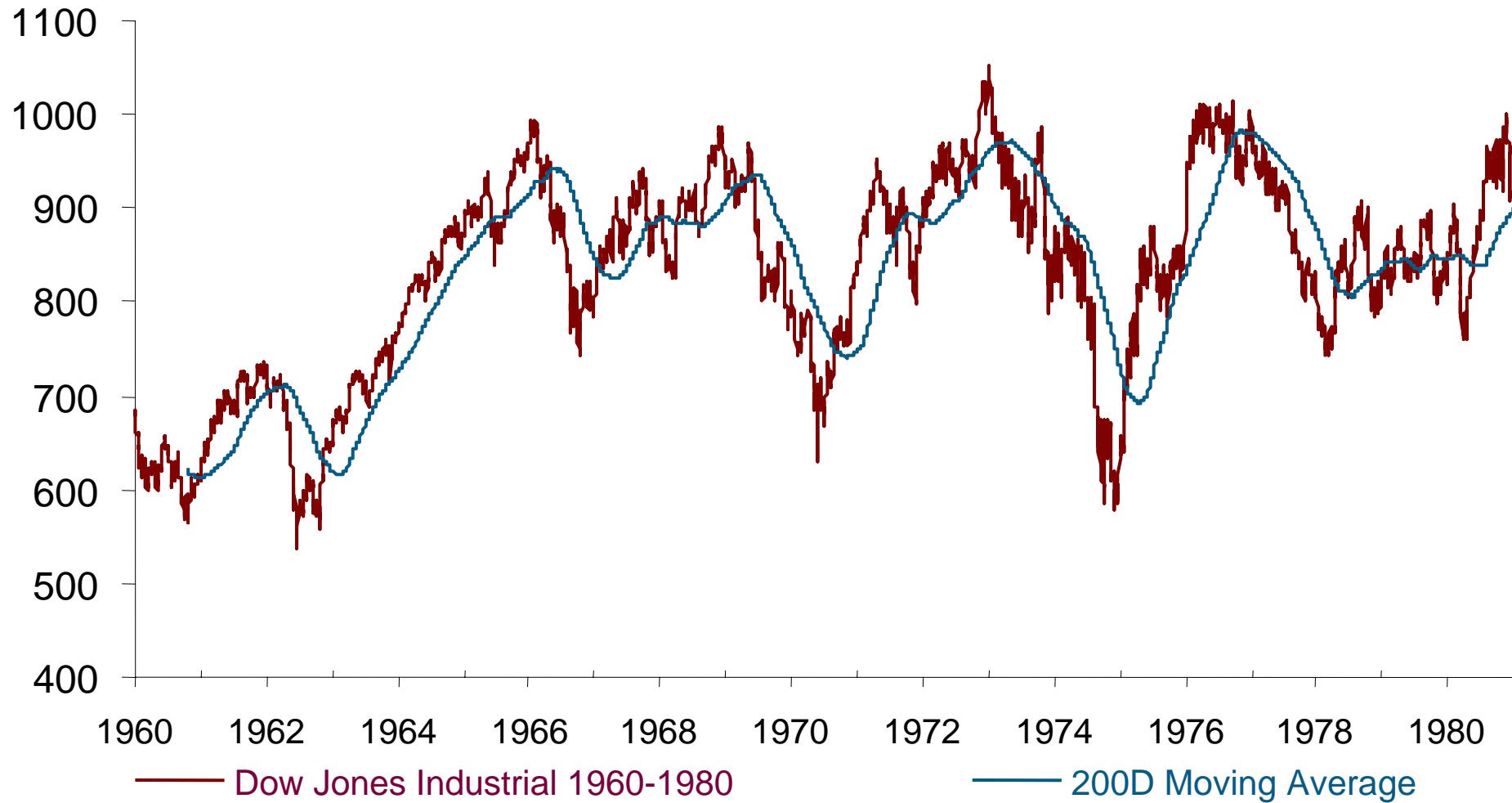


Spot the real market from the fake

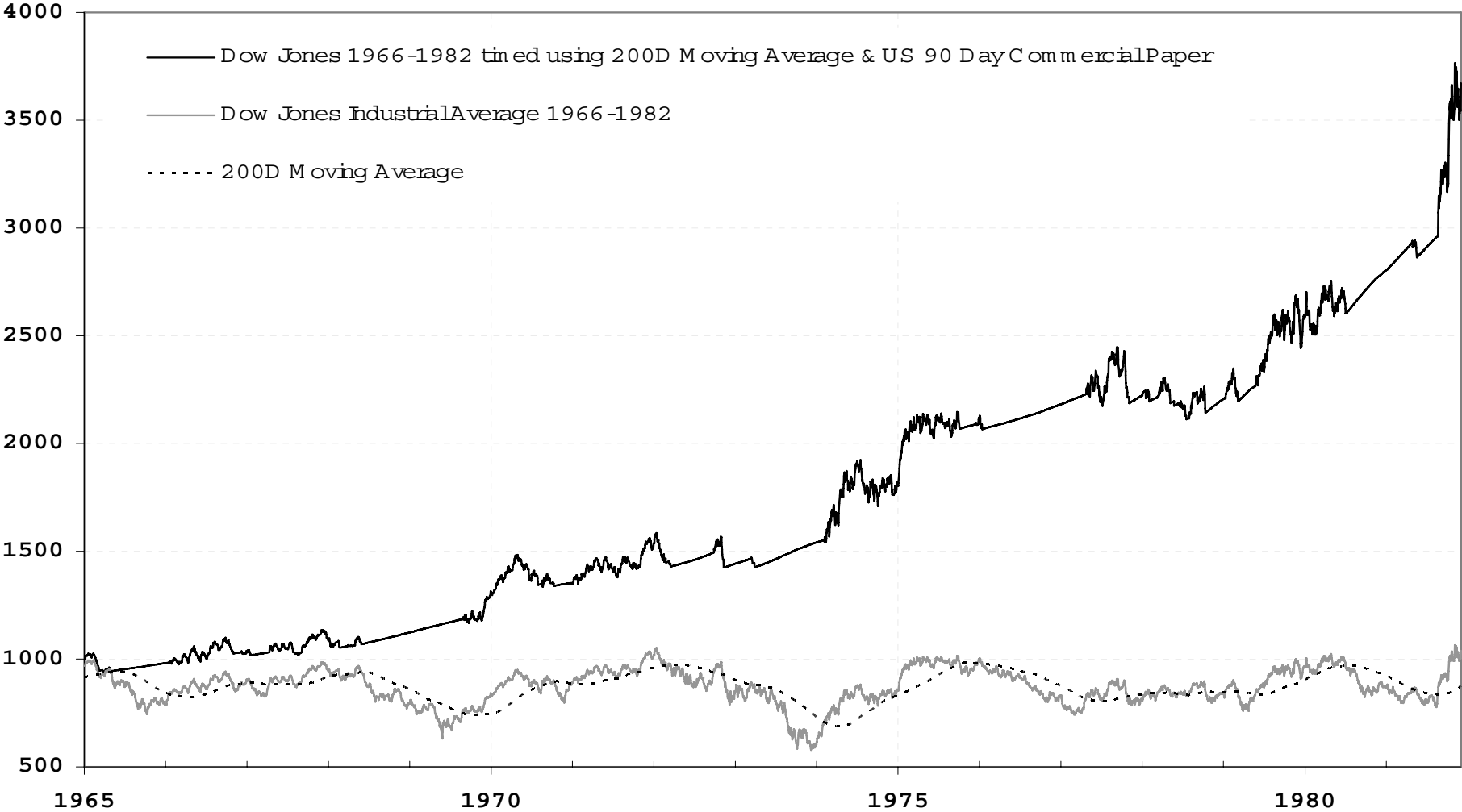


Source: *The misbehaviour of markets*, Benoit Mandelbrot

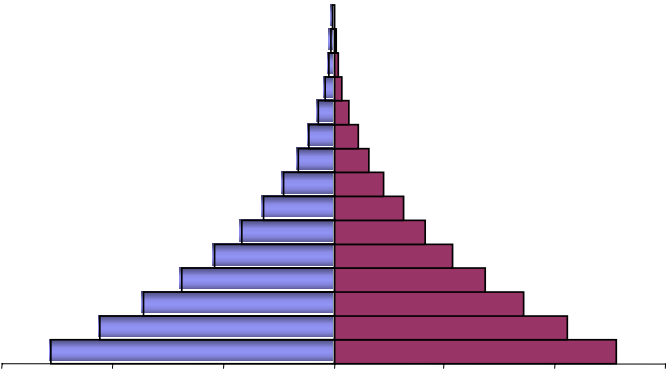
Dow Jones Industrial 1960 - 1980



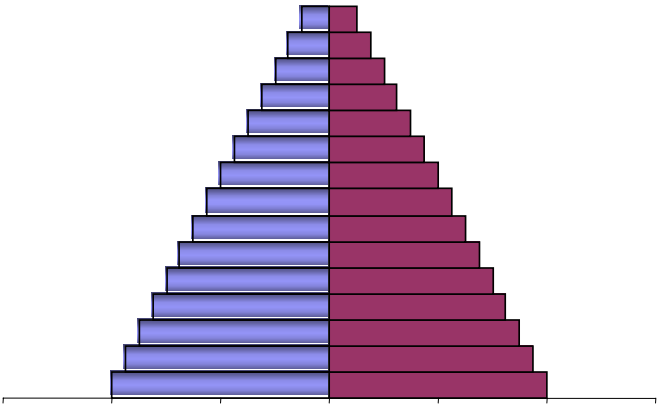
