►On Target

Martin Spring's private newsletter on global strategy

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A Formula Plan for Low-Risk Investing

The simplest way to invest is a Browne Plan. It promises steady capital growth with minimal downside risk, requires no management beyond an annual portfolio review, and frees you from having to make any decisions about what's happening in the markets.

It's ideally suited to those who don't have the skills or the time to manage a family's investments.

It was designed by the late Harry Browne, an American strategist who strongly tipped gold as an investment one year before Nixon scrapped the gold standard and the metal soared from $35 to $850 – but who also correctly advised a major switch into equities and bonds at the start of their bull markets of the 1980s/90s.

His strategy, for what he called The Permanent Portfolio, could not have been simpler. He said you should invest…

► 25 per cent in equities;

► 25 per cent in bonds;

► 25 per cent in gold; and

► 25 per cent in cash.

Once a year you should re-balance your portfolio by selling some of the assets that have risen strongly in value, switching capital into the underperformers, but only if holdings have gone way out of line – from 25 per cent to above 35 or below 15.

This simple way of investing has proved to be amazingly successful over time.

"Over the last 40 years the strategy has returned between 9 and 10 per cent a year," two of Browne's disciples report in a new book*.

"More remarkably, the worst loss it has ever had in a single year was only around -5 per cent." That happened in 1981. But the following year such a portfolio would have bounced back strongly, rising more than 20 per cent in value.

The table on the following page shows the nominal and real (inflation-adjusted) returns for each of the years since 1972.

The logic behind the strategy is that at least one of the components can be expected to perform strongly in any investment environment. That provides some positive growth in the good years, but also shields the portfolio against losses in kthe bad years.

In this issue: Browne Plans ▫ Themes to invest in ▫ GM crops ▫ Money bubble ▫ Debt write-off ▫ Tea Party's success ▫ India ▫ US economy

The authors, Craig Rowland and J M Lawson, identify four different kinds of investment environment:

Prosperity – characterized by rising profits, stable or falling interest rates and widespread optimism – is normally very good for equities. Bonds also do well, but gold lags.

Deflation – when some economic shock such as a credit crisis or market panic sets off a cycle of declining prices, falling interest rates and rising currency value. It's bad for equities, but very good for high-quality, long-term bonds. Gold only does well if real interest rates are negative.

Inflation – prices rise, sometimes rapidly, because there's too much money circulating relative to the available supply of goods and services. Interest rates rise in response as lenders demand more to compensate for the reduction in purchasing power of repaid capital. Very bad for bonds, so-so for equities, great for gold.

Recession – if this is of the "tight money" type, where the central bank has raised interest rates to tame inflation, despite a weak economy – the only investment asset that can be relied on is cash.

Luckily such a period "is normally short-lived and one of the other three assets (stocks, bonds or gold) will quickly take up the slack as the economy decides which direction it wants to go… a return to prosperity, inflation, or a descent into a full-blown deflationary depression."

Compared to standard institutional portfolios containing equities and bonds but no gold or cash, a classical Browne Plan would have underperformed in the 1980s and 90s, outperformed in the 1970s and the Noughties, but delivered remarkably stable returns in real terms across four decades.

Some enthusiasts have experimented with variations on Browne's principles, using different asset proportions such as higher percentages of equities, tighter annual controls such as rebalancing when holdings exceed 30 per cent or fall below 20 per cent instead of 35/15, or incorporating other assets such as real estate or Swiss francs.

Over time, none seems to have done as well as the original four times 25 per cent equities-bonds-gold-cash formula, with rebalancing at 35/15 per cent.

Annual percentage US returns from a classical Browne Plan

		1980	17.6	1990	0.8	2000	3.5
		1981	-4.9	1991	12.7	2001	-0.7
1972	18.9	1982	20.2	1992	3.0	2002	4.5
1973	14.5	1983	4.9	1993	11.4	2003	13.4
1974	14.5	1984	3.5	1994	-0.9	2004	7.2
1975	7.0	1985	17.8	1995	19.2	2005	7.8
1976	10.5	1986	17.7	1996	5.6	2006	11.3
1977	4.3	1987	8.1	1997	8.2	2007	11.9
1978	10.5	1988	4.7	1998	11.9	2008	-2.0
1979	36.7	1989	14.0	1999	3.5	2009	12.7
						2010	12.0
Average	9.5					2011	13.3

However, as a South African who lives in Thailand, with strong UK connections but few US-based assets, I could not readily and sensibly apply a Browne Plan in its original form because it was designed for Americans, and in some ways would be unsuitable for those of us who are not.

