



Investmentmatters Extra

March 2019

Content

- A chart of the month section includes a topical view, often contrarian in nature and intended to provide some lateral thinking, be it stock, bond, currency, commodity, property or an economic statistic.
- Comment on the main economic data of the month, such as the latest GDP, CPI inflation and housing data, supported by an interesting chart of it.
- There is also a collectives corner section, which provides performance statistics for 28 major mutual fund sectors covering the year to date performance returns plus those for 1,3 and 5-year periods and since January 2000, the date on which many markets topped in **real terms**. An investment timing chart for the month's winning sector is also included.

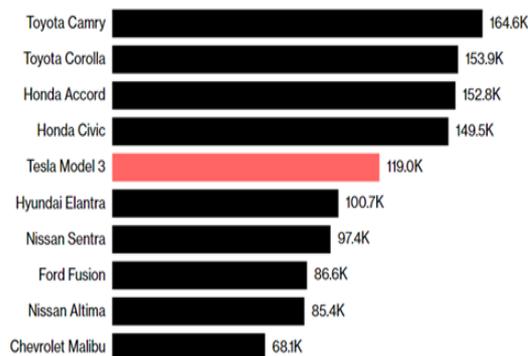
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Chart of the month

"*Turn-around*" Tesla has reversed the \$US100m per week burn-rate at its darkest point last year, to become the most profitable sedan manufacturer in North America by the year end, producing 4,700 Model 3s each week against the few hundred per week of a year ago. The company is now capitalised as the 4th largest in the world and the first major American carmaker to emerge in nearly a century:

Tesla Breaks Into America's Top 10

U.S. sedan sales in the second half of 2018

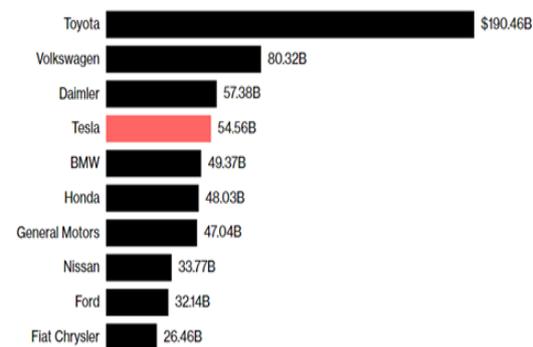


Sources: Bloomberg, Tesla filings

Note: Tesla's Model 3 tally includes some deliveries in Canada

The New 'Big Auto'

Market caps of the world's most valuable car companies



Source: Bloomberg

Note: Stock values in USD, as of Jan. 6

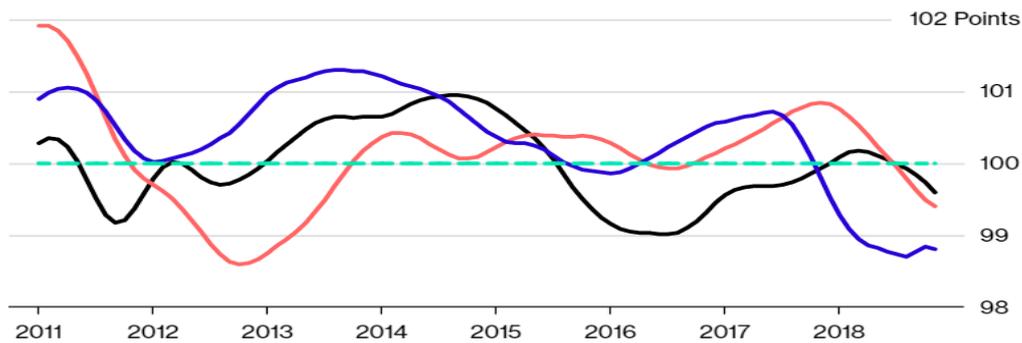
The difficulties facing the global auto sector due to overcapacity issues and more, were reiterated this month, as the UK and the wider EU showed slower sales for many consecutive months. For Tesla, it was only last March that credit-agency, Moody's, downgraded its unsecured debt to junk, when CEO Elon Musk said the company was within weeks of running out of money. Tesla's story demonstrates however, that the right product at the right time can provide winners, although hard work, risk and a bit of luck are added ingredients. Tesla sold its 500,000th car in the final weeks of 2018, a milestone that took 10 years to achieve. If the company maintains its current pace, the next half-million car deliveries will take about 15 months and would make Tesla the first automaker in the world to sell 1m electric vehicles according to a Bloomberg report..

Economic snapshot of the month

The OECD revised economic growth lower for the largest economies, including the US. As can be seen below, the three major blocks have actually been trending sideways to lower over this decade:

Growth in the some of the world's biggest economies is slowing

U.S. Euro area China



Source: OECD

If your requirement is for analysis and forecasts different than the above, such as commodities and/or currency forecasts then please provide feed back [here](#) and we will respond.

