



News: China's Manufacturing/Australian GDP Figures Prove Positive

Fears of a slowdown in the Chinese economy were tempered by a positive manufacturing survey for August. Focus on China has increased recently as it has become the world's second largest economy, in spite of a slowdown in the rate of growth in Q2 2010. Elsewhere in Asia, stocks rebounded in Tokyo after the previous day's decline to end the day up 1.17% as trading on the Nikkei has become increasingly volatile of late. Good news coming from Australian GDP numbers have pushed the S&P/ASX 200 up 2% overnight to top off a strong day of economic data for the Asia/Pacific region.

Commodity	Price	1 Day Change
Brent Crude	75.15	0.68%
Baltic Dry	2,713.00	0.04%
Gold	1,247.00	-0.10%
Copper	7,440.00	-0.25%
Silver	19.42	0.34%
Dollar Index	82.93	-0.33%

Currency	Price	1 Day Change
Eur / Usd	1.2722	0.33%
Eur / Gbp	0.82563	0.06%
Eur / Yen	107.30	-0.50%
Gbp / Usd	1.5411	0.41%
Usd / Yen	84.34	-0.17%

Stock Index	Latest	1 Day Change
ISEQ	2,704	1.33%
FTSE 100	5,225	0.45%
NIKKEI 225	8,927	1.17%
DOW JONES	10,015	0.05%
S&P 500	1,049	0.04%
NASDAQ	2,114	-0.28%
CAC 40	3,491	0.11%
DAX 30	5,925	0.22%
EUROSTOXX	2,623	0.24%

10 Year Benchmark	Yield %	1 Day Change
United States	2.50	1.43%
United Kingdom	2.83	-2.38%
Germany	2.14	1.13%
Japan	1.03	5.97%
Ireland	5.70	0.34%

Portfolio view: Markets Consolidate on Neutral Trading Day

With nothing major resulting from the FOMC minutes and with positive data from small increases in US home prices and consumer confidence figures, it was a somewhat flat day for the US equity markets on Tuesday, with volume being above average over recent levels. The S&P signed off for the day at 1049. Crucially we closed the day above short-term support levels for the market (1040).

As we trade close to support levels for major equity markets it's worth noting recent short term trends in the different asset classes.

So far in 2010, \$50.2bn has been pulled from US equity funds, in line with the \$74.6bn in outflows during 2009. \$152bn has flooded into US bond funds, according to EPFR Global. With Sovereign bonds giving very low yields and the trend towards risk adverse investments still prevalent, many analysts are looking to gold as an avenue for growth.

Indeed, when you consider the reluctance of investors to enter the equity market in the present volatility and with bonds heavily invested, investors seeking price appreciation may well look to gold.

The metal acts as a safe haven as a store of value during recessions and there is also scope for appreciation during a recovery as jewellery and industrial demand increases.

Gold futures may rise as high as \$1,500 next year, 21 percent more than the \$1,240 level at present, according to the median in a Bloomberg survey of 29 analysts, traders and investors.

The SPDR Gold Trust is a popular investment for those bullish on gold investments, with many hedge funds also heavily invested in gold using that as their vehicle of choice for investments at present.

Top 5 Open Positions

Ticker	Stock	Price	BID now	Gain/Loss
LGF	Lions Gate	5.59	7.14	+27.73%
AZN	AstraZeneca Plc	2760	3228	+16.96%
EMC	EMC Corp	16.83	18.24	+8.38%
QQQ	Nasdaq Trust ETF	42.6	43.46	+2.1%
SKG	Smurfit Kappa	7.27	6.75	-7.1%

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