Dow 1966-1982: Timed using 200D moving average and US commercial paper



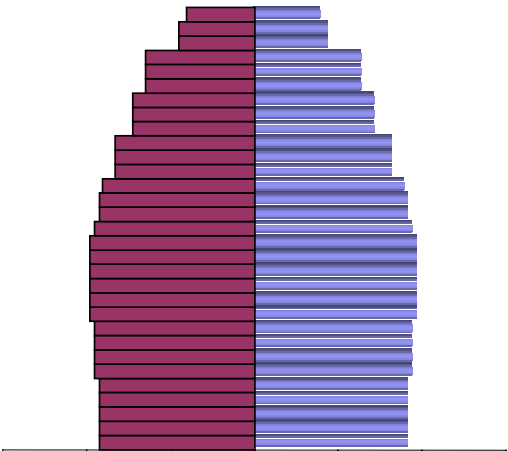
Population pyramid profiles



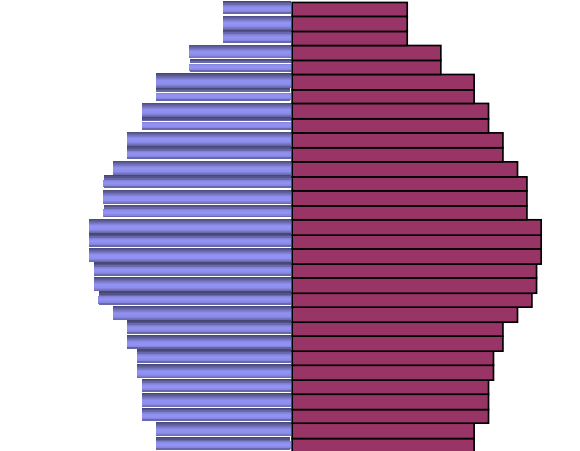
Rapid Growth



Slow Growth

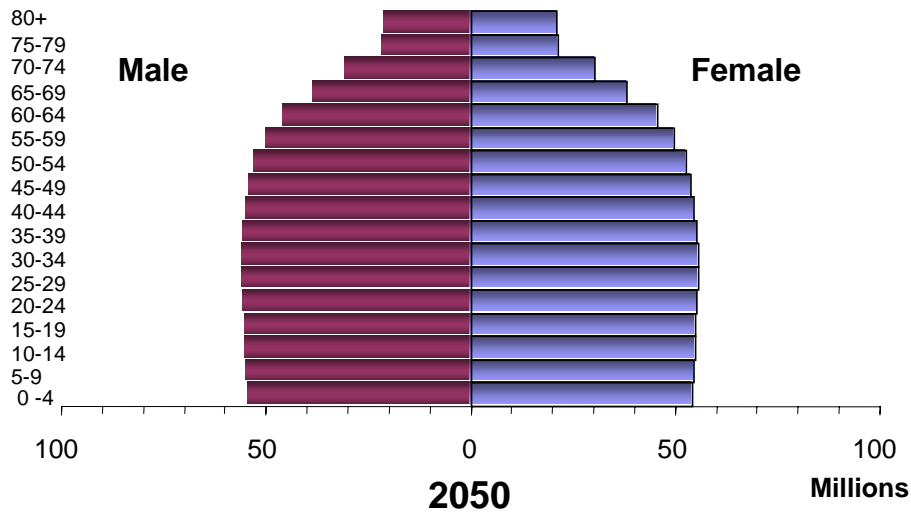
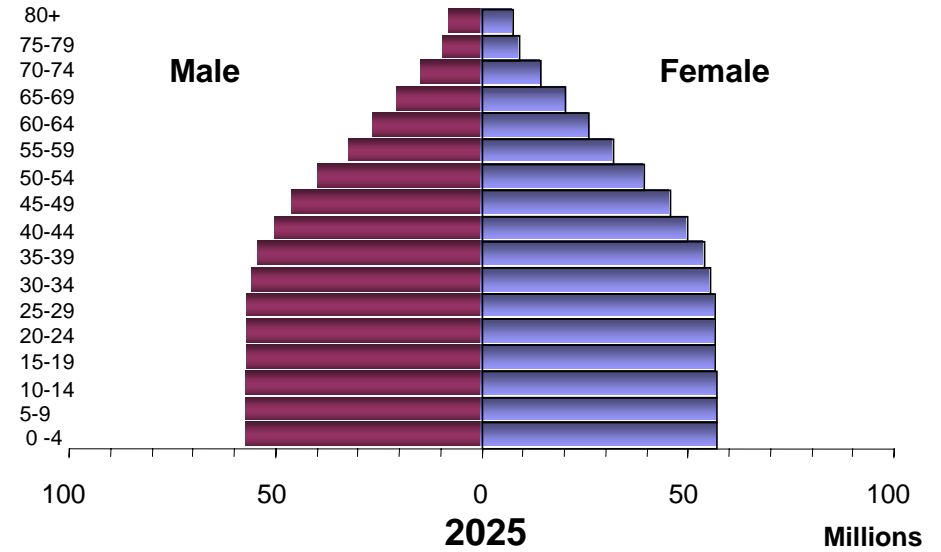
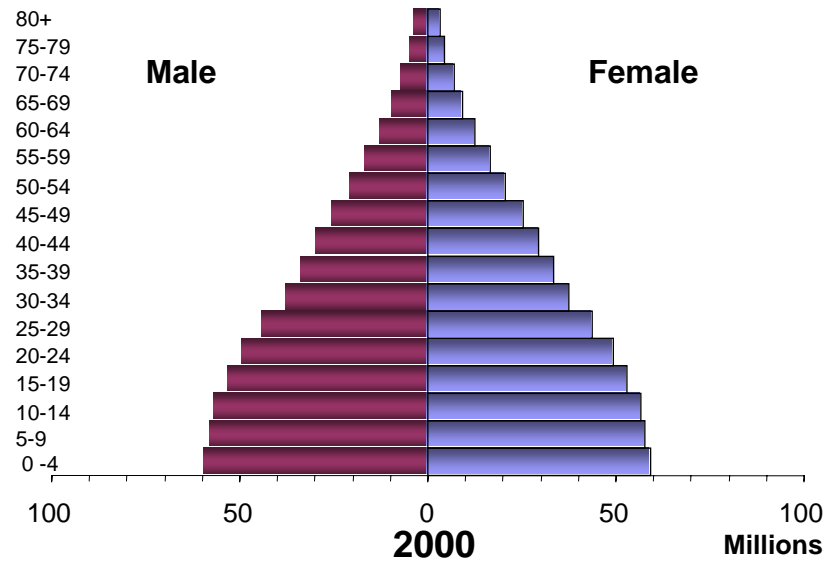


