ASX INVESTMENT VIDEOS

Which way for global growth?

SPEAKER: Michael Knox, RBS Morgans
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Global Economic Perspective

	Year		
	2012	2013	2014
Real GDP Growth			
United States	2.2	1.6	2.7
Germany	0.7	0.4	1.6
Japan	1.9	1.9	1.5
Australia	3.6	2.7	3.2
Consumer Price Inflation			
United States	2.1	1.3	1.5
Germany	2.0	1.6	1.9
Japan	0.0	0.9	2.1
Australia	2.2	2.0	2.5

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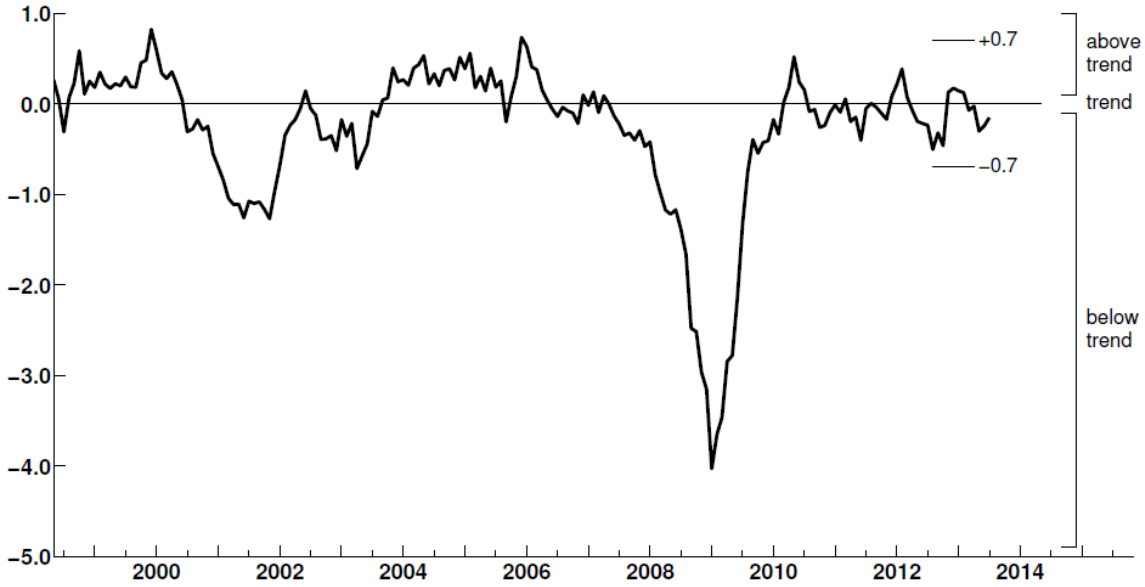
Chicago Fed National Activity Index, Three Month Moving Average (CFNAI-3MA3) – 20 August 2013



The index's three-month moving average, CFNAI-MA3, increased to –0.15 in July from –0.24 in June, marking its fifth consecutive reading below zero. July's CFNAI-MA3 suggests that growth in national economic activity was below its historical trend. The economic growth reflected in this level of the CFNAI-MA3 suggests subdued inflationary pressure from economic activity over the coming year.

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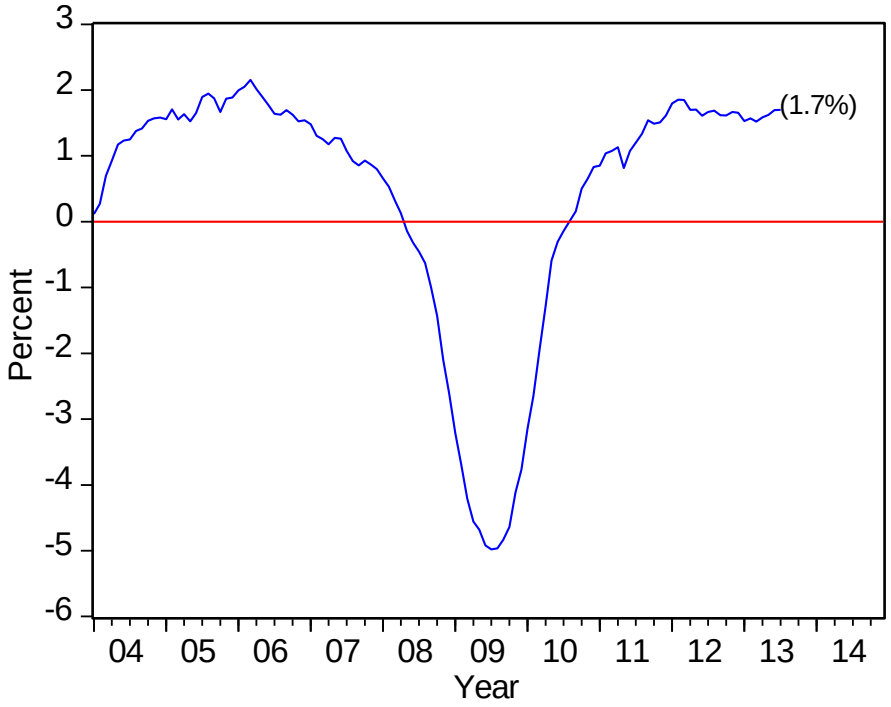
Annual growth in US payroll employment



