



NEWSLETTER

A WILLIAM ALBERT MONTHLY UPDATE

MARCH 2010



CEO's Desk

■ Global economic conditions are recovering at a slow pace after witnessing the acute phase of financial crisis, and like always financial markets are reckoned as being led by the US. Albeit the market has stabilized, with the UK officially declaring to have combated recession and with indices going up, but just like the possibility of a hung parliament after the elections, there is a looming uncertainty in the UK Economy. In the prevailing conditions I would advice all the investment players to exercise caution while investing.

Take a close look at the foreign exchange rate - currency unmistakably is at the peak of its volatility, GBP and Euro are under fire from all directions, with the Dollar becoming stronger. In the given scenario savvy investors must be planning to move towards commodities.

Although the prices of energy and metals commodities began to recover in March 2009 broadly in tandem with global economic activity, they have now reached new highs.

In these unstable market conditions, what should be the right course of action taken by an investor to retain the value of existing investments, while simultaneously looking at future growth prospects? My take on it is to be extremely nimble-footed in the current market situation and leverage the best opportunities available. Under this uncertainty it would be wise to first protect the value of assets. To meet the challenges posed by current fluctuating market conditions, I would highly recommend that you seek expert advice before taking a plunge into new investment decisions.

In that endeavor William Albert is willing to offer individual assessment sessions for portfolio analysis, where we would be offering tailor made solutions to explore the best investment opportunities, suitable to your risk appetite. I urge you to call or email your investment advisor at William Albert and book a session to avail this opportunity. Like always, we at William Albert believe in creating partnerships to create wealth.

Regards;
Samrat Deep Bhandari
CEO | William Albert Securities

You can email your views or comments to ceo@williamalbert.com or call at 203-006-3240.



Corporate Finance

Cordon Security

In an insecure world where global terrorism, piracy and crime are on the rise, there is a constant need for Private Security Companies that can provide foolproof security and safety envelopes for their clients and their assets. To fulfil this requirement, Cordon Security- an innovative private security firm- was recently incorporated. Cordon Security has gathered

its main work-force from sources such as the Special Forces, various security services as well as Intelligence Agencies.

The company's main market segments are the price insensitive areas, which include:-

1. Government bodies and officials
2. Celebrities
3. Corporate Heads and assets

Cordon Securities covers the entire spectrum of Private Security services:

- (1) Risk Management
- (2) Business Intelligence
- (3) Secure Transport of client(s) and delivery of confidential goods
- (4) Supply of technical equipment

UiTV (United Indians Television)

UiTV is an innovative, upcoming, internet TV company that aims to provide entertainment, news, information, a social networking platform and a business to business (B2B) internet television portal on a high definition platform. It has plans to launch the service on home television along with an application to view the service on mobile phones as well.

The uniqueness of this platform will be the enthralling experience of its users to interact through video via the use of live text or voice over internet. The users would also be able to access content through other media like- video, audio, image and text. Like Veoh and YouTube, UiTV will allow unlimited video uploads.

UiTV's revenue streams will consist of:

1. Advertising
2. Partners
3. E-commerce ventures and opportunities

For any further information, please call Prashant Seth, Corporate Finance Associate at 0203-006-3240 or e-mail prashant.seth@williamalbert.com.

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Past Performance Information

■ After a weak January 2010, the equity markets extended the decline during the first week of February. Soon buyers offered support and the rebound globally helped to retrace most of the previous month's losses. FTSE 100 outperformed other major European counterparts and the front line US indices; Dow Jones Industrials and S&P 500, with exception to large cap tech index NASDAQ 100 that provided leadership and emerged as the large gainer. The following will be the review of market calls and views from William Albert research desk.

UK

As had been mentioned in the last review, though there was an intraday breach of 2 points, 5035 levels held and the index built gains subsequently. After initial long positions stopped out during the steep decline on 4th Feb, we initiated medium risk long around 5060 levels, closed out around 5300 levels on 16th Feb. After giving room for minor pullback, we went long around 5247 levels towards 5370. Then, a high risk long initiated around 5270

levels on 25th Feb was changed to medium risk buy for a revised target towards 5535 levels, which FTSE reached recently. The following are the few trades to highlight from our long list of stock calls most of them are still open; after netting around 20% in January, we again went long in Barclay's around 267 levels on 15th February towards 320 levels reached on 22nd. Still long for a revised target around 350 levels.

Old Mutual, initiated around 99 levels on 11th Feb, returned 18% initially towards 117 levels, now trading close to revised target of 121 levels. Antofagasta, initially hit the stop, upon reiterated buy from 827 levels on 9th Feb reached 935 levels recently, returning around 13%. Colt Telecomm Group, initiated long around 123 levels on 11th Feb, yielded 12% on exit around 138 levels on 25th of Feb.

