ASPERMONT FINANCIAL SERVICES

Market Monthly
December 10 / January 11

Highlights

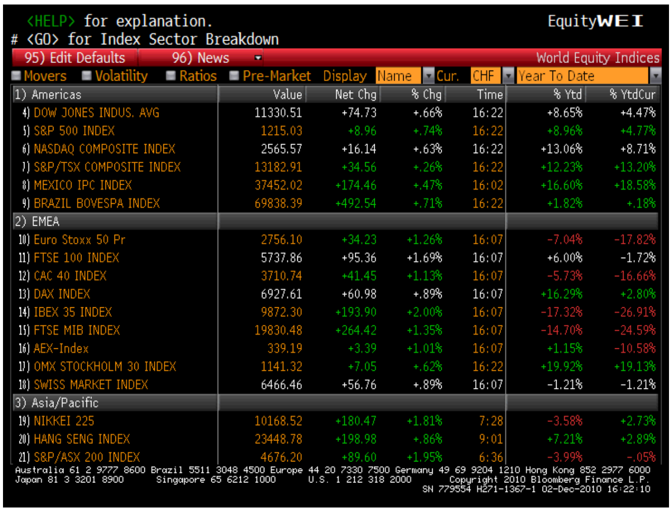
- **Economics:** Fast growing wealth in GEM[i] fuels consumer demand for global and domestic brands. Monetary policy likely to stabilize markets and sustain growth in advanced economies. Some geopolitical risk with conflict in Korea.
- **Inflation:** inflation in major developed economies still on low levels, pressure likely to increase in GEM - China and Brazil raise reserve requirements.
- **Central bank interest rates:** Low inflation, unemployment rate (US) and week government balance sheets keeps loose monetary policy in advanced economies; FED 0.25% (-), next 27 Jan; ECB 1% (-), next 13 Jan.
- **Capital market rates:** Ireland gets EUR 85bn out of the bail-out fund by EU to support it's banks. Sovereign debt and banking issues not resolved, but partly contained. ECB to buy back government bonds and provide market with liquidity over year-end.

Strategic Asset Allocation

- **Forex:** US external deficit and almost no yield bring further USD weakness against EUR and major currencies, however expected to be 1.34 by late 2011[ii]. Further trend in appreciation of BRIC currencies against USD.
- **Bonds incl. High Yields (U[iii]):** Favor corporate over government, selecting short/ medium maturity, buying carefully selected weaker credits or GEM bonds in hard & local currency.
- **Equities (O):** Valuations appear attractive; Cash from QE2 would be allocated towards equities. High levels of corporate cash stimulate demand for capex and M&A[iv] activities; Favor GEM region.
- **Commodities (O):** Levels of supply/ demand are tightening (metals and agriculture). Gold on record high >1360 and Oil price >80USD/ bbl.

Investment Ideas

- **3 to 4 Months Structured Equity Products with Barrier at maturity in USD, EUR & CHF (hedged):** (1) on Russia and Brazil Index (2a) on Materials (BHP Billiton, Rio Tinto, Vale) and (2b) Xstrata.
- **1 to 2 year Structured Equity Products with Barrier at maturity and upside participation in USD, EUR & CHF (hedged):** (1) on Asia ETF's (China, Hong Kong, Singapore), (2) Dividend DAX Index and (3) on Euro Stoxx 50 Index (in EUR).
- **Equities:** High-dividend yield equities; ETFs on GEM (Asia/ Brazil) and commodity exporting markets; US/ EU companies with GEM exposure, global and GEM strong brands, transport and logistics.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95) Edit Defaults 96) News World Equity Indices
Movers Volatility Ratios Pre-Market Display Name Cur. CHF Year To Date

	Value	Net Chg	% Chg	Time	% Ytd	% YtdCur
1) Americas						
4) DOW JONES INDUS. AVG	11330.51	+74.73	+.66%	16:22	+8.65%	+4.47%
5) S&P 500 INDEX	1215.03	+8.96	+.74%	16:22	+8.96%	+4.77%
6) NASDAQ COMPOSITE INDEX	2565.57	+16.14	+.63%	16:22	+13.06%	+8.71%
7) S&P/TSX COMPOSITE INDEX	13182.91	+34.56	+.26%	16:22	+12.23%	+13.20%
8) MEXICO IPC INDEX	37452.02	+174.46	+.47%	16:02	+16.60%	+18.58%
9) BRAZIL BOVESPA INDEX	69838.39	+492.54	+.71%	16:22	+1.82%	+.18%
2) EMEA						
10) Euro Stoxx 50 Pr	2756.10	+34.23	+1.26%	16:07	-7.04%	-17.82%
11) FTSE 100 INDEX	5737.86	+95.36	+1.69%	16:07	+6.00%	-1.72%
12) CAC 40 INDEX	3710.74	+41.45	+1.13%	16:07	-5.73%	-16.66%
13) DAX INDEX	6927.61	+60.98	+.89%	16:07	+16.29%	+2.80%
14) IBEX 35 INDEX	9872.30	+193.90	+2.00%	16:07	-17.32%	-26.91%
15) FTSE MIB INDEX	19830.48	+264.42	+1.35%	16:07	-14.70%	-24.59%
16) AEX-Index	339.19	+3.39	+1.01%	16:07	+1.15%	-10.58%
17) OMX STOCKHOLM 30 INDEX	1141.32	+7.05	+.62%	16:22	+19.92%	+19.13%
18) SWISS MARKET INDEX	6466.46	+56.76	+.89%	16:07	-1.21%	-1.21%
3) Asia/Pacific						
19) NIKKEI 225	10168.52	+180.47	+1.81%	7:28	-3.58%	+2.73%
20) HANG SENG INDEX	23448.78	+198.98	+.86%	9:01	+7.21%	+2.89%
21) S&P/ASX 200 INDEX	4676.20	+89.60	+1.95%	6:36	-3.99%	-.05%

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2010 Bloomberg Finance L.P.
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[i] Global emerging markets

[ii] Average street forecast by 10 banks - November 2010

[iii] How to read: (U) underweight; (N) Neutral; (O) Overweight

[iv] Merger & Acquisition