

MARKET REPORT

2011-01-31

*Another interesting week has past and yet again **Investment Society** is there for you to guide you through it. Feel free to send us inputs on how we can improve our newsletter for future editions.*

World economic summit in Davos

World leaders met this week in Davos in order to discuss the economic situation. Anders Borg received plenty of credit, for his successful economic policies, from the former president Clinton. He argued that one of the principal reasons for Sweden being better off, compared to many other countries, is the environmental awareness when stimulating new economic policies.

USA

The American GDP expanded by 3,2 % in the fourth quarter of 2010 over the previous quarter. The market fell despite the good news since it expected an increase by 3,5 %. Worth mentioning is that the private consumption increased by 4,4 % and the price index increased by 1,8 % during the same period.

Africa

Recent political events in Egypt have spread to the economical market in the region. A result is increased risk in investments in the region.

Commodities

Oil (Brent)

Prices are moving towards 100\$/barrel (99,42\$ currently) with a possibility of a sudden drop as a result of investors claiming their profits at these new high levels. Demand is still high for oil and the inventories are rising.

Gold

Gold is trading at 1316\$/oz after a drop with 2,2% last week, it has lost its strong positive trend and is turning down at a fast pace. Gold is currently valued at a high level and a downturn is not unlikely.

Silver

Silver is trading at 26,8\$/oz after a drop with 2,7% last week. It is in the same situation as gold with a sudden decline and it is also valued very high since it was one of last year's best metals.

Copper

Copper is trading at 9508\$/ton after a increase with 0,5% last week. Demand from China is currently low due to them celebrating the new year until mid-February. Liquidity in China is best at the spring when companies are building up inventories and an increase in demand is to expect in the near future.

Sweden

Ander Borg is trying to stipulate new harsher rules for banks when lending money in order to cool down the house market in Sweden. To begin Borg will increase the bank's Capital Adequacy. The result is that loans will become more expensive when banks compensate for not being able to have the same leverage on their loans.

Furthermore, the way Swedish households look at the future has changed from a pessimistic to an optimistic trend. 50,5 % of the households believe that the Swedish economy will progress during 2011.

Best last week		Worst last week	
Elekt B	5,53%	H&M	-4,93%
Husqvarna A	4,29%	Lundin Mining	-4,87%
Getinge B	4,24	Ratos A	-4,32%