For example, the equity portion may be invested entirely in index funds reflecting Wall Street. "International stock exposure is not that important to US investors, in part because the US stock market includes companies already responsible for about half the world's economic output," say Browne's disciples.

Dubious logic… even more so for Non-Americans. A better choice would be the Vanguard Total World Index exchange-traded fund, whose current holdings are 52 per cent in North America, 25 per cent in Europe, 15 per cent in the Pacific and 9 per cent in Emerging Markets.

A classical Browne Plan also recommends a bonds holding consisting entirely of 25- to 30-year nominal long-term US Treasury stock. International bonds are deemed "not appropriate," because of the currency, political, default and other risks.

That may be right for Americans, but certainly not for the rest of us. I would favour an internationally-diversified portfolio of "sovereigns" including Treasuries, Bunds, Gilts, Japanese, and perhaps official credits of smaller economies such as Australia, the Netherlands, Singapore. Buy the longest-dated bonds.

A powerful protection against catastrophe

What about the gold holding? "The first choice… should be physical gold bullion stored in a safe location and insured against loss," say the authors. They admit the convenience of holding precious metal through funds such as ETFs – for non-US investors the one operated by the Zürcher Kantonalbank is "highly recommended – but aren't enthusiastic. "You have a lot of people between you and the asset and this can be a big problem in an emergency."

Gold "does poorly during periods of prosperity, deflation and recession," but offers "very powerful protection when… other assets are in trouble," as it did in the 70s and the Noughties.

The level of cash recommended for a Browne Plan seems excessive, especially in times like these, which I doubt even Harry Browne could conceive, when interest rates are negligible – and could even turn negative if governments decide to penalize cash holdings.

Cash, like gold, has a major overall risk-reducing effect. It's "an asset that many think is a loser all the time," in real and relative terms, but "actually posted the highest returns in 1981."

American investors are advised to hold their cash through US Treasury Bills with 12 months or less to maturity. Others could buy "the shortest-term bonds issued by your own government."

Why not incorporate real estate in a "permanent portfolio"?

Rowland and Lawson ignore the possibility. But when I investigated it years ago in South Africa I identified three problems. One is that direct ownership is too lumpy – you can't directly own exclusively a small piece of a property, even a small one

such as an apartment. Secondly, the standard gearing of a mortgage loan introduces an extraneous element of risk.

If you opted for the only practical approach, buying shares in a listed property fund, you find yourself exposed to the cycles of equity markets rather than real-estate markets. It's just a form of equity investing rather than a separate, independently-performing, asset category.

Since 1982 a listed fund has operated in the US based on Browne principles, but with some minor modifications such as more equities, less cash, called The Permanent Portfolio Fund. It's done OK, with a real return averaging 3.8 per cent a year, but less well than it would have done rigidly adhering to Browne's formula.

Since early last year a new fund has become available called Global X Funds Permanent ETF which keeps to the four times 25 asset-split formula, but moves a whole-of-market approach in equities to categories – large-cap US stocks, small-caps, real-estate companies, international firms and natural-resource groups, both US and foreign.

These funds should only interest American investors.

For the rest of us… a Browne Plan is a good option for those of us who want a simple, low-risk way to invest the family's savings.

**The Permanent Portfolio: Harry Browne's Long-Term Investment Strategy, by Craig Rowland and J M Lawson, pub. by John Wiley & Sons.*

Themes for Investors to Consider

"If we can successfully identify a theme that has the power to shape perceptions of value over a number of years, it greatly facilitates the process of identifying promising investment opportunities," Eoin Treacy says in his new book *Crowd Money**.

Big macro cycles produce major bull markets, and in those "disciplined investors can make fortunes."

Here are the themes he suggests:

Exploding prosperity in emerging economies: "The greatest urbanization in history is lifting billions of people out of poverty and into the middle classes."

Life expectancy is rising. "As the availability of improved diets and more advanced medical attention becomes a global phenomenon, demand for life-enhancing treatments, residential care, financial planning and ultimately funerals all increase."

In certain countries, population expansion will continue to be a significant contributor to growth in abundant labour supply.

There will be increased demand "for just about everything." Infrastructure such as homes, offices, factories, roads, bridges, airports, railways, hospitals, schools, will have to be built. Utilities supplying electricity, water, gas and telecoms will required expansion and upgrading.