Zero Growth

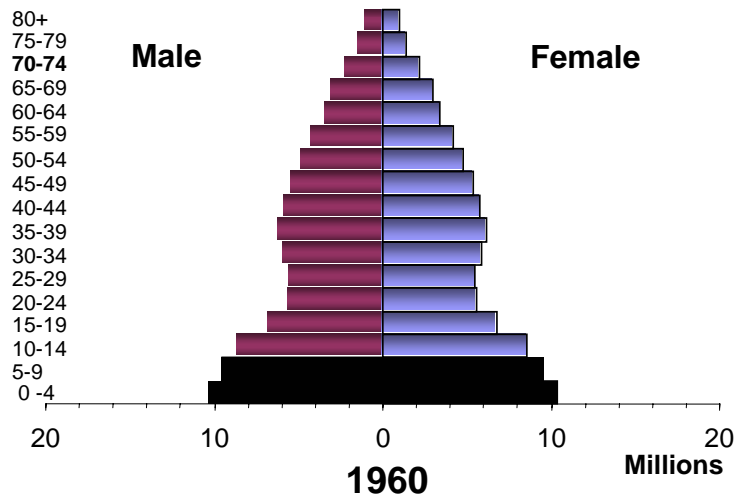


Negative Growth

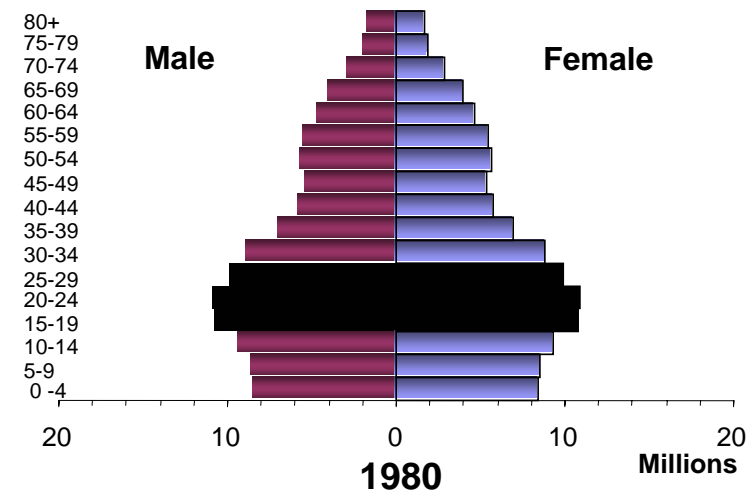
India demographics profile: 2000, 2025 and 2050



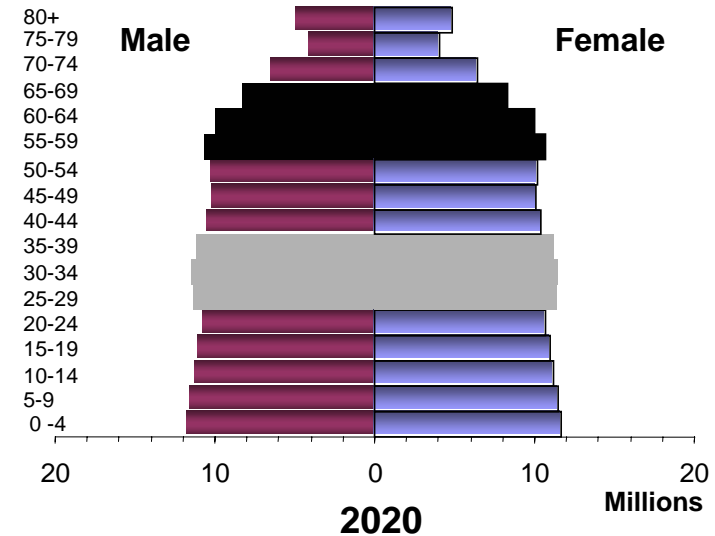
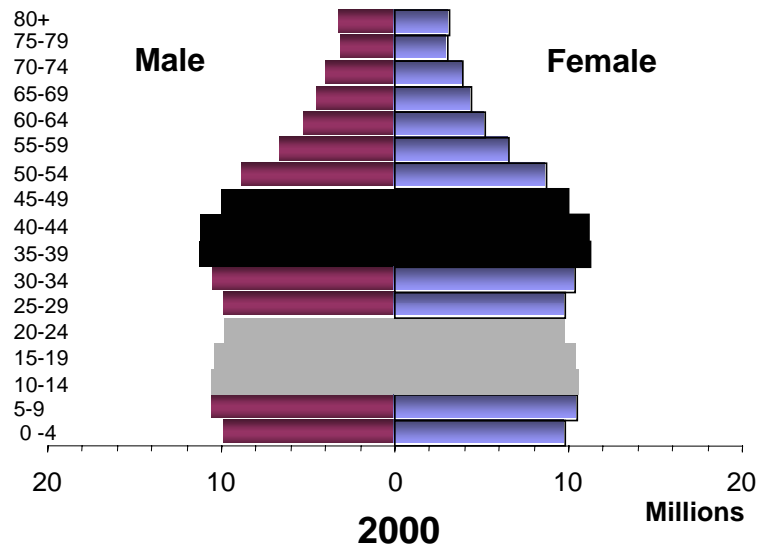
Progress of baby boomers throughout the US population pyramid: 1960 - 2020



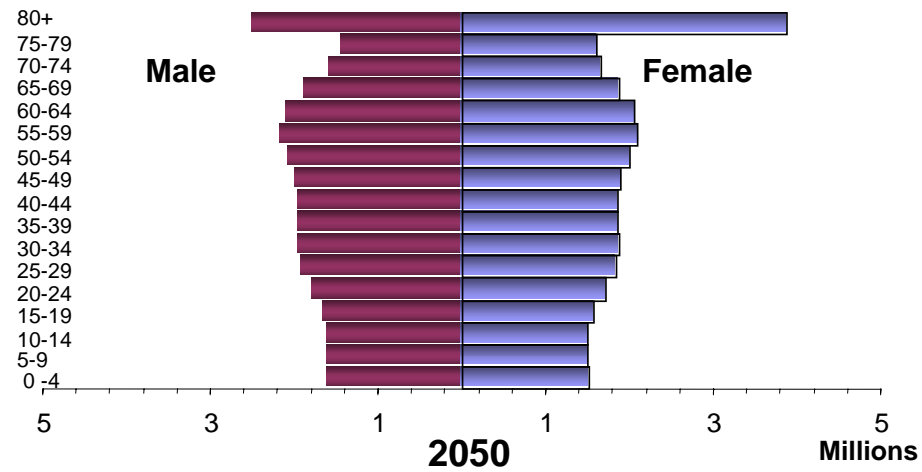
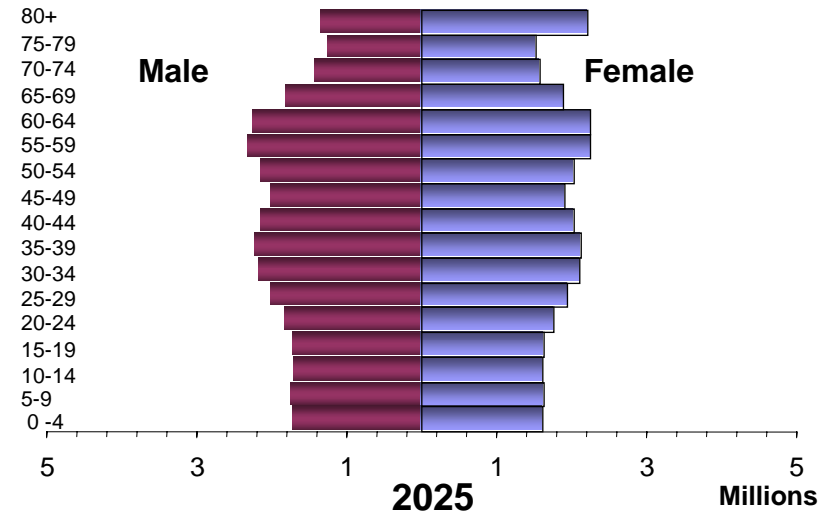
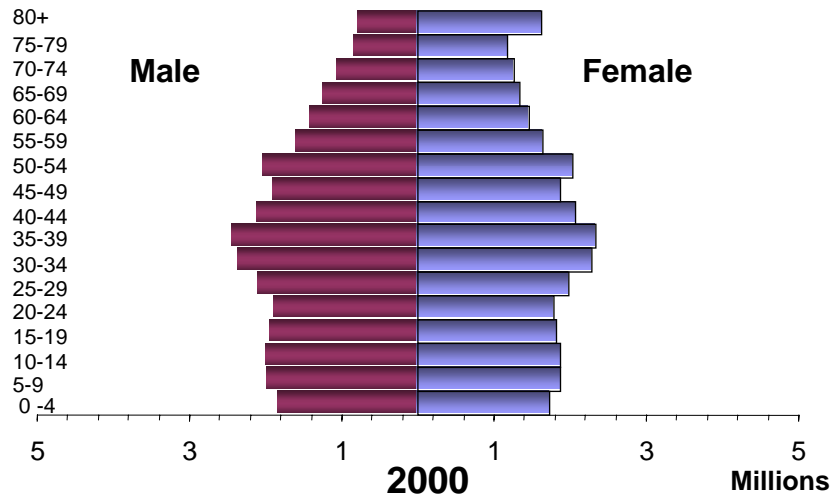
Baby Boom Cohort



