

MARKET REPORT

2011-02-28

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

USA

USA:s GDP increased by 2.8 % during the fourth quarter of 2010 after revised statistics from 3,2 %. According to Bloomberg News, analytics expected the rise in GDP to be 3,3 %. Consumer Price Index rose by 1,8 % for the fourth quarter and 0.4 % adjusted for energy and groceries which was in line with expectations. Private consumption rose 4.1 % compared to the forecast of 4.2 %.

According to the index provided by University of Michigan, the mood of the American consumers rose to 77.5 in February compared to 74.2 in January. Analytics expected 75.5 and the mood therefore substantially beat the expectations.

China

There are multiple signs of Chinas expansion in the world, China's production of goods and services has increased from 3.7 % of the world's GDP in 2000 to 8.3% in 2009 and presumably 9 % in 2010. China is currently the largest export-country in the world and has recently become the second largest import-country and are growing in importance of the trade balance in an increasing amount of countries.

China's currency reserve is currently 2,850 billion dollar and that reflects the large quantities of foreign currencies currently held by China to push down to trade balance and keep the Yuan down. During 2010, the Yuan was traded up a few percent against the dollar but there is a high pressure from EU for further revaluation. The importance of China in the global economy is significant and Chinese banks are currently becoming more important as credit lenders grow at a face past issuing loans to the developing countries of the world.

Oil and the current situation in Northern Africa

The oil price is continuing to increase due to recent political events in northern Africa. Investors are worried not as much worried about a further drop in oil production in Libya as whether or not the political crises will further spread to for instance to United Arab Emirates or Iran . This seeing as OPEC would be able to compensate for a drop in production in Lybia whilst there would be severe consequences if United Arab Emirates decreased their current production. As a result the oil prices pushed through to the 119£. Nubou Tanaka CEO for the International Energy Association, IEA, predict that a price above 100\$ could severely cripple the world economy and force it into another crises like the one in 2008.

Nordic Market

This week in the Nordic stock markets we saw continued setting and anxiety, as the political situation in the MENA region intensified and oil prices skyrocketed, with a heavy recoil upwards on Friday. OMXS30 closed at around +/-0 %, and OMXN40 at -0.70 %.

We saw Carlsberg hitting the market with a weak report for the fourth quarter on Monday. Pre-tax profit amounted DKK 346m - about half of analysts' expectations - but dividend is proposed to increase to DKK 5.0 per share - from last year's 3.5.

On Thursday, Lundin Mining presented a powerful report for the fourth quarter with increasing EBIT and net results - and with a notable market reaction: share price was rapidly boosted by more than 10 %, but ended up closing at below opening price. In the same industry, we heard Boliden announcing a SEK 500m investment in a new mine facility, named Kankberg, to mine for gold and tellurium.

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Some intriguing rumours are spreading in the markets, among others that Scania is to place a bid on its main competitor, MAN, in mid-April. Unconfirmed reports also claim that Kinnevik plans to divest its holdings in poorly performing Transcom - which would likely mean a buyer purchasing all outstanding shares and taking Transcom off the exchange.

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Important indicators and statistics

Makro Monday			Period
GER	0800	Importpriceindex (m/m)(y/y)	JAN
SWE	0930	Productionsprices(m/m)(y/y)	JAN
SWE	0930	Retail Trade (m/m)(y/y)	JAN
SWE	0930	Handelsbalans	JAN
EMU	1100	KPI (m/m)(y/y)	JAN
USA	1430	Privata inkomster/konsumtion (m/m)	JAN
USA	1430	PCE Core (m/m)(y/y)	JAN
USA	1545	Chicago Inköpschefsindex	FEB
USA	1600	Husförsäljningar (m/m)(y/y)	JAN

Makro Tuesday			Period
UK	0800	Huspriser (m/m)(y/y)	FEB
SWE	0830	PMI Tillverkning	FEB
SWE	0930	Nyregistrerade fordon (Statistics Sweden) (y/y)	FEB
SWE	0930	BNP (q/q)(y/y)	Q4
GER	0953	PMI Tillverkning	FEB F
GER	0955	Sysselsättning	FEB
EMU	0958	PMI Tillverkning	FEB F
UK	1030	PMI Tillverkning	FEB
UK	1030	M4 Pengautbud (m/m)(y/y)	JAN
EMU	1100	KPI (y/y)	FEB
EMU	1100	Sysselsättning	JAN
USA	1600	Privat konsumtion	JAN
USA	1600	ISM Tillverkning	FEB
USA	2300	Total försäljning Fordon	FEB

Makro Wednesday			Period
SWE	0930	Bytesbalans	Q4
EMU	1100	Produktionspriser (m/m)(y/y)	JAN
USA	1330	Nedskärningar jobb (y/y)	FEB
USA	1415	ADP Sysselsättnings förändring	FEB

Makro Thursday			Period
GER	0800	Detaljhandel(m/m)(y/y)	JAN
SWE	0830	PMI Tjänster	FEB
GER	0953	PMI Tjänster	FEB F
EMU	0958	PMI Tjänster	FEB F
EMU	1100	BNP (q/q)(y/y)	Q4
EMU	1100	Detaljhandel (m/m)(y/y)	JAN
USA	1430	Produktivitet (exkl. Jordbruk)	Q4
USA	1600	ISM exkl. tillverkning	FEB

Makro Friday			Period
SWE	0930	Tjänsteproduktion (m/m)(y/y)	JAN
USA	1430	Förändring av arbetstillfällen (ej jordbruk)	FEB
USA	1430	Förändring av privata arbetstillfällen	FEB
USA	1430	Sysselsättning	FEB
USA	1430	Genomsnittliga intäkter/timme (m/m)(y/y)	FEB
USA	1430	Genomsnittliga timmar/vecka	FEB
USA	1600	Fabriksorders (m/m)	JAN