►On Target

Martin Spring's private newsletter on global strategy

March 3, 2012 No.147

Metals or Paper for Long-Term Asset Value?

Gold has made idiots of the Swiss, French, Dutch, Portuguese and British central bankers, who sold off 2,671 tons of their holdings at low prices between 2000 and 2009. And of mainstream fund managers who have shunned the asset for decades, misquoting economist John Maynard Keynes as dismissing it as "a barbarous relic" (he was writing in 1924 about the gold *standard*, not about gold itself).

Now the yellow metal has made an idiot of the world's most successful investor, Warren Buffett, who has written an article for *Fortune* condemning it as a "sterile" asset, when compared to productive ones such as businesses, farms or real estate.

In inflationary times those assets should have the ability "to deliver output that will retain its purchasing power value while requiring a minimum of new capital investment," he says.

Whether the currency "a century from now is based on gold, seashells, shark teeth, or a piece of paper (as today), people will be willing to exchange a couple of minutes of their daily labour for a Coca-Cola or some See's peanut brittle."

Examine the logic…

Does it make sense to invest in any asset on the assumption that it is a permanent lock-up? Coca-Cola is a fine company, but would it be realistic to hold it for ever, remembering that only two of the 30 firms in the Dow Jones Industrial Average in 1900 survived the century?

If it only makes sense to hold an asset for as long as it retains – preferably increases – its capital value in inflation-adjusted terms, why is it wrong to invest in and hold gold for periods such as five, ten or 20 years?

There have been, and no doubt will be, bubbles in the values of other assets such as equities, and long periods when they have delivered no return at all.

Why is it wrong to invest in an asset that provides no income, as is frequently argued, when most equities now only offer derisory dividend yields, often negligible in real terms, and lesser capital gains? Especially as all sophisticates know that what matters (except to those requiring equity income) is not "output" but total return – the income and capital growth combination, after allowing for tax and inflation.

Gold and the other precious metals also have characteristics that improve the quality of a portfolio that mainly contains other major assets such as equities,

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bonds and real estate.

They are instantly cashable. They often have low or even inverse correlation with changes in the prices of those other assets. And they offer good protection against extreme trends such as high inflation or deflation.

While dismissing gold as a sensible choice, Buffett himself is even more scathing about "currency-based investments" such as money-market funds, bonds, mortgages and bank deposits. Although most are thought of as safe, "in truth they are among the most dangerous of assets," as the risk in them is "huge."

But everyone needs to have readily-accessible cash. Even Buffett's companies have huge amounts parked in those bank deposits and shortdated US Treasury securities that he despises.

Why should easily-cashable gold or gold-based certificates be inferior to "currency-based investments" when they have been delivering an average annual rate of capital return in dollar terms of more than 7½ per cent a year over two decades?

Buffett rubbishes gold on the grounds that buyers are operating on the "greater fool" theory, that rising prices depend on new purchasers coming into the market to drive up demand. "If you own one ounce of gold for an eternity, you will still own one ounce at its end," not an asset producing anything.

Precisely. One ounce now will still buy a fine gentleman's outfit as it would in Rome 2,000 years ago. Would you expect any investment in Coca-Cola stock to have the same purchasing power in 2,000 years' time?

No investment that is not tangible has any hope of retaining its purchasing power over the very long term. Buffett himself reports that the dollar has lost 86 per cent of its value since 1965.

He says that rising gold prices depend on new demand from investors. Quite correct. But the proportion of wealth invested in gold is still trifling compared to the amount in paper and real assets with volatile capital values. There remains a huge potential demand.

Safety beyond the reach of money printing

Central banks are now flooding the world with electronic money that provides a basis for explosive inflation in the future. Why is it unrealistic to expect that a growing number of investors will take the view that some of their wealth is safer in assets whose value cannot be consistently degraded by official policies, because their quantity cannot be expanded without limit by irresponsible governments?

Buffett has a formidable record as an investor, but now he has reached an advanced age it appears to be impairing his judgement. This is a man who denounced derivatives as financial weapons of mass destruction (before investing in them), and is starting to make foolish investments in companies favoured by establishment airheads (such as China's electric-car maker BYD, now in deep trouble).

David Fuller points out that the socalled Oracle of Omaha did not buy gold in 2001, when it was still dirt cheap (averaging $271 an ounce), yet since then the

metal has “handsomely outperformed” his or anyone else’s portfolio, even including dividends received.