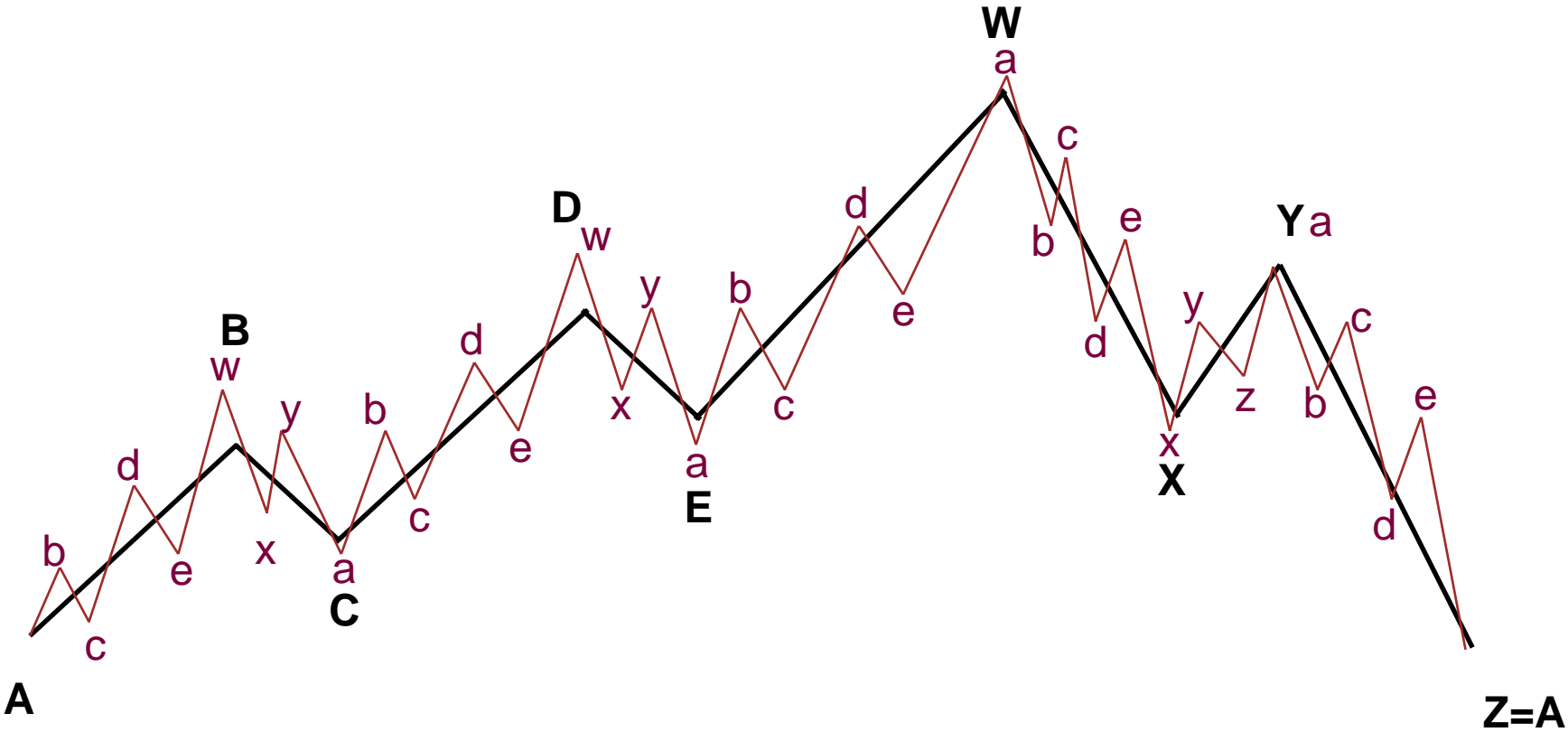
Baby Boom "Echo"



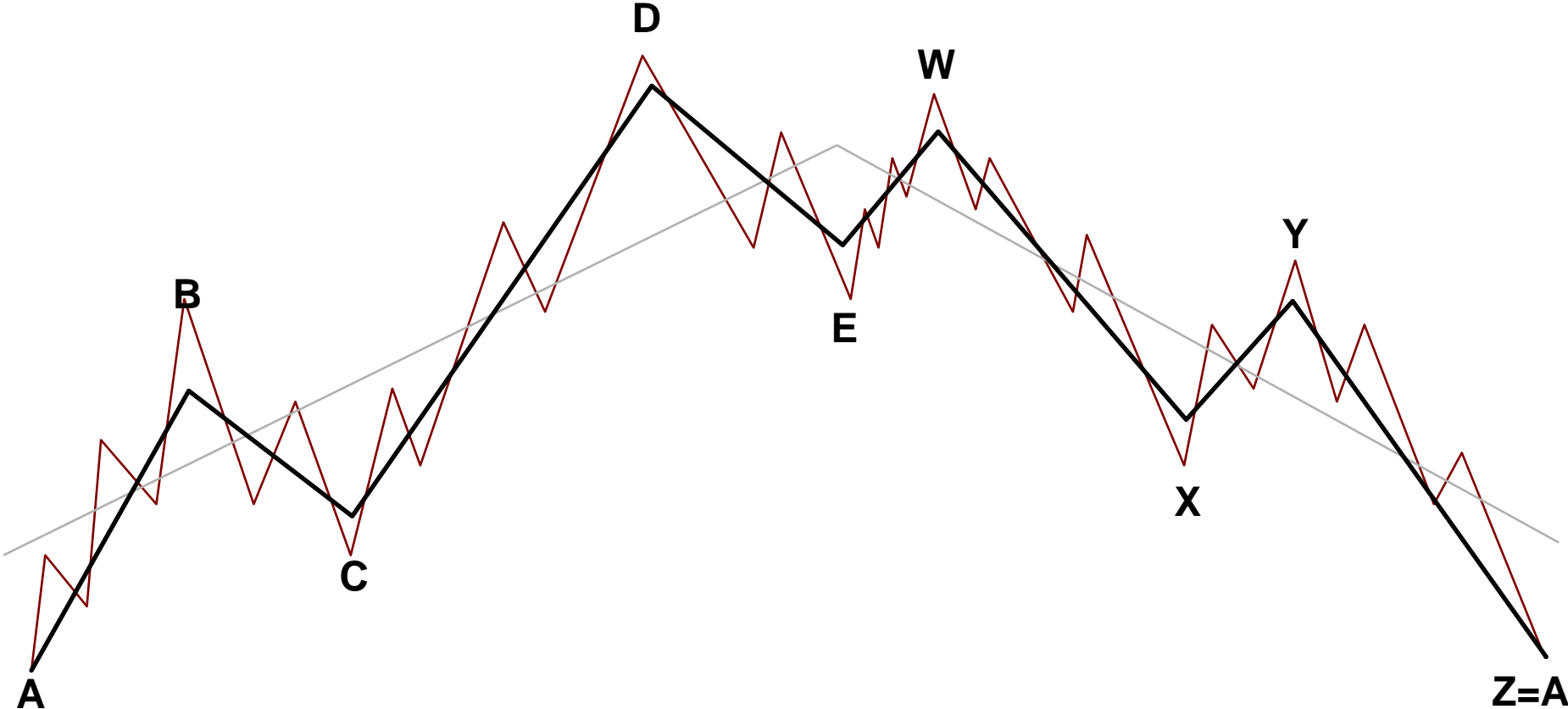
UK demographics profile: 2000, 2025 and 2050