Emerging economies will deliver most of the global growth in consumer demand for branded goods such as processed and packaged foods, condiments, household cleaning products, detergents, cosmetics, soap, shampoo, deodorant and other

consumer staples. “The companies that can profit from this development are those with the reach, experience, brand recognition and healthy balance sheets to fund such expansion.”

Energy: The advent of unconventional natural gas and oil production “is truly a game-changer for the global economy.” Although the US is leading the charge, it’s inevitable that other countries will follow suit to exploit their unconventional resources of fossil fuels. Oil prices should fall, although probably not below $40 a barrel on a sustained basis over the coming decades, largely due to increased costs of discovery and production.

The transition from tight supply to abundance will produce winners and losers. “The most significant losers will be those that depend on high prices,” such as the Canadian tar sands and Arctic exploration.” Renewables, whose financial viability “is already questionable” even in a high-price environment, will come to depend even more on “political sponsorship for survival.”

The winners will be retail and corporate consumers – “in the industrial sector, the cost of energy is a major consideration in where to locate facilities.”

Technology: Innovation in recording, storing, accessing and transmitting information – telecoms, computers, the internet, the cloud, social media – has produced a “golden age of information.” We can reasonably expect “ground-breaking productivity gains to continue to appear in the coming decades.”

As processors become smaller, faster, and produce less heat; as software becomes more sophisticated; and as cameras become more sophisticated; the stage is set for “a revolution in the industrial automation sector,” with robots becoming increasingly important.

Technology is also changing the outlook for the healthcare sector, “where genetics-focused therapies are approaching commercial viability.” The application of genetic engineering to agriculture also has considerable potential to increase yields dramatically.

Commodities: Demand for these has a strong correlation with income. “As countries become richer and standards of living increase, per capita consumption of energy, steel, industrial resources, grain, meat, cotton, chemicals etc embark on a long upward trajectory.” Infrastructure development is an increasingly urgent priority for many countries.

Appreciation in the prices of natural resources will depend on the emergence of large new sources of demand in emerging economies. “There is every chance that this will occur.”

Debt: In Asia, particularly in the Southeast, both governments and consumers are less leveraged than those in the West. They have room to take on more debt to finance productivity-positive strategies.

Eoin concludes: “The greatest urbanization in history, the golden age of technology, and the game-changing nature of unconventional oil and gas production, mean that we are living through one of the most exciting periods in human history.”

* *Crowd Money by Eoin Treacy, published by Harriman House.*

Lies About GM Are Bad News for Small Farmers

Much of the resistance to foods made from crops grown with genetically-modified seeds "isn't based on science, but may be ideological and political, based on fears of 'corporate profiteering' and 'Western colonialism,'" argues Marc Van Montagu of the Belgian Institute of Plant Biotechnology Outreach.

"Every respected scientific organization that has studied GM crops – the American Medical Association, the National Academy of Sciences, and the World Health Organization, among others – have found GM crops both safe for humans and positive for the environment."

Nearly everything humans have eaten for thousands of years has been genetically modified. "Mankind has been breeding crops – and therefore genetically altering them – since the dawn of agriculture. Today's techniques for modifying plants are simply new, high-precision methods for doing the same."

Seeds are genetically modified to raise nutritional value or increase resistance to drought, disease and herbicides.

GM crops are now planted on nearly a quarter of the world's farmland by more than 17 million farmers, more than 90 per cent of whom are smallholders in developing countries.

One now in development include virus-resistant cassava, nutritionally-enriched rice and nitrogen-efficient crops that reduce run-off from nitrogenous fertilizers.

The most important barrier to the spread of GM seeds is the ban in much of Europe on farming with them. This is preventing their use in Africa because crops grown with them cannot be exported to Europe. "In Zambia, for example, the government refused donations of GM corn in 2002, even as its people starved," Van Montagu reminds us.

The latest idiocy is a "labeling" movement in the US to distinguish GM-based foods from others on grocery shelves, even though 60 to 70 per cent of processed food on the market contains GM-modified ingredients.

Opponents of GM crops have been "extremely effective at spreading misinformation," such as claims that such crops are responsible for suicides among Indian farmers, or harming insects such as bees or butterflies.

"In fact, people have consumed billions of meals containing GM foods in the 17 years since they were first commercialized, and not one problem has been documented."

The Money Bubble: Persisting with a Failure

The $9 trillion boost to global liquidity by central banks since the stock market bottomed in 2009 has been much more effective in inflating the value of investment assets than it has in promoting economic growth.