Collectives Corner

The investment return from the main investment areas, courtesy of the UK based Investment Management Association and ShareScope are as follows:

No.	Name	Close	Price% between 31/12/18 and 0 trading days ago	Price% between 1 year and 1 day ago	Price% between 3 years and 0 trading days ago	Price% between 5 years and 0 trading days ago	Price% between 3/1/00 and 0 trading days ago
1	I - IMA Sector North American Smaller Companies	2,413.99	▲ 13.8	▲ 10.6	▲ 65.4	▲ 77.9	▲ 254.2
2	I - IMA Sector Technology and Telecommunications	4,811.98	▲ 10.7	▲ 8.2	▲ 81.7	▲ 104.1	▲ 27.9
3	I - IMA Sector China/Greater China	597.99	▲ 10.1	▼ -7.6	▲ 66.6	▲ 76.8	▲ 671.3
4	I - IMA Sector North America	1,530.51	▲ 8.5	▲ 7.3	▲ 55.1	▲ 88.7	▲ 144.3
5	I - IMA Sector UK All Companies	1,164.11	▲ 7.1	▼ -1.0	▲ 25.7	▲ 23.8	▲ 127.6
6	I - IMA Sector Global	947.7	▲ 7.1	▲ 2.0	▲ 45.6	▲ 56.5	▲ 128.7
7	I - IMA Sector UK Equity Income	1,344.18	▲ 6.9	▼ -0.4	▲ 20.2	▲ 24.7	▲ 173.5
8	I - IMA Sector European Smaller Companies	1,785.5	▲ 6.7	▼ -9.4	▲ 34.5	▲ 46.8	▲ 319.3
9	I - IMA Sector Europe Including UK	1,933.28	▲ 6.2	▼ -2.2	▲ 31.1	▲ 33.7	▲ 148.7
10	I - IMA Sector Europe Excluding UK	1,265.64	▲ 5.6	▼ -6.3	▲ 31.6	▲ 35.0	▲ 150.0
11	I - IMA Sector Asia Pacific Excluding Japan	1,856.29	▲ 5.5	▼ -3.6	▲ 54.1	▲ 62.2	▲ 305.2
12	I - IMA Sector Global Emerging Markets	1,768.54	▲ 5.4	▼ -7.1	▲ 54.2	▲ 50.5	▲ 296.0
13	I - IMA Sector UK Smaller Companies	2,051.1	▲ 5.3	▼ -5.5	▲ 36.1	▲ 37.4	▲ 264.8
14	I - IMA Sector UK Equity And Bond Income	1,007.81	▲ 5.1	▲ 1.2	▲ 20.1	▲ 24.0	▲ 160.4
15	I - IMA Sector Flexible Investment	847.7	▲ 5.0	▼ -0.8	▲ 28.1	▲ 32.5	▲ 108.8
16	I - IMA Sector Mixed Investment 40-85% Shares	855.2	▲ 4.8	▲ 0.2	▲ 25.8	▲ 31.2	▲ 112.4
17	I - IMA Sector Asia Pacific Including Japan	969.55	▲ 4.4	▼ -4.6	▲ 51.4	▲ 69.9	▲ 179.0
18	I - IMA Sector £ High Yield	2,145.59	▲ 4.4	▲ 0.9	▲ 21.2	▲ 19.1	▲ 186.1
19	I - IMA Sector Mixed Investment 20-60% Shares	533.11	▲ 3.7	▲ 0.0	▲ 18.6	▲ 23.0	▲ 106.1
20	I - IMA Sector Japanese Smaller Companies	715.21	▲ 3.5	▼ -10.9	▲ 54.0	▲ 94.9	▲ 91.4
21	I - IMA Sector Japan	291.8	▲ 3.1	▼ -7.9	▲ 39.3	▲ 63.9	▲ 22.2
22	I - IMA Sector £ Strategic Bond	1,279.37	▲ 2.3	▲ 0.7	▲ 14.2	▲ 19.1	▲ 142.5
23	I - IMA Sector £ Corporate Bond	672.57	▲ 1.9	▲ 1.6	▲ 15.4	▲ 24.4	▲ 137.6
24	I - IMA Sector UK Gilts	618.64	▲ 0.5	▲ 3.3	▲ 8.6	▲ 27.7	▲ 123.2
25	I - IMA Sector Money Market	255.54	▲ 0.1	▲ 0.5	▲ 1.0	▲ 1.5	▲ 36.9
26	I - IMA Sector Property Other	571.6			▲ 18.7	▲ 39.1	▲ 203.8
27	I - IMA Sector UK Index Linked Gilts	780.57	▼ -0.2	▲ 2.8	▲ 22.6	▲ 46.2	▲ 217.9
28	I - IMA Sector Global Bonds	465.42	▼ -0.3	▲ 1.2	▲ 14.3	▲ 22.1	▲ 139.6

The table covers year to date, 1, 3 and 5 year returns plus returns since the start of 2000, when the secular bear market in many

stock-indices' began in ***real terms***. The year to date winner changed to the **IMA Sector N.American Sm Cos**, higher by 6.5% in January, whilst gaining 13.8% over the year to date.

When observing the 1 year daily chart we note the following:-

- The price remains on a **BUY** from the 14th January signal.
- Price is above the MAs, with a "***Golden Cross***," bullish.
- The two momentum indicators have rolled-over, uncertain.



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