

# INSIGHTS

## For the Mainstream Investor

WEEK ENDING FEBRUARY 3, 2017 EDITION 179



### COAL SOLDIERS ON

*Coal still unpopular but hit five-year price highs in Asia*

Thermal coal made a comeback in China after the Chinese government imposed production curbs in an attempt to [lift the profitability](#) of domestic miners. Moreover, thermal coal from [Newcastle, Australia](#) shipped for nearly double the price for the first time in five years.

According to the [BP Energy Outlook](#), despite its shift away from coal and towards more sustainable energy sources, China will remain the world's largest market for coal, accounting for nearly half of global coal consumption in 2035.

### DID YOU SEE...?

Shell and Total are planning to install electric battery charging points on its European forecourts. [READ MORE](#)

### REPRIEVE FOR AUTOS?

*Automakers hoping President Trump eases emissions regulations*

Meeting last week, automakers expressed hope that President Donald Trump will ease federal regulation of [vehicle emissions](#) and consumer lending, reversing regulations put in place by President Obama.

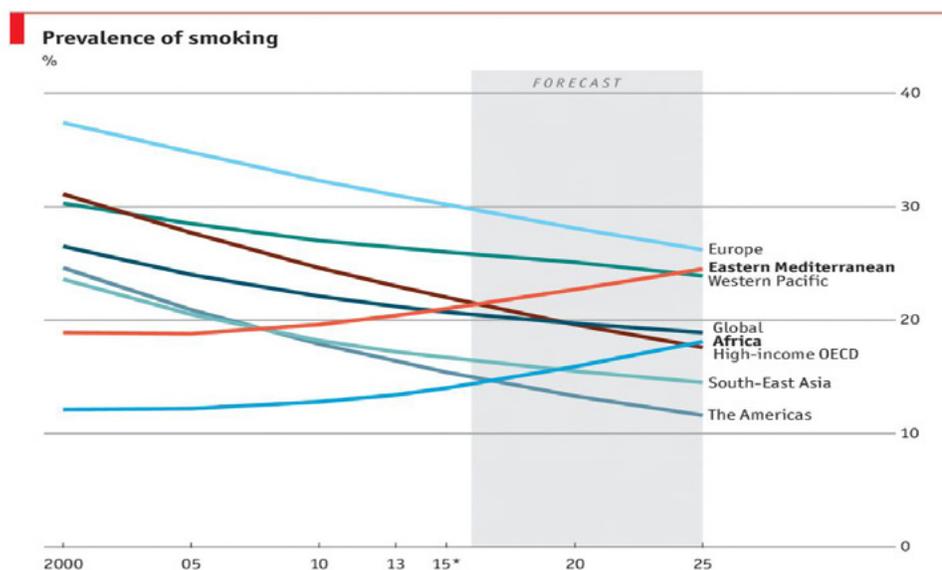
The regulations in place – which nearly doubled the fuel efficiency of U.S. car and truck fleets – added approximately \$1,500 to \$3,000 to a vehicle's price, said Mark Scarpelli, the National Automobile Dealers Association's chairman.

### NOTEWORTHY

Japan announced that it will create a [social investment institution](#) using dormant bank accounts – similar to the [UK's Big Society Capital](#).

### INFOGRAPHIC OF THE WEEK

*Smoking is on the decline, but not everywhere*



Source: [The Economist](#)

The above research materials are for informational purposes only. They are not an offer or solicitation for any security or investment product managed by SICM and should not be construed as investment advice. Investment strategies implemented by SICM on behalf of its clients may or may not trade or hold positions in the securities referred to above. Further, investment accounts managed by SICM may or may not employ strategies based on or related to the above research.