“Timing is everything” – although equities “could give gold a run for its money over the next decade or two.”

Last year investment demand rose 5 per cent to 1,640 tons worth $83 billion, accounting for two-fifths of total demand.

According to the World Gold Council (WGC), during this year investment demand should continue to draw strength from:

► Continued very low, and in many cases negative, real interest rates;

► Inflationary pressures, whether real or perceived.

Europe has become a key area of focus because of deepening uncertainty over the future of the euro, but China is likely to emerge for the first time as the largest market for gold, driven by both jewellery and investment demand.

Its investors have limited opportunities. Interest rates on bank deposits are derisory. Equities are out of favour because of speculation-driven volatility and a recent bear trend. Property is also highly speculative, with prices being squeezed by a clampdown on developers.

“Buying precious metals is one way to hedge against an uncertain future,” says a Sydney-based expert on China. One businessman told him recently, referring to the glut of luxury apartments built by speculators, that they “could be worthless, because no one will ever live in them, but gold can be sold to someone outside China.”

Central banks have also become substantial buyers of bullion recently, taking more than 500 tons over the past two years.

Although the gold price fell from its September high of $1,895 to $1,531 at year-end, the sell-off was due to profit-taking (locking profits in what was a very difficult year for speculators), and because investors needed to raise cash to meet margin calls and redemption outflows after stock markets plunged in August.

Why gold can fall when markets are distressed

Says the WGC: “Some investors and asset managers would have felt compelled to sell the best-performing asset, in the hope that other positions could recoup losses, or extend meager gains before these were marked to market.”

It says that because of the depth of the gold market, abundant liquidity ensures that “slippage” – the difference between the actual price received for a security compared to what was expected – “is low, even during market distress.”

One of gold’s enduring strengths as an investment is its low correlation to other risk assets such as equities, due to “a strong negative correlation when they are falling, but a slightly positive one when they rise.”

WGC investment director Marcus Grubb concludes: “The long-term fundamentals for gold remain strong, with a diverse and growing demand base, coupled with constrained supply side activity.”

Another Emerging Asian Giant

Indonesia's stock-market has once again been a global leader on the upside, and the best performer in Asia since the end of 2010 – but how many of us have invested there?

This huge nation is overshadowed by the region's even larger ones. Yet, unlike China and India, individual investors have free access to its shares listed in Jakarta. And, unlike Japan, it's packed with fast-growing companies.

It is both a play on natural resources, like Australia, and on surging consumer demand from an exploding middle class, like India.

Commodities account for two-thirds of its exports. It's the biggest supplier of globally-traded coal and palm oil. It has copper, nickel, tin and gold. It has the greatest proven reserves of natural gas in the Asia-Pacific, which it already ships in liquid form to Japan and India.

But its economic growth, expected to reach 6 to 6½ per cent this year, is also driven by strong private consumption, with consumer confidence rising as Indonesia proves its capacity to withstand the impact of sluggish growth in the US, crisis in Europe and slowdown in China.

The economy is also being boosted by an accelerating investment cycle. It now has the second highest investment-to-GDP ratio in Asia after China, running at 32 per cent of nominal GDP. Yet, unlike China, there are no worries about investment being excessive, as Indonesia actually needs huge upgrading of its infrastructure.

Its economy has grown at annual rates of more than 5 per cent in seven of the past eight years. Even in 2009, when many countries slumped into recession with the bursting of the credit bubble, Indonesia managed to achieve growth of 4½ per cent.

Last year it grew at the fastest pace since before the Asian financial crisis. OECD expects it to be the only major economy that will grow faster over the next five years than it did over the past five, achieving an average 6.6 per cent.

Foreign investors are increasingly drawn to the profitable opportunities in what is Southeast Asia's largest economy. They poured in a record $20 billion last year, up from $17 billion in 2010.

The attractions are not only the strengths in natural resources, consumer demand and capital investment, but also the broader fundamentals:

► No debt problem to hold back economic growth. With economies of world leaders such as the US and Germany loaded down with public debt ratios of above 80 per cent of GDP, and still rising, Indonesia's figure of around 30 per cent looks great.

