

SGI Wise Long - Quarterly Analysis



	Return 3M	Return 6M	Return 1Y	Vol 1Y
SGI WISE Long	17.61%	6.14%	-32.97%	35.64%
DJS 600	18.81%	6.45%	-26.29%	38.01%

Quarter Analysis

The SGI WISE Long index posted a gain of 17.6% over the second quarter, bringing the year-to-date mark to +6.1% at the end of June. This performance has to be compared to 18.8% and 7.2% respectively for the Dow Jones STOXX 600 index. Once again, the performance of European equities was mainly driven by cyclical sectors and financials. The index benefited from the strong momentum of Basic Ressources last quarter as illustrated by the presence of Vedanta Resources (+ 67%) among the top 5 contributors to the positive performance.



Outlook

The strong rebound in global equity markets from their March lows brought with it a sharp improvement in numerous sentiment-based indicators. These in turn reassured investors that the strong bounce in equities was justified by improving economic conditions.

As unemployment soars, measures to boost activity are being implemented and will continue well into 2010. Central banks, especially the Fed, are continuing the quantitative easing process. Deflation risks should continue to fall. Equities remain backed by stronger ISMs, with the threshold of 50 set to be surpassed in H2 09e, alleviating fears of a collapse in corporate profits

Features

Bloomberg code	SGIXWIL
Website	www.sgindex.com

Main entries

Company name	Weight ¹
DANSKE BANK	3.69%
KINGFISHER	3.56%
HEINEKEN HLDG.	3.54%

¹ June the 30th

Main exits

Company name	Weight ²
METRO	6.54%
OMV	5.35%
BT GROUP	5.09%

² March the 31st

Composition analysis

Among the main entries and exits in the index this quarter we see the addition of a bank (Danske Bank), a Retailer (Kingfisher) and a Brewer (Heineken) and the deletion of a Retailer (6.5%), an Oil company (5.4%) and a Telecom operator (BT Group)

Most important contributors to the quarterly performance (-0.61%)

Company name	Weight	Stock performance (EUR) (log returns)	Stock performance (local currency)	Contribution ³
Top 5				
Eads	2.24%	23.70%	-	0.53%
Astrazeneca	1.72%	19.80%	-	0.34%
Vedanta Resources	0.50%	67.20%	-	0.33%
Metro	1.12%	29.09%	-	0.33%
Royal Dutch Shell A	5.11%	6.01%	-	0.31%
Bottom 5				
Telefonica	-1.49%	19.11%	-	-0.28%
Roche Hldg.gsh.	-1.56%	18.76%	-	-0.29%
Nestle R	-2.23%	15.53%	-	-0.35%
Hsbc Hdg.	-2.19%	25.94%	-	-0.57%
Banco Santander Central Hispano	-1.33%	46.18%	-	-0.61%

³ considering EUR performances

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