According to Bank of America Merrill Lynch, the world economy has expanded by only $14 trillion over that period, but global stock market capitalization has ballooned by $35 trillion.

The US Federal Reserve says the reason for its Quantitative Easing is to help "Main Street" – the real economy – but it's really been "the greatest backdoor Wall Street bailout of all time," says the man who managed the Fed's first agency mortgage-backed security programme, Andrew Huszar.

It "wasn't helping to make credit any more accessible for the average American." … The banks were "issuing fewer and fewer loans," and "whatever credit they were extending wasn't getting much cheaper. QE may have been driving down the wholesale cost for banks to make loans, but Wall Street was pocketing most of the extra cash."

The banks enjoyed huge capital gains on the rising values of their securities holdings, and fat commissions from brokering most of the QE transactions. In 2009 Wall Street experienced its most profitable year ever.

The American central bank has continued with its easy-money policy on a massive scale. What has it achieved?

"Even by the Fed's sunniest calculations, aggressive QE over five years has generated only a few percentage points of US growth," Huszar reports. Experts outside the Fed, such as Mohammed El Erian, joint chief of the world's biggest bond fund manager, Pimco, suggests that the Fed may have created and spent more than $4 trillion "for a total return of as little has 0.25 per cent of GDP… a mere $40 billion bump in US economic output.

"Both of those estimates indicate that QE isn't really working."

So is the Fed cutting back on its massive money creation? Far from it. Its backing away from "tapering" and the appointment of an easy-money enthusiast as its new chairman suggests that cheap funding will keep alive vulnerable companies until late 2016/early 2017, says *FT* commentator Michael Mackenzie.

That assessment may be optimistic!

Incoming chairman Janet Yellen is a more aggressive interventionist than Ben Bernanke whom she is replacing. Some analysts now suggest she will set lower the unemployment target for curbing QE while raising the inflation target. One consequence could be that the Fed pumps even more, not less, into its easy-money programme, whose bond-buying already exceeds $1 trillion every year.

Coming Down the Track: a Debt Write-off

The West is "drowning in debt," says Tim Price of PFP Wealth Management, largely because "politicians over decades have been making promises that they (or more precisely, their electorate) cannot afford."

They continue to avoid the fundamental reforms needed to deal with the problem.

In the absence of action by the politicians, central banks have had to fill the gap with easy-money policies such as quantitative easing, "printing" money to cover fiscal deficits and keeping interest rates artificially low to stave off recession, which in turn have bloated ratios of public debt to GDP, and kept them on a rising trend.

When I first mooted the prospect that governments would eventually address the problem of the bubble in public debt by writing off a huge part of it – that part

consisting of their borrowings from their own central banks – many readers' reaction was disbelief.

Others are now awakening to that prospect…

According to the CLSA strategist Christopher Wood: "Believers in mechanical monetarism… will start to push… the extreme logical outcome of the belief in quanto easing. That is, simply, to propose that central banks cancel the government debt they own.

"Such a suggestion, made by seemingly respectable people, will be very tempting to the politicians, as well as the central bankers, as they look for ways to escape the trap of their own making."

Tea Party Victories

The barrage of negative comment about the obstructive tactics of the Republican-controlled House of Representatives on debt ceiling and budget issues completely ignores the significant achievements of the party's conservative fundamentalists.

Thanks to those tactics, which produced cutbacks such as those enforced through the sequesters, the US's fiscal deficits are plunging, having fallen from 9.8 per cent of GDP in the 2009 financial year to an estimated 3.9 per cent in 2013. The deficits continue to add to public debt, but less so every year.

If current congressional negotiations to agree on a federal budget fail, as seems very likely, automatic cuts in so-called "non-entitlement" spending will come into effect in mid-January in terms of the sequesters. These are provided for by the Budget Control Act that President Obama negotiated to solve the 2011 federal debt ceiling crisis.

His idea was that such automatic cuts would force both parties to agree on budget compromises. But the plan has backfired because the politicians find it easier to live with the momentum of cuts that have a life of their own, rather than agree to a new and different set of conditions involving tax increases as well as spending cuts.

To achieve $1 trillion in cuts in spending not provided for by law to fund "entitlement" – mainly pensions, welfare and healthcare – there are successive across-the-board cuts in all the rest. $109 billion next year.