There is no private debt problem, either. After the trauma suffered in the wake of the 1997/98 Asian crisis, when their economy contracted by 13 per cent, the recapitalized Indonesia banks have pursued conservative lending and investment policies, while companies and consumers have been conservative borrowers. So… no sub-prime or similar officially-promoted rubbish to poison the credit system.

Rating agencies Moody's and Fitch recently upgraded the nation's sovereign debt to "investment" ranking, a category that now allows pension and other long-term institutional funds in the West to invest in Indonesia.

Last month the country achieved a record-low yield on the largest-ever longdated bond issue in Asia, selling 30-year securities at a yield of just 5.375 per cent in its national currency, the rupiah.

► The annual fiscal deficit is minimal (at 1 per cent of GDP), inflation remains benign (at a 22-month low in January of 3.65 per cent a year), forex reserves have more than doubled since 2008 and the rupiah has strengthened steadily against the dollar.

► Rising incomes are producing an exploding bourgeoisie. Nomura, the Japanese bank, reckons Indonesia now has a middle class – which it defines as households with an average disposable income of more than $3,000 a year – of about 50 million. It could reach 150 million within a few years, making it larger than India's.

Unlike China and Japan, it has favourable demographics. More than half its people are younger than 30. Some 2 million leave school every year and pour into the work force. This is driving down the dependency ratio of retirees to workers.

The big problem of the Indonesia economy is infrastructure, which is seriously deficient after more than a decade of under-investment following the Asian crisis.

Ports are clogged, roads are seriously congested and there are frequent blackouts in power supply. It costs more to transport goods within the country than to import them. Cement costs ten times more in the province of Papua than on Java.

Ordinary folk are deprived of basic services. Two-fifths of Indonesians live without electricity and even fewer have access to clean water. Public transport is "a nightmare."

Yet it seems that a breakthrough is coming at last.

A major obstacle has been difficulties in procuring the land needed for public projects. There are legal uncertainties such as thousands of overlapping claims to title, bureaucratic processes that are complex and riddled with corruption, and the owners well-informed by political insiders are able to hold out for high acquisition prices.

Comparing the Asian giants

	Indonesia	China	India	Japan
Size of the economy GDP $ billion	989	8,130	2,367	6,410
Economic growth rate Annual percentage	6.3	8.2	7.8	2.2
Population Millions	248	1,328	1,220	126
Living standards Annual $ GDP per person	3,990	6,120	1,940	50,830

However in December parliament at last passed a land clearance law. If this is implemented this year, it should mean extensive land acquisition for public infrastructure projects will be able to start next year.

The new law will pave the way for government to acquire land for construction of roads, ports, power plants, airports, railways, dams and oil processing facilities. It will be able to evict people, providing for landowners to be given fair compensation in cash, alternative land, or other forms of payment.

It also establishes a legal process for the objections of landowners and other community members to be heard, but the time taken up by processes from start to finish will be reduced from five or more years to just 18 months.

Plans are also at last being tendered for the first phase of a mass transit system for the capital – 15 km of "skytrain" and underground railway expected to cost up to $2 billion.

A boom in infrastructure investment, coming with all the other positive factors, could at last lift Indonesia's economic growth to the double-digit levels of China that it has so far failed to achieve.

There is already a boom in real estate, which is likely to be fuelled further by the Housing Ministry's plan to force the subsidized mortgage lender BBTN to offer cheaper loans to encourage home ownership. In Surabaya, a major city, property prices have tripled in six years.

Megacorps are hungry for their share of the action

Foreign multinationals are showing increasing interest in profiting from the Indonesian growth story.

The nation is becoming one of the world's last great car markets. With a low ownership ratio, the fourth largest population, and a lot of increasingly affluent young people, there is huge growth potential. Total vehicle sales are expected to reach nearly a million this year, and three times that within a decade.

Global carmakers are scrambling to hold on to or expand their share. Toyota is doubling its capacity, Suzuki is building an engine plant, GM reactivating a factory it shut down some years ago.

There are, of course, some negative factors, apart from the major one of infrastructural constraints.

Corruption is endemic, with ongoing warfare between anti-corruption forces and powerful business and political elements defending their turf. President Susilo Bambang Yudhoyono ("SBY") has become unpopular and could fail to secure re-election. There is a danger that financial policy could be too strongly stimulatory, spurring inflation.

Yet international confidence is growing. Standard Chartered Bank expects Indonesia to be the sixth-biggest economy in the world in less than 20 years, bigger than either Germany or the UK. Expats are returning home, and repatriating their capital. The boom is creating a new generation of billionaires.

