

INSIGHTS

For the Mainstream Investor

WEEK ENDING JULY 7, 2017 EDITION 201



CLIMATE INEQUALITY

The economic inequality of climate change

Poorer areas of the United States – especially Southern counties – will face the most economic damage from climate change says [new research](#) published in the journal Science. The negative effects of climate change, including rising temperatures, higher mortality rates, and decreased agriculture yields will disproportionately affect poorer counties.

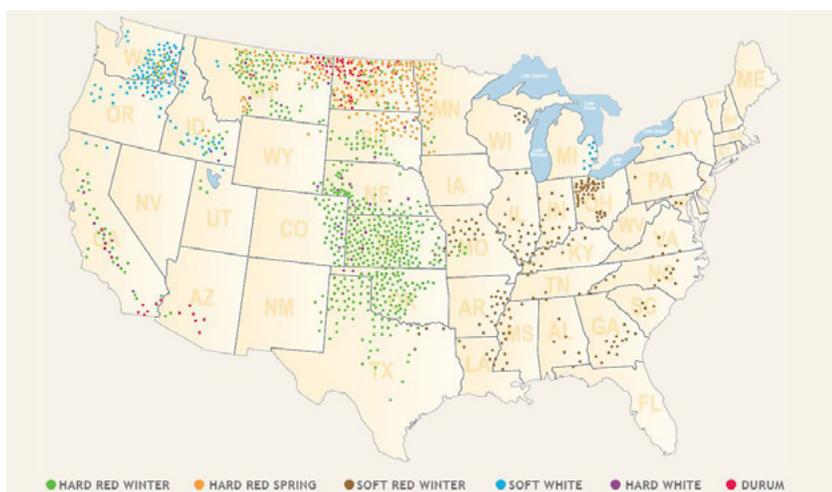
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WHAT WE'RE WATCHING

Seventy nine institutional investors – including Schroders and Amundi – are pushing for more disclosure on global workforces. Sustainable business practices, company culture and employee engagement are seen as key indicators of high-performing companies. [READ MORE](#)

INFOGRAPHIC OF THE WEEK

Did you know the wheat in your cookies and the wheat in your tortillas are grown in different parts of the US?



Source: uswheat.org

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PULLING OUT OF CARBON CAPTURE

Southern Co gives up in Mississippi

The concept of “clean coal” has always seemed paradoxical but now the reality has been proven illogical. The final decision made by Southern Co to abandon a [carbon capture](#) project in a Mississippi coal plant echoes a report published by the [Global Warming Policy Foundation](#) that deemed coal-fired power to have "no plausible economic future." The "clean coal" concept failed in part because carbon capture technology was found to be too expensive and complicated to be deployed quickly or widely enough.

Coal is quickly being replaced by more economically and environmentally advantageous sources of energy such as natural gas, wind, solar and nuclear power.

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THIS WEEK IN NUMBERS

840,000

MW of new coal capacity planned by companies worldwide

5,000

Tesla Model 3 sedans is the production target per week by end of 2017, doubling in 2018

2019

is the date by which all Volvo cars are to be electric or hybrids

450

million USD has been raised by India's Rural Electrification Corporation in its first green bond

130

billion USD is the size of assets that Swiss Re will move to ESG benchmarks

42

days without a new case of Ebola has resulted in the DRC declaring the Ebola outbreak at an end

35

percent of Germany's power was raised from renewables in the first half of 2017

1

trillion Yen (USD 8.8bn) is being invested by Japan's Government Pension Investment Fund in line with ESG indices

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REGULATORY REFORM PROGRESS

Safer, simpler, fairer financial system

Nearly a decade since the start of the Global Financial Crisis, the G20 Summit meeting in Hamburg this week marks the [continued progress](#) on ensuring the vitality of the global financial system. Although there is still work to be completed, the FSB is confident in improvements that have already been implemented and solidified.

In a [letter to the G20](#), the FSB credits the G20 for its efforts resulting in the growth of credit in all major economies while keeping the cost of financing low with the increasingly diversified sources of finance between banks and markets.

Further, related to the commitment to assess and address issues that may pose a threat to the stability of the system, the FSB confirmed the inclusion of the recommendations by The Task Force on Climate-related Financial Disclosures.

[READ MORE](#)

WORTH A LOOK

Check out the Global Coal Database [HERE](#)

ESG IN ASSET MANAGEMENT

Mergers and launches elevate ESG's profile

ESG is gaining momentum as asset managers are rapidly launching new products that incorporate sustainable and responsible criteria. This week Fidelity International and Candriam Investors Group launched new products targeted at the ESG market, Credit Suisse Asset Management's emerging markets team transferred to River & Mercantile Group in an attempt to bring in Luxembourg-based strategies for US clients, and Mirova, the responsible investment affiliate of Natixis Global Asset Management, entered into negotiation to buy a majority equity interest in Athelia Ecosphere as a means to create a European platform for ESG investment opportunities. [READ MORE](#)

DID YOU SEE?

Extreme drought is affecting the High Plains in North Dakota this summer. South Dakota is also experiencing moderate to severe drought.

See more on the [US Drought Monitor](#)

WHAT WE'RE READING



Swiss Re

[Responsible Investments: Shaping the future of investing](#)



Merrill Lynch

[ESG Part II: A Deeper Dive](#)

QUOTE OF THE WEEK

“Despite this immense progress, there are nascent risks that, if left unchecked, could undermine the G20’s objective for strong, sustainable and balanced growth.”

—Mark Carney, Chairman of the Financial Stability Board

BELIEVE IT OR NOT

An iceberg the size of four Londons or more than seven New York Citys may soon break off of Antarctica.

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