However, another sequestered cut in the defence budget – about $20 billion in January – could be particularly difficult for Republicans to swallow this time. The Democrats' radicals are also becoming increasingly agitated at how sequesters are savaging some of their vested interests, such as the education sector.

So perhaps the fundamentalists on both sides may very reluctantly accede to the compromises that will be needed to achieve a budget agreement, after all.

Which Is the Better Choice: India or China?

Many investment managers and advisers have long preferred India to China because of better "governance." That is, it's a democratic country, which China clearly isn't.

But democracy is no guarantee of better governance, as we have seen recently.

Global mining giant BHP Billiton has announced that it's pulling out of most of its oil and gas exploration projects because they're bogged down by bureaucracy -- an historic barrier to doing business in India, and one which successive governments have completely failed to reform.

Other major foreign companies have also now abandoned attempts to invest successfully in India because of regulatory constraints and public opposition to developments. Walmart, the world's largest retailer by sales, has pulled out of its joint venture. Steel giants Posco and ArcelorMittal have dropped plans to build mills.

China, too, has shifted towards hostility to foreign groups, with investigations targeting firms such as Apple, GlaxoSmithKline, KFC, Mead Johnson and Starbucks.

But such developments are more worrying for India than for China, as it depends on capital inflows to finance its foreign trade deficit, which the latter does not; and, unlike China, it has an exploding population for which it must provide.

The American Economy

Businesses are reluctant to invest because of uncertainty over the costs implementation of Obamacare will impose on employers, and fears that energy costs will be driven up by a new wave of regulations that makes it impossible to fuel new power stations with coal, says commentator Irwin Stelzer.

There are 10 million fewer Americans in jobs than when President Obama took office. The housing market appears to have peaked because of higher mortgage rates. There's been a sharp decline in new business start-ups.

The persistent stagnation in incomes and upward mobility "will be cured only when a politician comes along who can break the hold of the teachers' unions and allow parents of disadvantaged kids to get their children out of sink schools and into better ones."

Nevertheless, Stelzer remains optimistic about the future…

"America is becoming an energy giant, with cheap natural gas to fuel the factories of foreign investors. The great innovation machine called Silicon Valley continues to develop world-class technology and products… Home affordability remains above its long-term average. Corporate profit margins and cash piles are high. And American's immigration problem is that the world's best and brightest – and its hardest-working – are clamouring to live here."

A World Blind to Realities

"We are threatened with economic dystopia," (a state of unimaginable misery) warns Stephen King, HSBC's group chief economist.

In the West, "the political debate for the most part still assumes that recovery lies just around the corner.

"Those in favour of austerity believe that by adopting a frugal fiscal policy and thus keeping interest rates low, the private sector will eventually gain the confidence to consume and invest again…

“Those in favour of further stimulus believe that, with the helping hand of the authorities, economies can be nurtured back to life.

“So far, however, both arguments have been wrong. Levels of activity remain well below earlier expectations and the entitlements that we think we can so easily afford are becoming increasingly unaffordable.”

There is a refusal to face up to realities.

What needs to be done? “Asia’s experience in the late 20th century shows that recovery may ultimately require hard work and considerable self-sacrifice.”

Tailpieces

Medical tourism: An Australian health insurer, NIB, will start offering packages in January for medical treatments outside Australia, including flights and accommodation in Asian countries such as Thailand and India. The first such plan will be for cosmetic surgery, but if successful, policies for other treatments will be offered.

The venture is hotly opposed by Australia’s medical and dental lobbies on the grounds that the quality and safety of procedures carried out abroad cannot be guaranteed. However, a key selling point will be NIB’s commitment to ensure treatment comparable to Australian standards – although, of course, at much lower costs.

The medical tourism business started by Thailand’s Bumrungrad hospital a quarter-century ago has grown into a $100 billion global industry and is continuing to expand at 20/30 per cent a year.

Around 15,000 Australians a year go abroad for cosmetic surgery, spending around $300 million.

Germany: Replacing the Deutschemark with the euro and disciplined economic policies since has produced a situation where its currency is now significantly undervalued, and is one reason why Europe’s locomotive economy will export more than the US this year. Its foreign trade surplus is now running at 7 per cent of GDP.

According to International Monetary Fund data, since the end of the war Germany has never had a weaker currency when adjusted for price inflation. Based on wages, its real exchange rate is a fifth weaker since 1995 and 10 per cent softer than when the euro was launched in 1999.