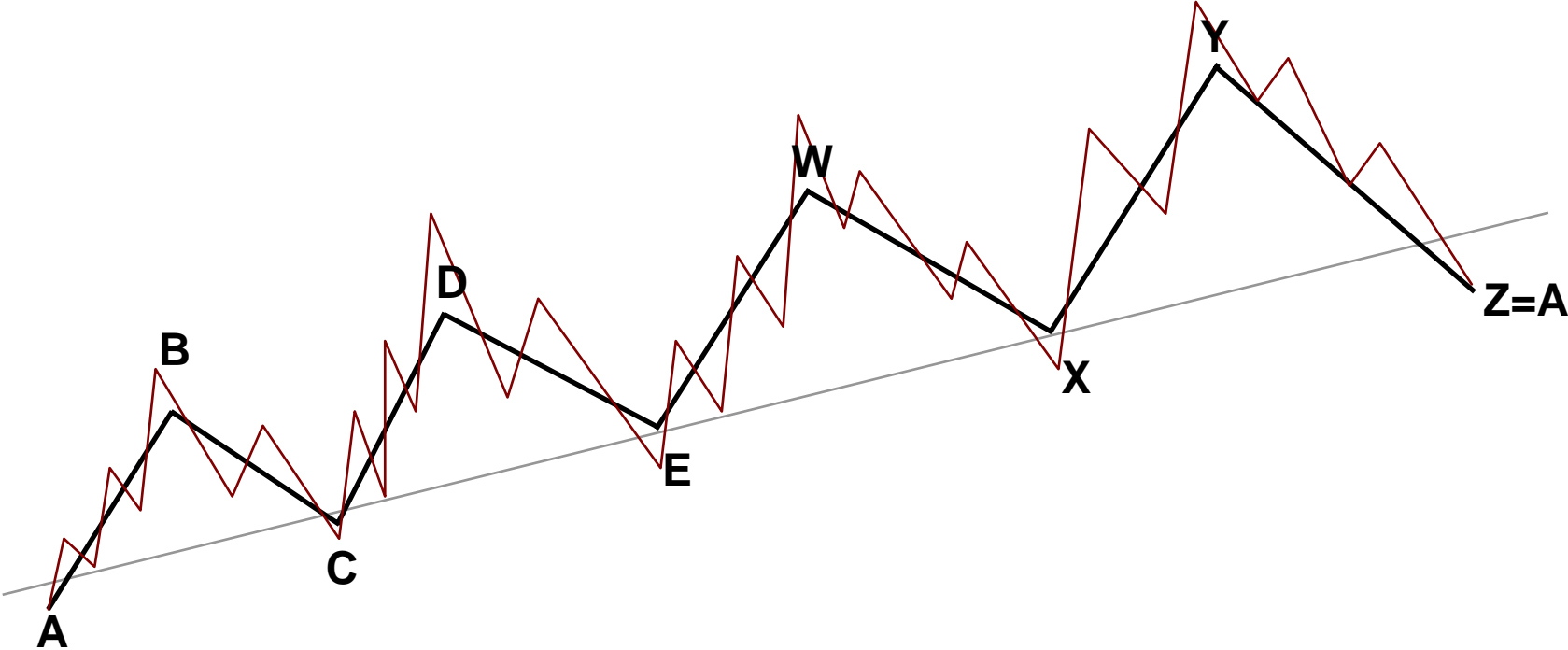
Standard road map



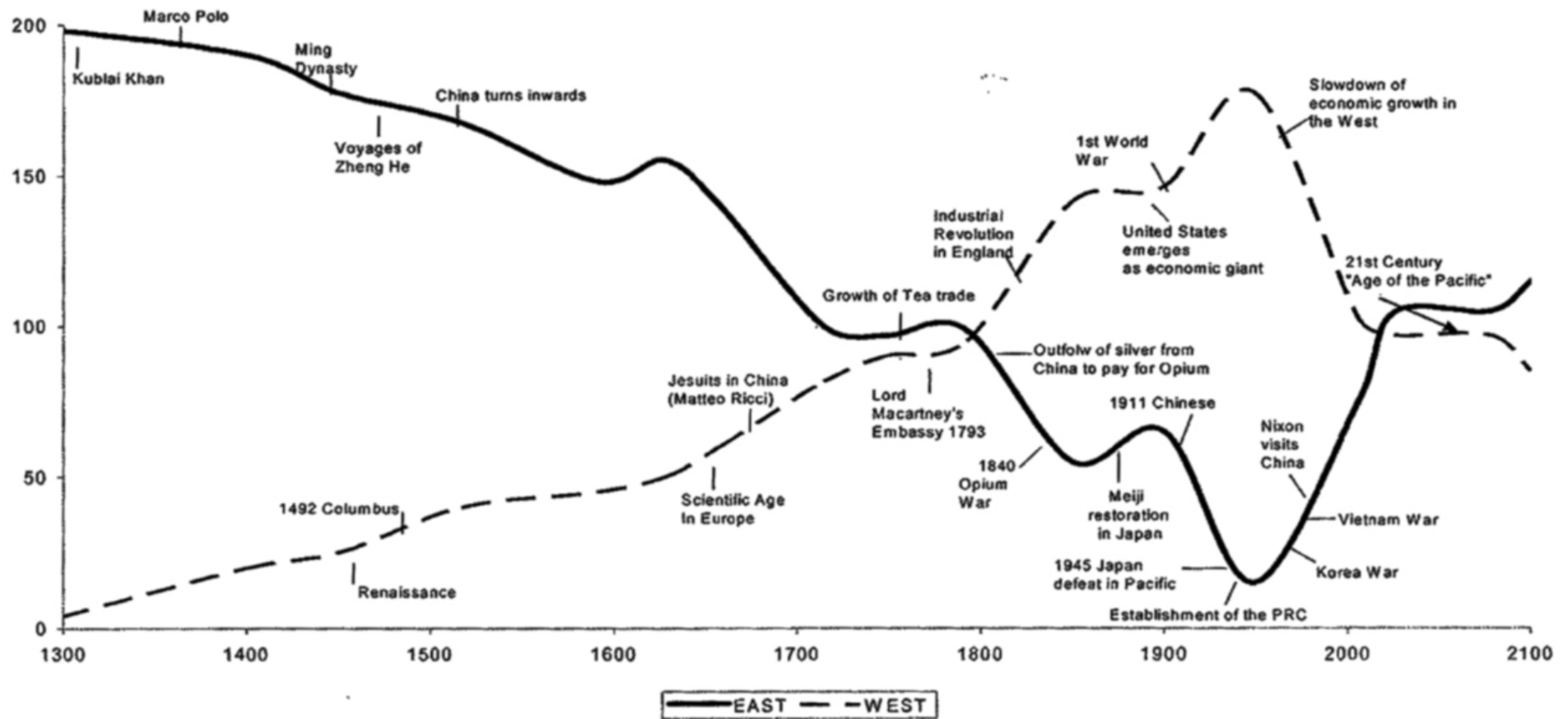
Standard road map skewed by secular downtrend