162,000 new jobs were created in July. For the year to July, employment grew by 1.7%. This was similar to the growth rate of June 2006.

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Asian Economic Perspective

	Year		
Real GDP Growth	**2012**	**2013**	**2014**
China	**7.8**	**7.8**	**7.9**
India	**5.0**	**5.9**	**6.6**
North East Asia (1)	**6.6**	**6.5**	**6.7**
South East Asia (2)	**5.6**	**5.1**	**5.5**
Consumer Price Inflation			
China	**2.6**	**2.6**	**3.2**
India	**10.3**	**8.1**	**7.3**
North East Asia (1)	**2.6**	**2.5**	**3.0**
South East Asia (2)	**3.9**	**4.6**	**4.5**

(1) China, Hong Kong, South Korea, Taiwan

(2) Indonesia, Malaysia, Singapore, Thailand and the Philippines

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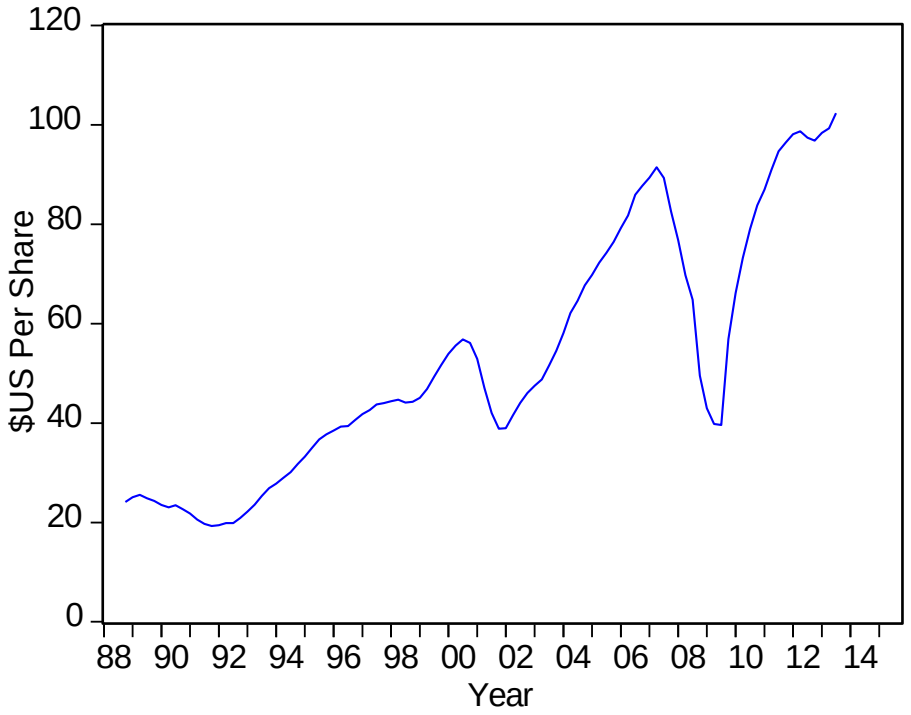
S&P500 12 Month Rolling Operating Earnings Per Share



12 month rolling operating earnings per share should rise from $US99.28 in Q2 2013 to $US102.34 in Q3 2013.

