

Touchbutton



No: 13, 3 December 2012

The night before Christmas

It was the night before Christmas; a solitary figure shuffled through the fast emptying streets around the Bank of England. The Christmas parties were coming to a close. He hadn't been invited to any: his gloom laden Scrooge like views on markets did nothing to induce festive cheer.

"It's going to be a terrible year ahead" he said, to a huddle of revelers on a street corner. "It's a great time to be pessimistic."

"In January, the USA faces its fiscal cliff, and this will lead to a double dip recession – there's nothing they can do about it."

"Europe faces collapse – we've all spent far too much – I bet all of you have got too much debt, just like our spendthrift government. Not me though, I haven't bought presents in years."

"And China – an accident waiting to happen, their economic landing will be so hard it would knock the teeth out of a reindeer."

"And as if that's not enough", he said, smacking his lips with seeming relish at the prospect of such a miserable outlook, "There's a Canadian moving in there" – he beckoned to the Grand Old Lady of Threadneedle Street. "What on earth do Canadians know about money?"

Most of the partygoers had drifted away from this endless rant, but a young man stayed behind.

"You're right about all those things", he said, "but they're nothing new, other than the new Governor of the Bank of England. Markets know about all these other issues, and will come to terms with them, however they map out."

"The fiscal cliff is much exaggerated, and will probably only reduce America's economic growth a small amount. And Europe will survive, with or without Greece. And China – well, I grant you, growth may slow, but the nation is an unstoppable train economically speaking."

"And our new Governor? Well, actually, Canada emerged from the banking crisis in sound shape. Mark Carney is a fine man, and I think he will create a new era at the Bank. I understand that he even runs marathons – which will be a first for a Governor."

"I must join my friends now" said the young man, but I will say one more thing: "You are right that there are dangers, but I would suggest that this is a very dangerous time to be bearish. Markets will turn suddenly, and when they do, the bears will be left behind. I don't know when it will happen, but I for one don't want to miss it."

With that, the young man disappeared into Bank Station, leaving the solitary figure standing alone, friendless, his shoulders hunched, the snow swirling around his feet.

(With apologies to Charles Dickens)



Berry Asset Management PLC
79 Pall Mall
London
SW1Y 5ES

t : +44 (0)20 7667 6600
f : +44 (0)20 3427 5400
w : www.berry.co.uk

If you no longer wish to receive marketing emails from us please [click here](#). Alternatively, you can write to us at: Berry Asset Management PLC, 79 Pall Mall, London, SW1Y 5ES, United Kingdom or email unsubscribe@berry.co.uk.

The value of investments, and the income arising from them, can go down as well as up, and is not guaranteed, which means that you may not get back what you invested. Past performance is not a reliable indicator of future results. Changes in exchange rates may also cause an investment to fluctuate in value. Levels of taxation depend on your individual circumstances and the value of any tax reliefs which apply. Whilst every effort has been made to ensure that the information contained in this document is correct, the directors of Berry Asset Management PLC can take no responsibility for any action taken (or not taken) as a result of the matters discussed within it.

Issued and approved by Berry Asset Management PLC. Authorised and regulated by the Financial Services Authority 25 The North Colonnade, Canary Wharf, London E14 5HS. Incorporated in England No: 1583393. It is not intended as an offer to acquire or dispose of any security or interest in any security.

© 2012 Berry Asset Management. All rights reserved.