Standard road map skewed by secular uptrend

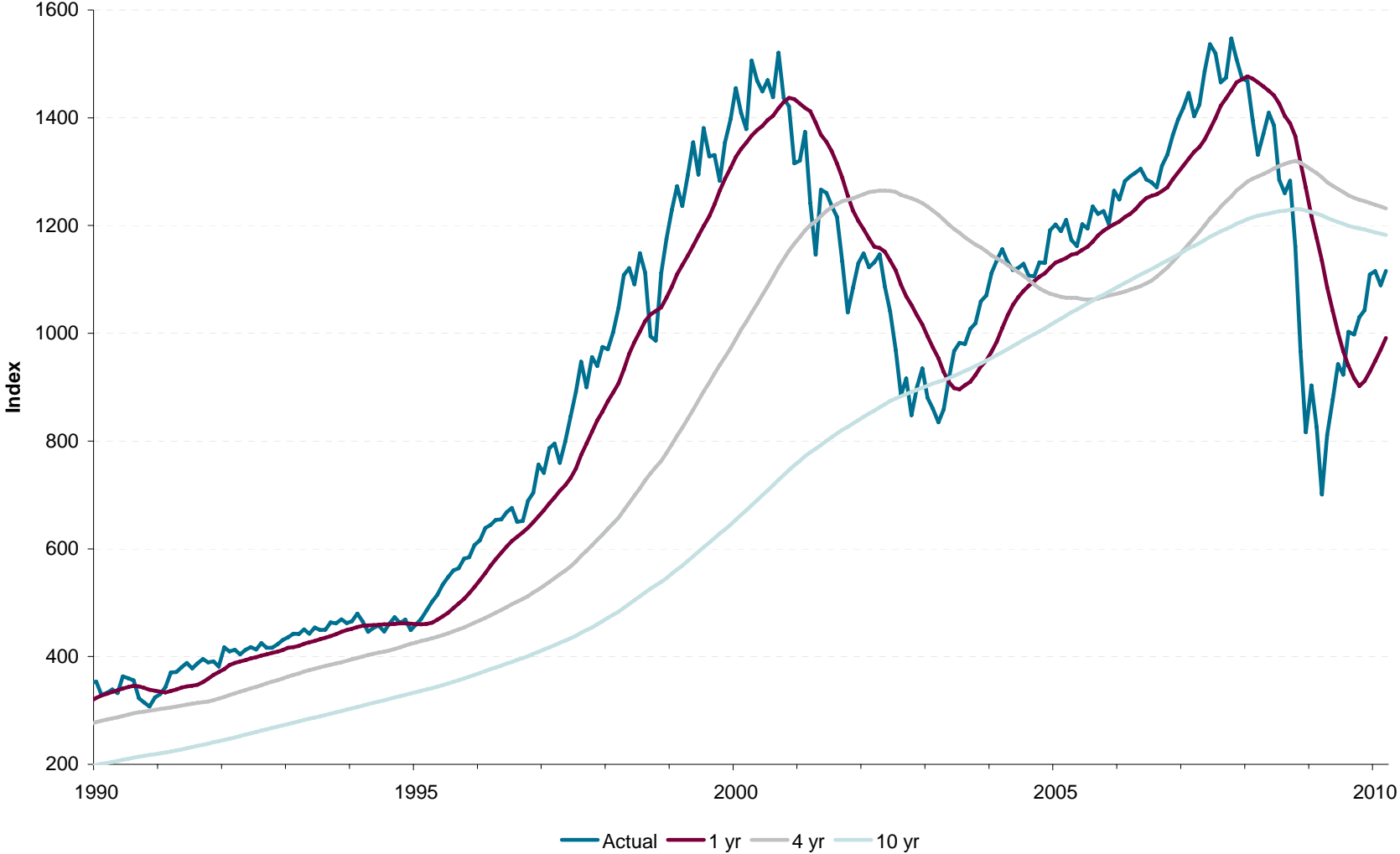


The East-West Index



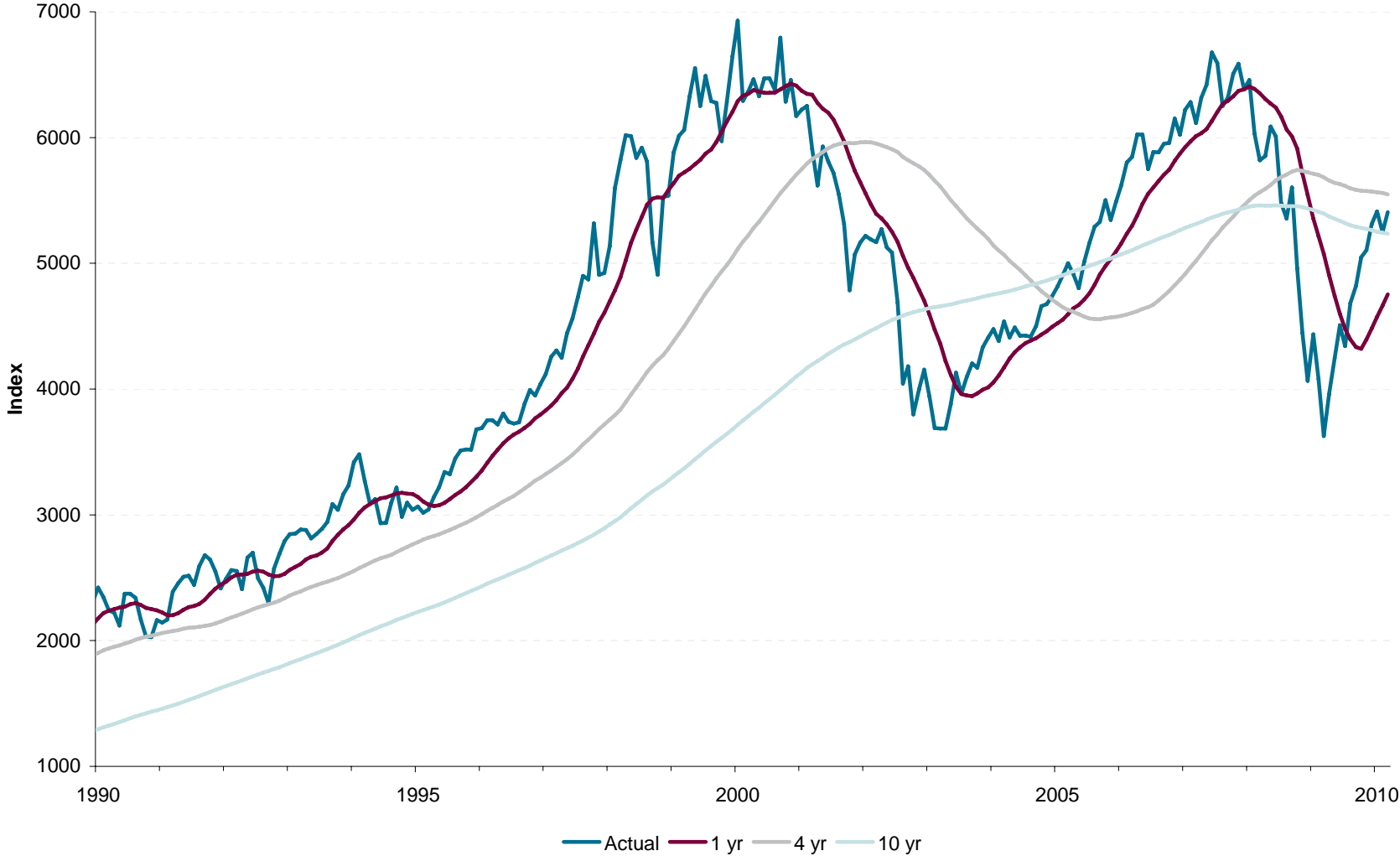
Source: Thomson Datastream, Cazenove Capital Management

