

INSIGHTS

For the Mainstream Investor

WEEK ENDING NOVEMBER 17, 2017 EDITION 220



FUEL SUBSIDY REVIEW

But on fossil fuels

The recently published UN/World Bank sustainability report has recognised that ‘the full potential of the financial system needs to be harnessed to serve as an engine in the global economy’s transition towards sustainable development’. The aim of publishing this roadmap is to create a ‘financial system that integrates sustainability considerations into its operations’.

Three main drivers are identified to facilitate this transition. Firstly there are market based initiatives, through the development of sustainable finance products, information and technological innovations. Secondly there are national initiatives, often coming from national planning processes which focus on climate change. This should involve fiscal intervention including subsidies, as with fossil fuels. Finally, there is international cooperation, led by the G7 and G20 as well as the UN, giving rise to initiatives such as the Financial Stability Board.

THE US IS OUT, BUT IN

Climate accord going ahead?

President Trump wants out of the Paris Agreement. Al Gore believes his mind is made up to leave despite hints of re-engagement. But not everyone is giving up on the Paris Agreement.

A range of US cities, states and businesses, accounting for 54% of US 2016 GDP, are sticking with their climate pledges, making this the largest economic grouping after the US and China. The group has issued ‘The America’s Pledge’ report which sticks with the target set under President Obama to cut emissions by between 26 and 28% below 2005 levels by 2025. Under the terms of the Paris Agreement, The USA cannot withdraw before 2020.

THIS WEEK IN NUMBERS

15,000

miles long Canada has created the longest hiking trail in the world. Unsurprisingly it’s called the ‘Great Trail’.

1,000

GE managers and the CEO have had their long-term performance award scrapped. Half of compensation will be in equity

700

million people could be affected by diabetes by 2045, according to the International Diabetes Federation

106

credit ratings were affected by environmental and climate factors, between the summers of 2015 & 2017, says S&P Global

48

percent of investors in the BofA Merrill’s November survey said equities were overvalued

46

percent of American adults have high blood pressure, following a change in the guideline from 140/90 to 130/80

30

years ago since the last discovery of an antibiotic class

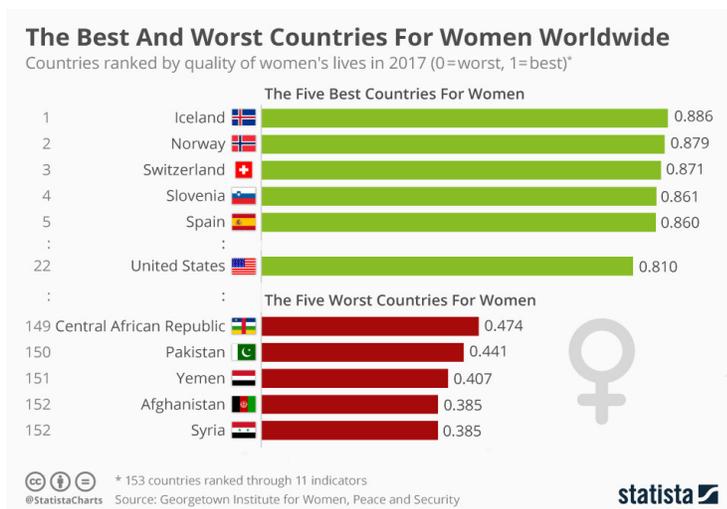
4.5

billion US\$ over ten years is required by Fiji to reduce its vulnerability to climate change

INFOGRAPHIC OF THE WEEK

The best and worst countries for women

Source: Statista



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.

INSIGHTS

For the Mainstream Investor

WEEK ENDING NOVEMBER 17, 2017 EDITION 220



THE EU CONSULTS

Encouraging sustainability

The European Commission (EC) has launched a public [consultation](#) period on how asset managers and institutional investors should incorporate ESG factors into decision-making. Rather than maximizing short-term returns, the EC is keen that the [EUs](#) 'financial system to be aligned with its sustainability objectives'. In July 2017, the [High Level Expert Group](#) on sustainable finance recommended that the EC clarify that fiduciary duties of institutional investors and asset managers explicitly include ESG factors and long-term sustainability. The consultation is open until the end of January 2018 and the Commission hopes to adopt an Action Plan on sustainable finance in the first quarter of next year.

GLOBAL WEALTH

CS reveals the numbers

Credit Suisse has released their annual [Global Wealth Report](#). The analysis looks at 4.8 billion adults globally across different economic groups. The report reveals that total global [wealth](#) reached US\$ 280 trillion, up 27% over the last decade. Compared to last year wealth grew by 6.4%, the fastest pace of wealth creation since 2012. More than half of this global wealth aggregation was generated in the US. It is Poland that recorded the highest percentage increase in wealth, up 18%. Unsurprisingly, Switzerland is the leader for both average and median wealth per adult in 2017. Across the globe, the wealthiest 1% own 50.1% of all household wealth.

READING LIST



UN Environment & World Bank Group
[Roadmap for a Sustainable Financial System](#)
– UN Environment & World Bank Group



The Pew Charitable Trust
[Dietary supplements – What are they and how are they regulated?](#)

DID YOU SEE?

A [Reuters](#) Corporate poll found that 56% of Japanese companies polled were unaware of ESG indices and only 6% said their companies were included in one. 72% of companies said they were not included with a further 22% saying they did not know. 58% of the total sample said they had no interest in joining one.

WE'RE WATCHING

New Zealand, which aims to be carbon [neutral](#) by 2050, has said it must radically change its agricultural sector to meet this target. Nearly half of the country's emissions were from agriculture, in 2015.

KEEPING AN EYE ON

Talks on creating a new coalition in Germany continue and environmental policy is in the thick of it. The Greens want a more rapid closure of coal plants proposing emissions cuts which would retire 20 coal plants. [READ MORE](#)

BELIEVE IT OR NOT

Northern Coalfields Limited (India) is to invest in solar power projects and sell this power to India Railways. Poacher turned gamekeeper? [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.