### THIS WEEK IN NUMBERS

10,000

refugees are to be hired by Starbucks over 5 years from 75 countries

92

percent growth in green bonds in 2016, compared to the previous year, says [Climate Bonds Initiative](#)

80

percent of marine pollution comes from land-based activities

65

percent of US adults say that preference should be given to developing alternative energy over fossil fuels

31

Chinese provinces have been instructed to account for money earmarked for water pollution prevention

12

million people are in need of food assistance in the Horn of Africa, says the [FAO](#)

3.5

GW of offshore wind power will be added in Europe in 2017 says WindEurope

### GOOD NEWS CORNER

A light emitting robot is being used to tackle major superbugs in hospital. The good news is that the trials were promising.

[READ MORE](#)

# INSIGHTS

## For the Mainstream Investor

WEEK ENDING FEBRUARY 3, 2017 EDITION 179



### BIG FOOD GOING HEALTHY?

*Younger consumers are demanding healthier snacks: yogurt, nuts, superfoods. Big food is responding.*

Over the last few years we've seen a consumer backlash against sugar, salt and artificial ingredients. The [big food industry](#) is catching on.

Traditional snacks – soda, crisps, confectionery – saw sales rise at a robust 5 per cent in 2015. But healthier, protein-based snacks are growing faster, with sales up 40 per cent since 2011 and 7 per cent last year, mostly from [younger consumers](#).

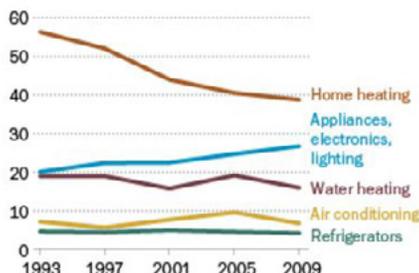
“There’s probably more change today than at any time in my history in the industry,” John Bryant, the 51-year-old [Kellogg](#) chief executive, told an investor conference in September. “We’re seeing consumers’ beliefs around food change rapidly.”

### DINNER PARTY FODDER

Here's an interesting fact: Today homes are using much less energy for heating... but much more for gadgets. Source: [Pew Research](#)

#### U.S. Homes Using Less Energy for Heat, More for Gadgets

*Average annual use in million Btu, per household using each end use*



Note: A Btu, or British thermal unit, is the amount of energy needed to raise the temperature of one pound of water by one degree Fahrenheit.

Source: US Energy Information Administration, Residential Energy Consumption Survey (1993-2009)

PEW RESEARCH CENTER

### US STEWARDSHIP PROGRAM

*US institutional stewardship and governance principles agreed*

The [Investor Stewardship Group](#), a collective of U.S.-based institutional investors and global asset managers, representing \$17 trillion in assets under management, announced the launch of the Framework for U.S. Stewardship and Governance. The group will establish a [framework of basic standards](#) of investment stewardship and corporate governance for U.S. institutional investor and boardroom conduct.

Amongst its [goals](#), the group hopes U.S.-listed companies give shareholders voting rights “in proportion to their economic interest” and develop “management incentive structures that are aligned with the long-term strategy of the company.”

### JUST IN CASE YOU MISSED IT...

There is a new climate finance standard underway: The International Standards Organization (ISO) is developing what could be the first internationally-approved certificate for climate performance.

[READ MORE](#)

### KEEP AN EYE ON THIS...

The [U.S. Chamber Center for Capital Markets Competitiveness](#) said in a report this week that the SEC should not “[give in to demands](#) for increased environmental, social and governance disclosures”.

“[We’re not saying] that ESG information is never material to evaluating and understanding a company and its business. What we are saying is that public companies should not be mandated under federal securities laws to disclose information that is not material to a reasonable investor,” the report said.

### WHAT WE'RE READING



GREENBIZ

[State of Greenbiz 2017](#)



ISS

[Board Refreshment Trends](#)

### BELIEVE IT OR NOT

Olympic and Paralympic medals for the Tokyo 2020 Games will be made from recycled mobile phones.

[READ MORE](#)

The above research materials are for informational purposes only. They are not an offer or solicitation for any security or investment product managed by SICM and should not be construed as investment advice. Investment strategies implemented by SICM on behalf of its clients may or may not trade or hold positions in the securities referred to above. Further, investment accounts managed by SICM may or may not employ strategies based on or related to the above research.