If you are interested in investing, this could be a good time. So far this year Indonesia has been the worst-performing Asian market, but the strength of its long-term trend suggests this is a buying opportunity.

Morgan Stanley analysts say the outlook for its shares remains good, with the strength of domestic demand supporting earnings, which they expect to rise an average of 15 per cent this year, or four percentage points more than the rest of Southeast Asia.

There are many Indonesia ETFs, mutual funds and trusts available. But if you prefer to invest directly into Jakarta-listed shares, here are some suggestions:

Astra International [ASII] is one of the largest diversified conglomerates. It is the biggest automotive distributor and producer in partnership with Toyota and other Japanese brands. Other core businesses are in financial services, heavy equipment, agriculture, infotech and infrastructure. Main shareholder is Singapore-based Jardine Matheson. Annual growth in earnings-per-share has averaged 21 per cent over the past five years, and it has a dividend yield of about 2.4 per cent, 2½ times covered.

Semen Gresik [SMGR] is the biggest cement producer, with a capacity of 17 million tons a year. Its EPS growth have averaged 29 per cent a year over the past five. Currently it has a dividend yield of around 2.7 per cent, twice covered.

Jasa Marga [JSMR] develops, builds, manages and maintains toll roads, of which it currently operates 13, including Jakarta's ring and airport roads. Its annual EPS growth has averaged 56 per cent. It has a dividend yield of about 2.3 per cent, almost twice covered.

Surya Citra Media [SCMA]. An interesting small-cap. It operates television stations, distributes media content and provides multimedia consultancy services. Earnings-per-share growth has averaged an annual 51 per cent over the past five years, and the rise in the stock price has been spectacular. There's an excellent dividend yield of 5.2 per cent, but that's only just covered by earnings.

Unilever Indonesia [UNVR], the subsidiary of the Anglo-Dutch giant, is a heavyweight play on growth of consumer demand. It's achieved EPS growth averaging 19 per cent a year, now offering a dividend yield of about 2.9 per cent… but not fully covered by earnings.

Adaro Energy [ADRO] is Indonesia's second largest coal mining group, which means it's world-class. It has enormous reserves in the South Kalimantan province – 3 billion tons of open-cut coal in extremely thick seams and exceptionally low sulphur content. EPS growth has been very strong. The current dividend yield of about 1.6 per cent is four times covered.

Indofood Sukses [INDF] is the nation's biggest food manufacturer and distributor – it's even the world's largest noodle maker. Its earnings growth has been phenomenal, averaging 87 per cent a year. The share offers a dividend yield of about 2.7 per cent, 2½ times covered.

Credit Suisse economist Kun Lung Wu says Indonesia "will remain a beacon of growth in a world where growth is scarce." With its strong, broad-based economy and relative political stability, could this be, as some claim, "the next India or China"?

Scientists Angry over Climate Change Dogma

Following the resignation of Nobel Prize-winning physicist Ivar Glaever from the American Physical Society because of its insistence that the evidence of human-caused global warming is "incontrovertible," 16 eminent scientists have published an attack on "the oft-repeated claim that nearly all scientists demand that something be done to stop global warming."

They say that's "not true." Indeed, a large and growing number of distinguished scientists and engineers disagree, recognizing that there is much contrary evidence.

Such "heretics" are persecuted, one example being the campaign to fire Dr Chris de Freitas, editor of the journal *Climate Change*, for daring to publish a peer-reviewed, factually-correct article that recent warming has not been unusual in the context of what happened over the past thousand years.

Many young scientists say they have serious doubts about the global-warming message, but "they are afraid to speak up for fear of not being promoted – or worse."

The reason such savage efforts are taken to suppress contrary opinion and inconvenient facts is that "alarmism over climate is of great benefit to many, providing government funding for academic research and a reason for government bureaucracies to grow.

"Alarmism also offers an excuse for governments to raise taxes, taxpayer-funded subsidies for businesses that understand how to work the political system, and a lure for big donations to charitable foundations promising to save the planet."

The scientists argue that even if one accepts the "inflated climate forecasts," aggressive policies to control emissions of greenhouse gases are not justified economically.

"A recent study of a wide variety of policy options by Yale economist William Nordhaus showed that nearly the highest benefit-to-cost ratio is achieved for a policy that allows 50 more years of economic growth unimpeded by greenhouse gas controls.