US S&P 500 Composite



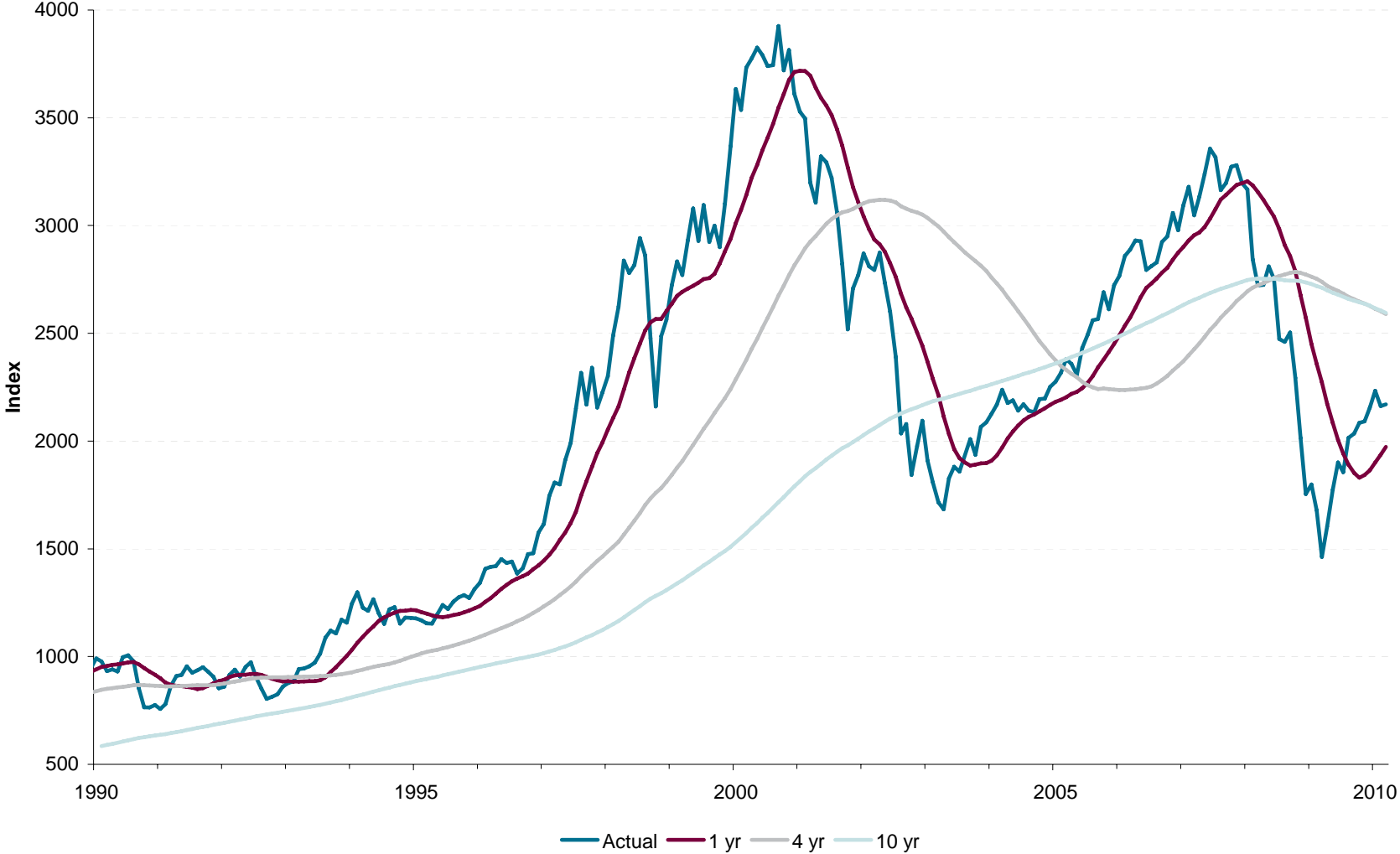
Source: Thomson Datastream, Cazenove Capital Management

UK FTSE 100



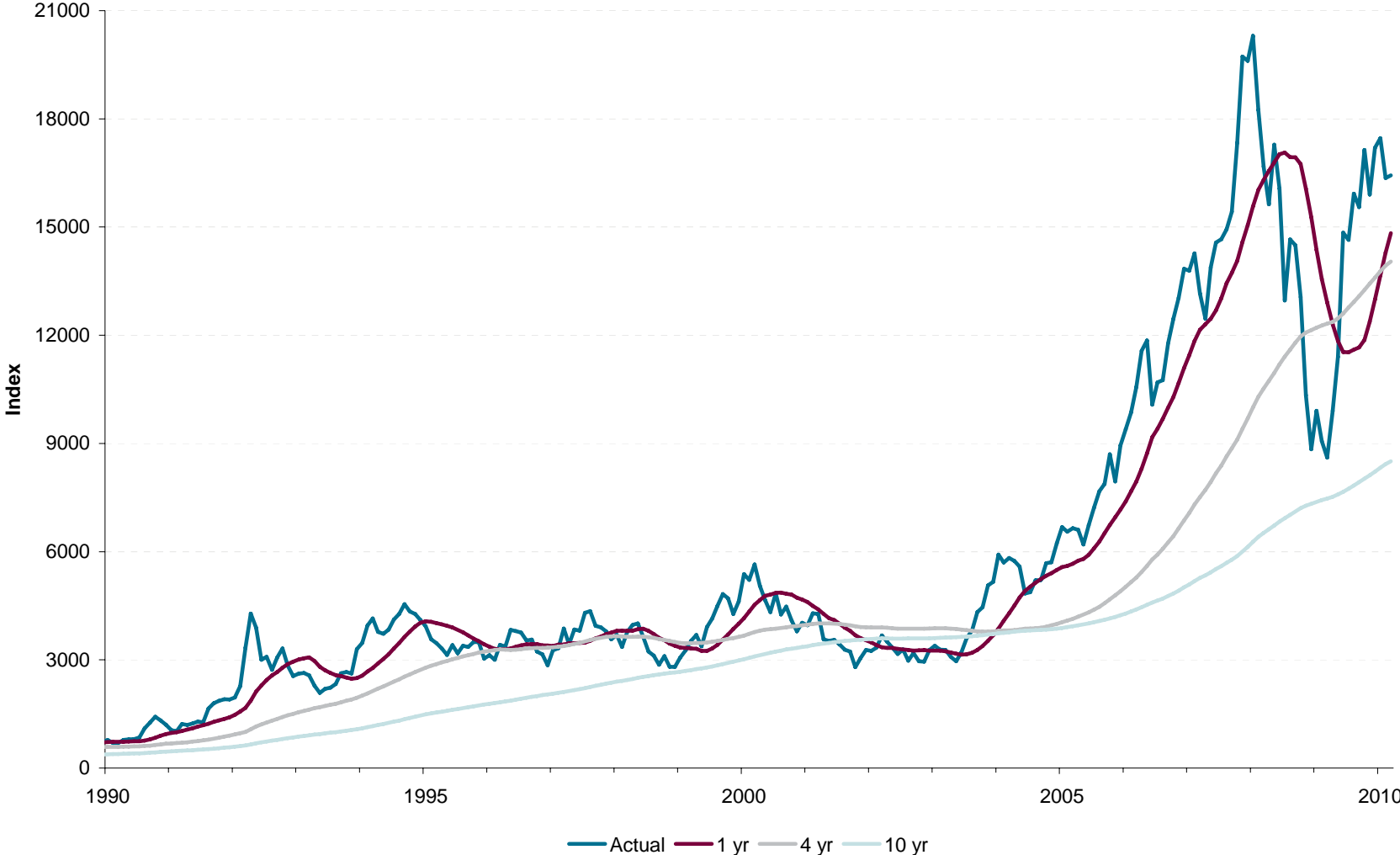
Source: Thomson Datastream, Cazenove Capital Management

