

JUSTIN'S COMMENTARY

Justin Urquhart Stewart is one of the most recognisable and trusted market commentators on television, radio and in the press. Originally trained as a lawyer he has observed the retail market industry for 30 years whilst in corporate banking and stockbroking, and has developed a unique understanding of the market's roles and benefits for the private investor.



THE EFFECT OF PEOPLE POWER

Elections are strange beasts. Some we regard with admiration but others seem to induce merely a yawn of indolence. By way of example, I was in awe of those brave women going out to vote in Afghanistan whilst being threatened by both bombs and bullets. Now although we don't know the results, and we certainly cannot gauge the amount of corruption, what we could all see was a remarkable turnout by a population wanting to express their views. Whether they get the leaders they deserve or, come to that, the leaders they voted for, remains to be seen but pictures of mules hauling ballot boxes around the Hindu Kush is a world away from what we are about to see in the leafy sleepy countryside in Britain.

Here we have the European elections coming up and, in my own case, some council elections as well. In contrast to the driven efforts of those Afghan women, our voting will be barely noticed at all, with paltry turnouts and a wave of ambivalence. We don't seem to regard voting as a precious right and privilege of the citizen but rather a tedious event with little or no effect. Well we should be careful. Without being overly dramatic, people have throughout our history been through pain and death to ensure that we have democratic rights. So before we toss that voting slip aside, perhaps we should appreciate such a precious privilege a little more - just in case we lose it to apathy and laziness.

I think internationally we should show even more respect to the largest democracy in the world - India, who, despite its seemingly dysfunctional methods of doing things will, over a period of five months, carry out their general election. It may be easier to run a huge country with the totalitarianism of an oligarchy, as in China, but it is much harder to get things done so quickly in a functioning and fairer democracy.

However, this election may have far broader consequences, with the possibility that the Congress party, which has always seen itself as the natural party of power ever since independence, may lose out to the more right wing and controversial BJP. Whoever wins will be facing a slowing economy which seems to have lost its vim and verve of the past few decades, and thus any new government hopefully will have a mandate to inspire change and encourage greater development to get the economy going from its laggardly 5%. This may seem patronising from an indebted nation like the UK with less than half such growth, but India is a developing nation and anything sub 6% will in effect feel somewhat recessionary. Perhaps this election will be the spur for change.

Then we also have the Indonesian elections coming up. This huge nation, which is the same width as the USA, albeit with a lot more water in between, is in effect a Javanese Empire covering a vast number of islands. From decades of dictatorship, we can now see a better grounding of democracy with several presidential elections operating successfully. The change in the country has been astonishing, with a growing middle class showing its spending power and the country benefitting from the exports of its huge natural resources.

Success in this presidential election in July will be seen as being a peaceful one; with 186 million voters and 555,000 polling stations this will be a great feat. The one great thing that this country needs is good governance, not just in the economy and to keep the nation together, but to address the endemic corruption that blights business and acts to put off aspiring inward investors.

Then we can move around the globe to Brazil, where elections here are coming at a sensitive time for the government - who have already been feeling the effects of the whiff of tear gas in the air as rioters have been protesting. Like many other of the emerging nations, the boom years of the past decade have eased to a lower and slower rate of growth. Whilst not being necessarily a bad thing, it has impacted on one key area and that is expectations - the expectations of a frustrated populous who anticipated more than some new football stadiums and airports for the World Cup. Brazil had rather short sightedly acted to dissuade inward investors by, in effect, taxing them. Populist politicians feel that they can wrap themselves in the flag and win an election: wiser leaders hold the flag in one hand, and welcome investors in with the other.

Thus, I hope the newly elected leaders of all three of these nations will realise that parochialism should not be confused with patriotism. Something which, rather closer to home, perhaps Mr. Salmond should take some notice of as well.

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And finally...A plane taking off recently from MacDill Air Force Base in Florida hit something and aborted the flight. Assuming it was a bird strike, a local wildlife manager Lindsey Garven was called into try and find out what had happened. After a thorough examination she couldn't find any dead birds, but she did find a dead fish. DNA evidence later confirmed that it was in fact the fish that hit the plane. "This was the first fish strike we have had on base," Garven said. The pilot, NOAA Lt. Cmdr. Nicholas Toth, was sceptical. "At first, we didn't believe the test results," he said. "I mean, how does something like that even happen?"

Of course there are such things as flying fish but not usually seen over land and certainly not at some considerable height - unless there has been some unexpected leap in evolution which I have missed? Garven however theorized that a bird of prey was eating by the runway and took off, dropping the fish on the plane. MacDill personnel now refer to the incident as the "fishnado".

Have a good week.

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