"This would be especially beneficial to the less-developed parts of the world. And it is likely that more CO_2, and the modest warming that may come with it, will be an overall benefit to the planet."

Long-Term Investing in Bonds, Equities

Yields on the sovereign bond issues of the US, Germany and France are likely to remain extremely low for a very long time, Barclays Capital analysts argue in the investment bank's latest annual Equity Gilt Study. This is because of the contraction in the pool of bonds that can now be regarded as ultra-safe.

Although inflation-linked issues, in particular, are extremely expensive, currently offering a negative yield, they are prized as a hedge against inflation, as they will rise in line with (officially-reported) inflation – as long as the issuing government

avoids default. I can't see that happening for major countries that can "print" their way out of trouble.

Are equities a safer option? Not necessarily. In the US investors in them had since 1900 to wait for periods as long as 17 years before achieving an average real positive return. Figures for other countries, including major ones, have been far worse – a wait of 74 years in the case of Italy.

However, some categories have done much better than others. According to a Credit Suisse study, in the US shares of smaller companies have achieved an average annual return of 12 per cent since 1926, compared to 9½ per cent for larger firms.

High-yielders have also outperformed. In the UK they have risen at a rate of 10.9 per cent a year since 1900, compared to 7.7 per cent for low-yielders. Also, stocks that "have momentum" – are rising – tend to keep on rising.

New Focus on Dividend Performance

Over the long term, dividend growth has lagged substantially behind corporate earnings growth. According to *FT* analysts, "S&P 500 companies are paying out just 20 per cent of retained earnings through dividends, the lowest pay-out ratio since records began in 1871."

This trend can be attributed to factors such as share buybacks being more tax-effective than dividend payments, the change in investors' focus over decades from income to capital gain, the way growing foreign profits are trapped offshore by the US tax regime, so are unavailable for distribution, and recently to companies' preference for hoarding cash to strengthen their balance sheets.

But it's a trend that is changing. Last year so-called "dividend aristocrats" – companies with a consistent record of increasing payments over 25 years – were the stars in a flat market because of shifting investor priorities.

"The attractiveness of dividends to investors was not a one-year fad – it's a generational play," says Wells Fargo equity strategist Gina Martin Adams.

"The US has an ageing population, which uses the stock market to save for retirement, and those investors are aware that the S&P 500 has not delivered capital gains over a one-, five- or even ten-year timescale."

They are also becoming aware of the long-term record of total-return outperformance by companies paying dividends compared to those that don't.

A Bullish View on Silver

Currently technical indicators are extremely bullish, the Florida-based precious-metals advisory service GSA argues in a new report.

It has an index based on trading in futures that combines activity by speculators and commercial traders. Speculators, both institutional ("most are trend followers") and small-scale ("mostly retail traders who… tend to lose money due to their emotional nature"), says GSA, "tend to be incorrect at market extremes." Currently their long positions are the fewest since 2008.

Commercial traders, on the other hand, who because of their inside knowledge of supply and demand trends "are usually correct, and referred to as 'smart money,'" currently hold the fewest short positions since 2004.

Taken those two opposed positions together indicates a situation that is "extremely bullish for silver."

Another indicator monitored by the consultancy, a contrary one, is website traffic. Very high volumes, as seen last May when silver peaked at $50 an ounce, signal "sell."

Currently there's the opposite situation. Web traffic at only 10 per cent of its previous peak indicates lack of investor interest, so "now is a great time to establish new positions or to buy more silver."

Further information: www.SilverStockAnalyst.com.

Tailpieces

The euro: Many of us have been surprised at the relative strength of the European currency, despite the sovereign debt crisis and the Club Med Bank's switch to money printing. Its exchange rate in dollar terms has fallen only 3 per cent over the past 12 months, and still substantially stronger than it was back in 2006.

According to Bank of New York Mellon, the answer is to be found in China. Too high a proportion of its forex reserves are in dollars. It needs to diversify, but the only practicable large-scale alternative – because of the huge size and liquidity of its market – is the euro.

China supports the European currency because it has to. When its forex reserves swell because of foreign trade surpluses and capital inflows, Beijing swops some of the inflowing dollars into euros, underpinning its exchange rate.