Eurotop 100



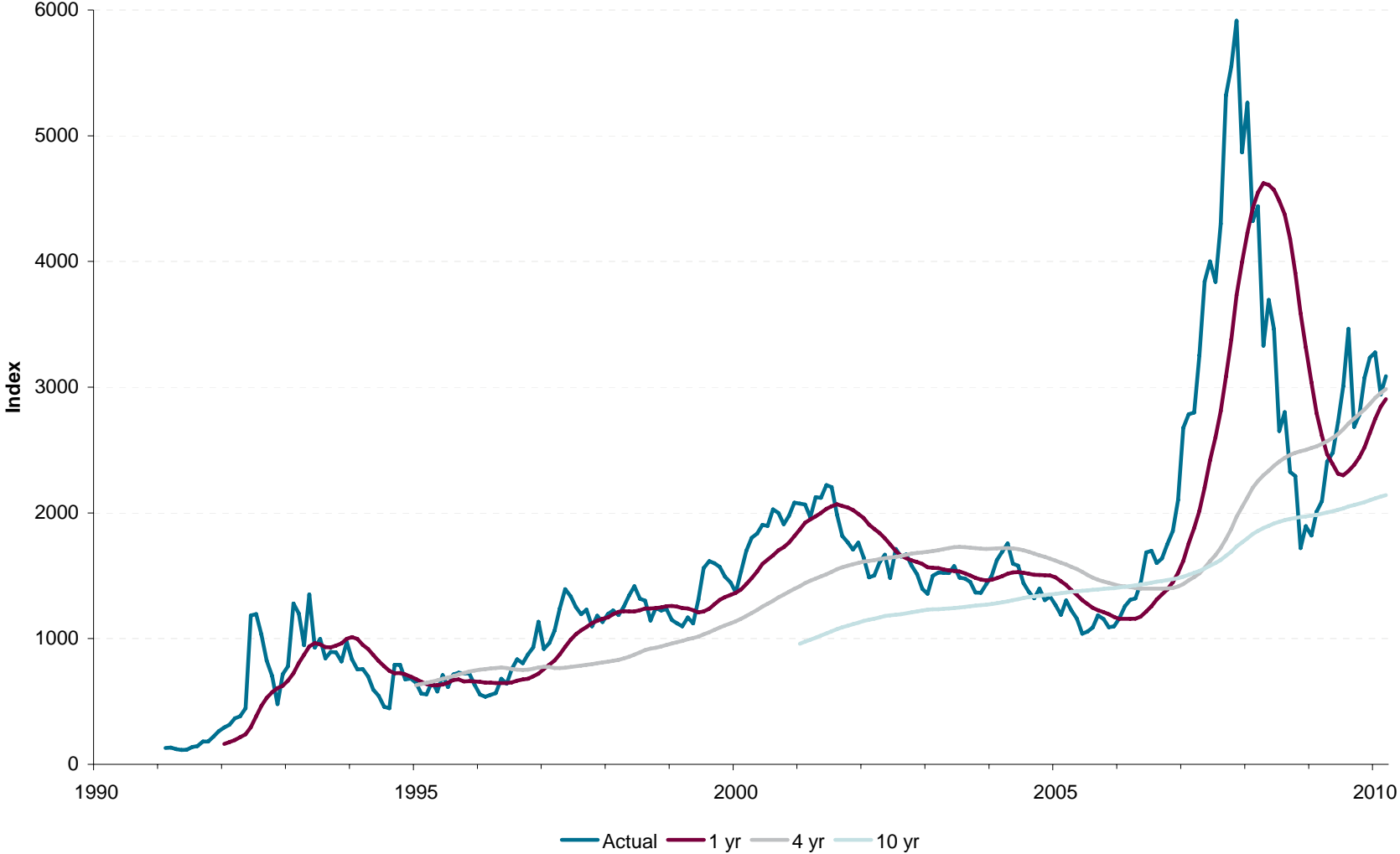
Source: Thomson Datastream, Cazenove Capital Management

India Sensex 30



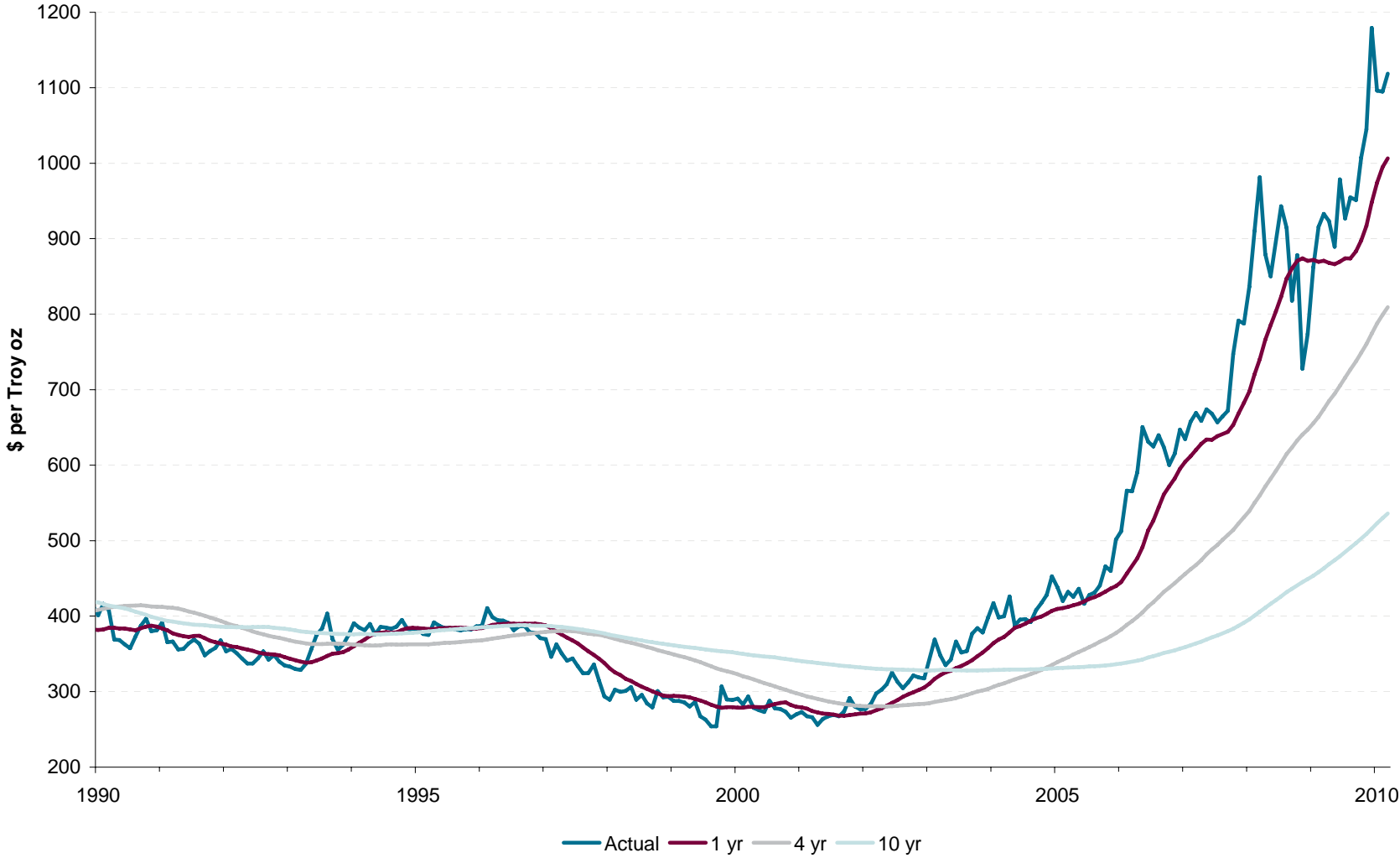
Source: Thomson Datastream, Cazenove Capital Management

China Shanghai Composite



Source: Thomson Datastream, Cazenove Capital Management

Gold



Source: Thomson Datastream, Cazenove Capital Management

US Dollar Trade Weighted



Source: Thomson Datastream, Cazenove Capital Management

US 30 Year Treasury Yield



Source: Thomson Datastream, Cazenove Capital Management

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