Others worth mention are Avis Europe Plc returned 15% between 4th Feb and 3rd March, Sports Direct International long around 104 on 12th Feb, closed with nearly 10% gain around 114 levels. Rolls Royce Group Plc from around

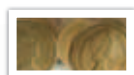
508 levels initiated on 12th Feb was closed on 1st March for a gain of 11%.

US

Starting February we continued to hold the shorts in major benchmark indices, but the early advance forced us to change guard leading us to take high risk long calls that hit the stop. With the rebound from 1045 levels in S&P 500 index, we reiterated high risk buy and upgraded to medium risk to accumulate around 1068 levels towards 1105 level, reached 18th Feb.

Soon, the target was revised to 1132 levels, which the index is trading close to. Dow Jones, medium risk buy initiated around 9945 levels reached 10250. On a decisive close above 10300 levels initial target was revised to 10500 levels. NASDAQ 100, the tech index long initiated around 1740 levels reached the initial target of 1810 levels on 17th Feb and the revised target 1849 levels reached recently.

For any further information, please call Madhur Beri, Head of Sales and Marketing at 0203-006-3240 or e-mail madhur.beri@williamalbert.com.



Shadow Funds Summary

	Dec'10	Jan'10	Feb'10
Total Capital Employed	190,000	168,000	183,000
Return	56,344.49	55,161.12	60756.21
ROCE	29.65%	32.83 %	33.20%
Total number of calls made	46	38	43
Number of calls hit target	37	28	37
Number of calls stopped	9	10	6
Strike Rate	80%	74%	86%

* = GBP (£)

Shadow Fund

A record of all the executed trades from the list of calls made by our research desk.

Call

Information provided by our analysts that is sent to our clients and traders recommending either to buy or sell equities.

Total Capital Employed

The total amount of value (i.e. total amount of cash invested.)

Return

The total amount of funds generated by the subtraction of gains from losses over the month.

Return on Capital Employed (ROCE)

(Total Return/Total Investment) x100

Strike Rate

Number of calls hit target/Total Number of calls made) x100

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BEIJING TO TAKE A CALL ON DOLLAR PEG

■ China's central bank chief laid the groundwork for an appreciation of the renminbi at the weekend when he described the current dollar peg as temporary, striking a more emollient tone after months of tough

opposition in Beijing to a shift in exchange rate policy. Zhou Xiaochuan, governor of the People's Bank of China, gave the strongest hint yet from a senior official that China would abandon the unofficial dollar peg, in place

since mid-2008. He said it was a "special" policy to weather the financial crisis. "This is a part of our package of policies for dealing with the global financial crisis. Sooner or later, we will exit the policies."

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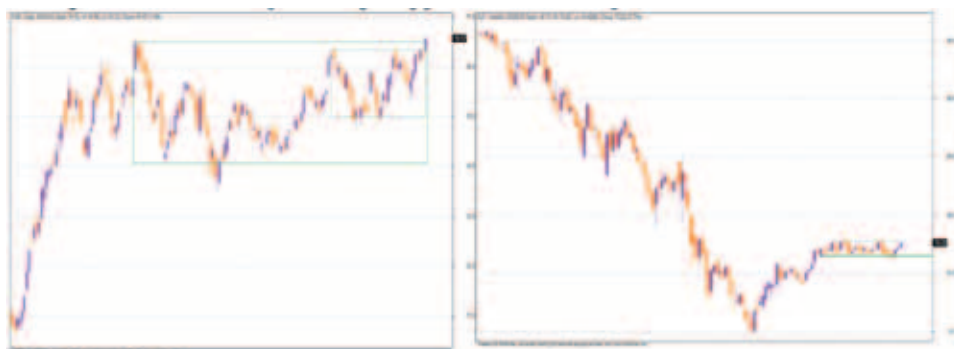
Market Research

Bullish case scenario

■ Ten years ago in March, stocks hit a new high; a year ago stocks hit a new low and we are still in the subsequently developed steady uptrend in most of the major global equity indices. In the early February, sentiment had been extremely weak, resulting in 35 sell orders for each buy order in the NYSE. This showed some panic and dumping of pro-risk assets and a move to safe havens. Given 1040 held in the benchmark index S&P 500, we maintained long towards 1140 that the index reached close to. Recently the leading indices marched in to the positive territory for the year-to-date.



Last month's activity was mainly driven by the USD movements. The dollar index, (which shows the dollar relative to a basket of currencies) seems to have encountered resistance around 81 levels. Subsequently, momentum has slowed and selling pressure seems to be developing. This can be seen from the USD index chart, after a steady up-move from 75 levels, the candle pattern formation around 81 levels indicates uncertainty and portends a near-term weakness towards 78 levels. With around 60% weight against EURO amongst six major currency pairs in the USD index, minor pullback in the trans-



sovereign European currency after briefly breaking below 1.35 levels is likely to result in weakness in afore said widely followed index. Moreover, reactions by the EU and 16 countries in the Euro zone to calm the bond markets under present scenario of rising CDS costs of weak neighbors' would also offer support to the currency in patches. Large consolidation developing in the yellow metal also suggests capped upside for the USD in the short-term. Similar developments in gold quoted in various currencies add to the significance of the current pattern development that we addressed in our January issue.