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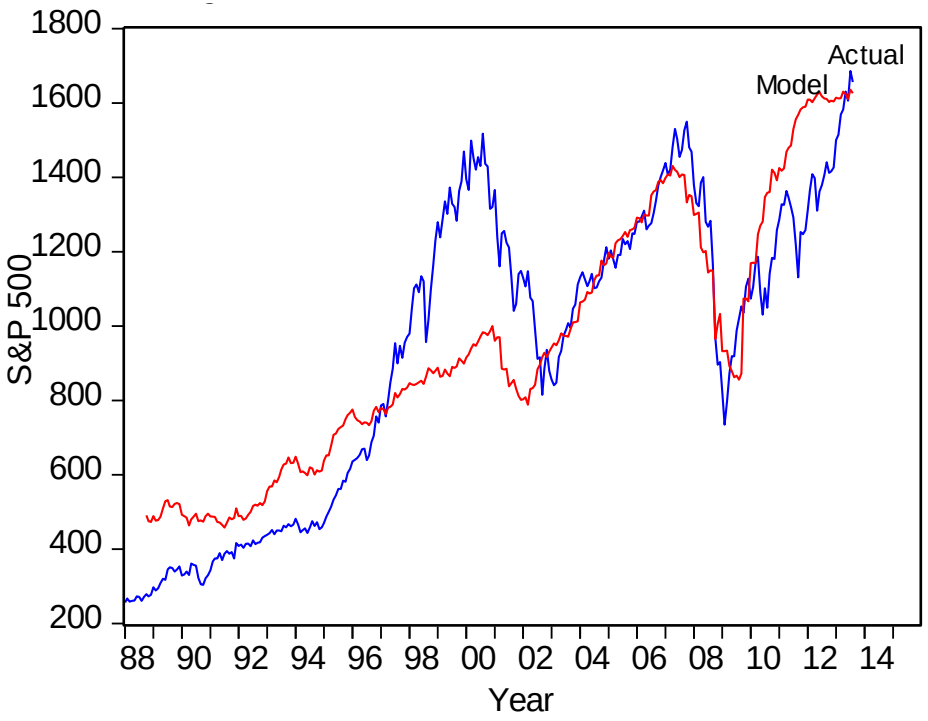
Earnings per Share and Bond Yield Model of the S&P500



Our model explains 74.9% of monthly variation in the S&P500. The S&P500 on 26 August at 1656 points was 30 points higher than our model estimate of 1626.

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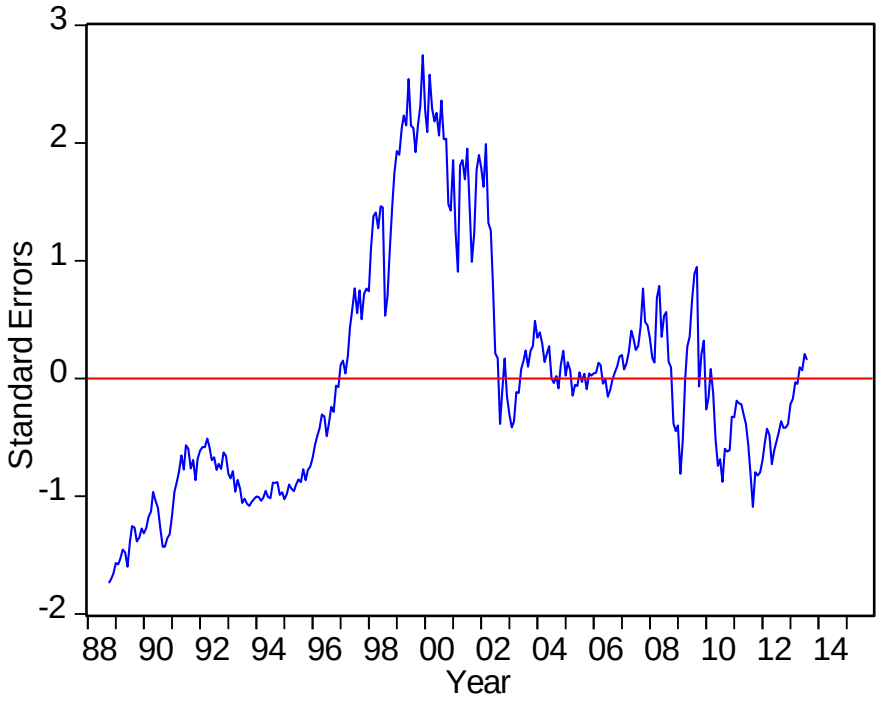
S&P500 Overbought/Oversold Indicator



On 26 August the S&P500 was 0.158 standard errors too expensive. The chance of going up is 44%.