“Germans simply believe that they are a successful exporter because they make superior products,” says Christopher Wood of CLSA. German exports of goods and services have risen from 22 per cent of the economy’s annual output in 1993 to 52 per cent in 2012.

High-yield bonds: Highly-respected Aberdeen Asset Management, whose Asian Smaller Companies has been a top performer, has launched a “frontier-market” bond fund with an initial yield to maturity of almost 10 per cent.

It invests in the sovereign and corporate debt of countries that lack the size of liquidity to make it even into the “emerging” category, such as Nigeria, Mozambique, Kenya, Pakistan and Honduras.

The Danish manager Global Evolution, which launched the first such fund (but only available to institutional investors) three years ago, has returned 25 per cent since its inception.

Historically, frontier-market debt has had a complete lack of correlation with the US Treasury market, so adding it to a portfolio should reduce risk as well as enhance return.

Growth attractions: "With growth in the developed world weak, corporate profits peaking and returns low, emerging markets have an opportunity to attract foreign investment in core sectors such as infrastructure, healthcare and education," says Auvest Capital Management's Humayun Shahryar.

The *Fleet Street Letter*'s Bengt Saelensminde says one reason he's so positive about the emerging economies is because of the fundamental economic doctrine by which they operate: "To put it bluntly, shirking work doesn't go down too well… The welfare state is yet to be established. If you want food on the table, you work for it."

Emerging markets would love to be in the profligate position of developed markets – "gorging on consumer goods while paying for it on the never-never" – but they aren't.

Japan's economy: Foreign investors are excited about "Abenomics" -- the government's plans to implement reforms and stimulate economic growth. But the Japanese themselves don't have confidence that much change will be achieved, it seems. In the first half of the year foreign investors bought a net ¥10.4 trillion (about $100 billion) of Japanese shares, but domestic institutions sold a net ¥4.7 trillion (about $45 billion).

ObamaCare: A key principle of this policy is that wealthier people pay for extending healthcare to millions of poor Americans.

But not, it seems, if they are politicians or congressional bureaucrats. The *WSJ* reports: "Among the many extralegal ObamaCare waivers and exemptions, carve-outs for well-connected, well-off Washingtonians are among the worst" – concessions apparently worth $5,000 a year for individuals and $11,000 for families.

Parasites: One indication of the disgraceful extent to which regional banks in Europe were used by local political elites to promote their interests at public expense is that Bankia, the vehicle created to rescue savings banks in Spain, now nationalized, has been able to terminate 800 external directorships packed with favoured politicians, their family members, and labour union officials.

Growing caution: Fixed capital investment relative to economies' size has fallen sharply since 2007. The US is down from 19½ to 16 per cent, Germany from 18½ to 17½, Italy from 21 to 17½ and France from 20½ to 19.

One reason is probably companies' declining confidence in growth prospects; another is probably savage cutbacks in investment in infrastructure by financially stressed governments.

Tax concession: As from January, Japanese will be able to save up to ¥1 million (about $10,000) a year, for the next ten years, in a tax-free scheme similar to Britain's Individual Savings Accounts, designed to promote investment in equities.

Individual Japanese have little interest in investing in shares. In fact they keep more than half their personal savings in cash and bank deposits.

Arctic riches: Greenland, the world's largest island that belongs to Denmark, is opening up its largely-unexplored mineral wealth to exploration and development by foreign companies. It has scrapped a ban on the mining of radioactive substances such as uranium and rare-earth minerals, and granted a licence for a $2.36 billion iron ore venture.

Years ago, everyone thought I was crazy when I suggested that Denmark could be a future petro-power because of Greenland's enormous potential resources of oil and gas. Now those deposits in the territory's coastal waters are estimated to exceed 50 billion barrels, and exploration has begun.

Safety on tap: Partygoers in Bangkok who realize they've been drinking too much to safely drive home in their own cars can now call on a driver to do so at no more than 30 minutes' notice, for the equivalent of just $15.

A new service, U Drink I Drive, has drivers on tap who are efficient, friendly, smart, and tracked by their call centre.

It's certainly needed. Thailand has the world's third worst traffic accident rate, and in Bangkok it's estimated 40 per cent of such deaths and injuries result from drunk driving.

Wise words: *Classes of investments considered "best" change from period to period. The pathetic fallacy is… what are thought to be the best are in truth only the most popular – the most active, the most talked of, the most boosted, and consequently the highest in price at that time.* Fred Schwed *in* Where Are The Customers' Yachts?

Martin

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