Now, we detail how this scenario translates in to for equity market performance. Major global equity markets are trading close to January 2010 highs with better sector participation and increased market breadth. After lagging the broad market in the last few months, rebound in Financials (XLF), Home Builders (XHB), Consumer Staples (XLP) and Energy (XLE) has been strong and has been providing supportive leadership to other sectors like Industrials, Consumer Discretionary that are trading above the January highs. Specifically XHB which has been largely trading within

a range since mid September approached the higher limit recently. The breakout gains significance as the price resolved from a small range within afore mentioned large range. Formation of higher lows speaks for a decisive break out and increased likelihood uptrend resumption in the short-term.

Next the key sector, Financials price action has also been sideways in the recent months' that now shows signs of sustainable recovery. The enclosed weekly financial sector ETF XLF indicates that the recent recovery from the bottom of the range after forming a base with bullish candle patterns strengthens the possibility of the price breaking above the higher limit to mark the resumption of the advance after the resolution of the continuation pattern in formation. With the S&P 500 trading close to key resistance levels, 1145-1150 levels and other key sectors nearing higher end of the range, minor pullback in the indices are not ruled out and we expect S&P 500 to trade close to 1200 levels in the next few months.

For any further information, please call Madhur Beri, Head of Sales and Marketing at 0203-006-3240 or e-mail madhur.beri@williamalbert.com.

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EURO ZONE EYES IMF-STYLE FUND

■ Germany and France are planning to launch a sweeping new initiative to reinforce economic co-operation and surveillance within the euro zone, including the establishment of a European Monetary Fund, according to

senior government officials. Their intention is to set up the rules and tools to prevent any recurrence of instability in the euro zone stemming from the indebtedness of a single member state, such as Greece. The first

details of the plan, including support for an EMF modeled on the International Monetary Fund, were revealed at the weekend by Wolfgang Schäuble, the German finance minister.

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Compliance By Johnson Thomas K

The parable of the Innocent Iceberg and the Titanic

■ At WASL we see compliance as an issue which cannot be wished away into oblivion. The "Credit Crunch", its genesis and aftermath highlighted by the bankruptcy of Lehman Brothers once believed to be an unsinkable Titanic and our own Northern Rock, all show that a business sinks or swims depending upon its focus on compliance. Unlike many of our competitors WASL see compliance as innocent as the iceberg in the Titanic tragedy.

The more we reflect on the "Credit Crunch" the clearer we see it as an issue of compliance - reckless approval of subprime mortgages, misrepresentation of expertise, liabilities, risks and various other blunders, it was a compliance failure more than a mere business failure.

This is why we see compliance more as a facilitator for us to traverse the regulatory minefields in the UK, EU, US and the emerging BRIC/BASIC economies with our clients. Granted, it is humanly impossible to learn by heart nearly 9000 pages of FSA Regulations let alone other regulations but we can still activate our "risk alarms" through a better attitude towards regulation and compliance for our mutual benefit.

We also realise that it therefore makes business sense for the companies to avoid scenarios like the "Natwest Three" and Lord Black extraditions, Maddoff and Martha Stewart prosecutions and other countless failures amongst corporate giants. An honest "Credit Crunch" post-mortem would show that there were those who

believed they were the compliance gurus and thus resolutely refused to learn, and those who sought compliance as a continuous process of learning and training, which never ends. It is a myth that compliance is only for big companies and boards. The rules and regulations are set out for companies of all sizes, and cover all aspects of financial business, whether it is a department of Citi Group or William Albert's Corporate Finance Department!

We at WASL believe in ongoing compliance training is an important necessity and endeavour to identify compliance risks with humility and try to address them.

We take compliance seriously, *do you?*

Your need for capital & profile...

PLUS

...our stock exchange

If you are a company planning to grow and flourish, PLUS is a market dedicated to meeting your needs. A full UK stock exchange, we offer a range of cost effective listing options on our EU and exchange-regulated markets.

Access to our deep pool of liquidity can help you raise capital for your business and boost your profile while we help you trade your shares efficiently on our PLUS quote-driven platform.

To find out more about the PLUS stock exchange, visit www.plusmarketsgroup.com

PLUS

Liquidity, choice, momentum



Introduce a friend and get the
**FIRST 3
TRADES FREE**
with 1 free trade for your friend!

William Albert offers:

- Award winning trading platform for CFDs
- Direct Market Access (DMA)
- Bespoke advisory account management
- Up to date portfolio assessment

Speak to your Investment Advisor at William Albert to get more details.

Offer valid for a limited period only, *Terms and Conditions apply. (Check our website for details.)

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