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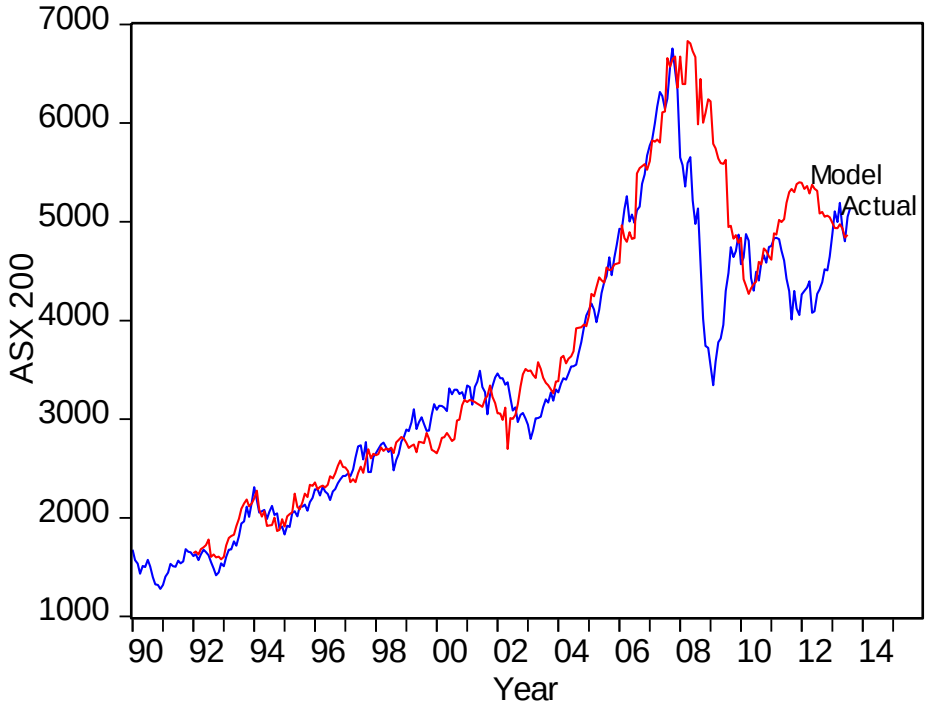
Model of the ASX200



Our model explains 85.4% of monthly variation in the ASX200. Based on historical earnings, fair value is 4866. In 2013/2014 this rises to 5503.

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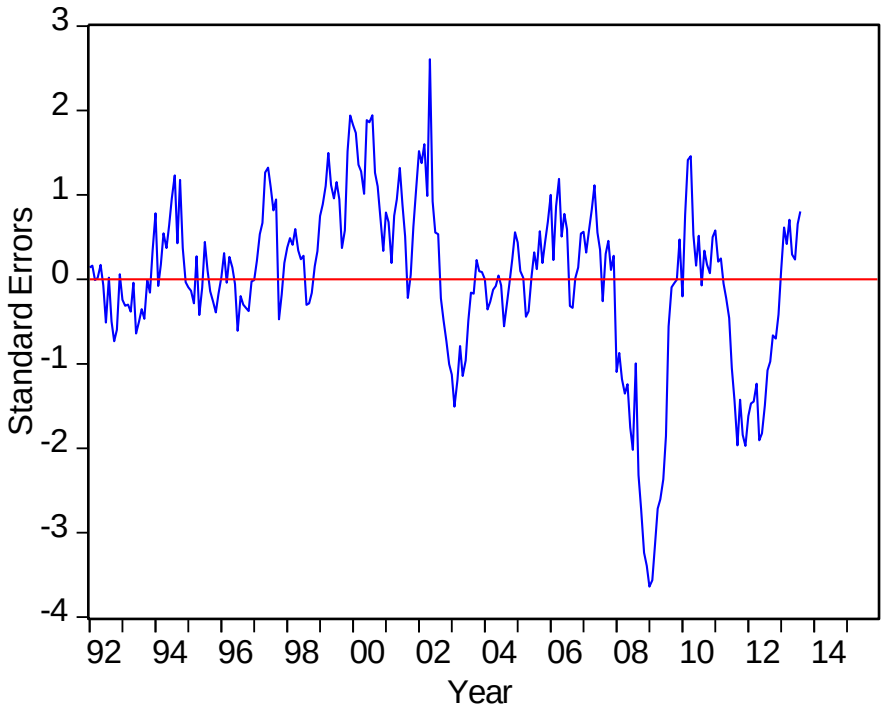
ASX200 Overbought/Oversold Indicator



On 26 August, the ASX200 at 5,131 was 0.81 standard errors higher than fair value on historic earnings but lower than fair value on consensus forecast earnings.

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