Job creation: According to the Kauffman Foundation and the National Bureau of Economic Research, although half of all business start-ups fail within five years in the US, they create most new jobs.

Given the global need to create good employment opportunities, "lawmakers should only pass legislation that promotes job creation and attracts entrepreneurs and investment," says the well-known British commentator Luke Johnson.

"Whether it is tax rates, employment laws, immigration policy or government expenditure, the primary focus should be on ways to stem the brain drain and boost opportunities for work.

"Similarly, leaders of schools and universities must rise above dry academic concerns and run their institutions as places that produce students fit for the workplace. We cannot afford irrelevant qualifications…

"There should be many more graduates in hard subjects such as sciences, IT and maths."

Concentrated power: European politicians have tried for generations to impose political control over the markets, without success, but it's now far easier for them to achieve this because "the Eurozone has created a giant apparatus whereby the

strings of power can be pulled by a handful of people," says Fraser Nelson in *The Spectator*.

"The euro bailout fund, with its supposed €1 trillion of firepower, has just 15 staff.

"It might now be possible to wield immense power over a continent of nation states by assembling a few like-minded people in the back room of a Frankfurt opera house… All in the name of European unity."

The last phase of dealing with a financial crisis "is always unpopular, and usually means severe cuts or finding ways to raid people's savings – enacted by an undemocratic hit squad." That is what the German and French leaders "and their allies in the bailout industry have now become."

A collective myth: "For most investors, the financial crisis began when American banks' distributed sub-prime mortgage product started going bang throughout the world – but that is like blaming the mother of all hangovers on the very last cocktail," says PFP Wealth Management's Tim Price.

"The reality is that the rot has been slowly seeping around the West for 40 years… We have lived through a collective myth of wealth that was really mostly inflation.

"Money itself has gone from being a tangible store of value, via paper, to a mere electronic ghost."

Detlev Schlichter of the Cobden Centre says "decades of institutionalized monetary debasement and the accumulation of public debt… have left us with bankrupt welfare states and overstretched banks. Yet none of this has diminished the enthusiasm of politicians and bureaucrats to give us more of their medicine."

Liberating problem assets: Deutsche Bank plans to launch a new fund to buy investors' illiquid or damaged holdings in hedge funds that have failed to recover since the financial crisis, the *FT* reports.

It estimates investors are stuck with between $80 billion and $100 billion of assets that are hard to sell, because they are locked into illiquid, private-equity type positions. The paper describes these as "the hedge fund industry's big post-crisis dirty secret."

Land of Smiles: International fund managers and advisers are more optimistic about Thailand. Christopher Wood of CLSA Asia-Pacific has increased his recommended overweighting in Bangkok stocks after the investment bank's analysts raised their forecast for bank loan growth this year from 7 to 12 per cent. Mark Mobius of Templeton Emerging Markets says "our weighting in Thailand is much higher than in Indonesia" because valuations are more attractive.

Israel: Despite being under threat of war from its neighbours since its foundation in 1948, the Jewish state has "produced better risk-adjusted returns than all other developed stock markets in the past decade, as the technology-driven economy attracted global investors," Bloomberg reports. It gave an average risk-adjusted annual return of 7.6 per cent a year, beating Hong Kong and Norway into second and third places.

Jobs and incomes: Although unemployment is creeping down in the US, creating almost 3 million jobs over the past two years is no big deal, argues commentator John Mauldin. "We only need another 7 million… to get back to where we were in 2007!"

Another disturbing fact is that there has been no increase in average real (after-inflation) personal disposable incomes since the year 2000.

Bankers' privileges: The latest scandal is the revelation that taxpayers will pay part of the $40 billion cost imposed on US banks for systematically abusing defaulting mortgage loan borrowers subject to improper home seizures – including $5 billion cash fines. That's because of subsidies provided under a programme to encourage them to modify the terms of distressed loans.

Eurozone: The "fiscal discipline treaty" agreed to by European Union governments is unconvincing, some analysts argue, because it lacks proposals for credible enforcement measures to guarantee a more coherent fiscal union.

Stores of value: With yields on government bonds and bank deposits so low, says Pimco Asia's chief exec Brian Baker, "commodities and gold are a store of value, and perhaps can be used as a better store of value than paper assets."

Wise words: *Naïve investors don't really understand that the securities being sold to them as AAA secured bonds are really the debts of unemployed alcoholics.* Unknown author.

Martin

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