

Input 18.04.2016

Good morning

«A ship in harbour is safe, but that is not what ships are built for»

William G.T. Shedd

This week I have been travelling & collecting various impressions in Japan, including the wonderful cherry blossom and this night an wake up by a short earthquake in Osaka, which felt like to be on a ship in stormy waters.

Overall I am more positive towards global economic developments and consequent **organic growth** than ever, plus fully convinced that to remain invested in global single companies with solid balance sheets, management and owners with good attitude and shareholder oriented dividend payouts. A second conclusion is to stay away from bonds, CDS and other debt oriented vehicles.

The start of equity markets into 2016 was most volatile, but looking back, it is worth to holding on to the longterm oriented conviction of transparent long only single stock selection.

Unfortunately there is no crystal ball to read markets, nor annual %-GDP growth of an economy, which some of the hedge fund managers and «smart economist» claim to have. Same with currencies, but I expect the Swiss Franc to soften versus major global currencies. Australian Dollar, Norwegian Krona could benefit from the recovery of oil and commodity prices, USD and GBP are paying interest, so strategic cash can at least be placed with some interest rates.

China keeps to create their own patterns and M&A activity – just lately with focus on taking over SYNGENTA, SHARP and GATEGOURMET, and more to come. Here in Japan I learned that Chinese capital also buys into real estate and that tourist are supporting retail turnover.

Speed trains, as the <http://english.jr-central.co.jp/shinkansen/> which was introduced in 1964 already, appear to be the global future connection between cities. Between Tokyo and Osaka there isa train every 20minutes. ALSTOM is a company covering parts of this potential demand. Public transportation is well established here, and most of the taxis are operated on liquid petroleum gas (LPG)

Monitoring the private car traffic, I noticed that the majority is driving the well known japanese brands, small fuel efficient cars as DAIHATSU and MAZDA, but also prestige oriented European brands BMW, AUDI, PORSCHE & DAIMLER BENZ. Global consumption on oil and gas will continue, and companies as STATOIL, BP, TOTAL are well positioned for this assumption.

Technology - G OOGLE A PPLE F ACEBOOK A MAZON, is being fully lived up by the Japanese consumers. Sitting in Tokyo metro wagons, hotel lobbies, walking the streets, and finally connecting myself through all the time zones with my devices, the fact is confimed; we definitely arrived in the future of global communication and digitalization. Supermarkets are selling a broad selection of goods, in comparsion to Europe at reasonable prices, and basic consumption keeps going on. Global brands as NESTLE, RECKITT BENCKISER, PROCTER GAMBLE can be found in the shelves.

# JACOT

Restaurants are not overpriced, and I noticed that most of the restaurants showed high occupancy. By the way, my favourite «equalizer-hideway» after all delicious sushi, & tempura is STARBUCKS, which is always full of consuming clients, willing to pay a high price for a good cup of coffee.

Water – TOTO is a commom water closet, and my suscpiction is, that those are not key to water consumption reduction, which must take place globally if we wish to preserve the «blue gold». Systems of GEBERIT or KURITA are key players to follow a sustainable route to reduce global water footprint.

Healthcare – shifting demographic pattern towards the silver generation is no secret, and healthy food only does not prevent all challenges of human being. Companies as SAWAI, GILEAD, and are key players for the next years to come. ADAMANT, a Zurich based fund does a great selection of generica oriented investments.

At any times I am glad to exchange and learn other opinions. Let's meet personally very soon again!

Best wishes for a relaxing weekend

Bjoern