

INSIGHTS

For the Mainstream Investor

WEEK ENDING JUNE 15, 2018 EDITION 249



HOW BAD ARE THINGS?

A world of pessimists

The latest Ipsos Perils of Perception Survey examined how people in 38 countries viewed key issues ranging from murder and teen pregnancies rates to alcohol consumption and sugar intake. In summary, most people are overly pessimistic when answering, with the South Africa, Brazil and the Philippines being the most gloomy. Most optimistic – in effect most accurate in their predictions – were the Scandinavians (Sweden, Norway and Denmark).

In answering questions about the murder rate, for example, the vast majority believed the murder rate to be higher than in the past. Across all 38 countries the murder rate was on average down 29%. So what is worrying people now? According to the monthly ‘What Worries the World’, which covers 28 countries, the five top concerns are: financial/political corruption (35%), unemployment (34%), poverty/social inequality (33%), crime & violence (32%) and healthcare (24%).

THE GREEN ECONOMY

Reality check

FTSE Russell, a provider of benchmarks, analytics and data solutions, has investigated the characteristics of the green economy. It finds that it is substantial, representing ‘6% of the market capitalization of global listed companies, approximately 4 trillion’. It also finds its size is increasing as fossil fuel companies shrink. Perhaps more surprising for many is its diversification. It covers a range of company sizes (small, mid and large cap) with a notable geographical spread.

Although the US accounts for the largest element, ‘Japan and Europe have the highest green exposure’. China is also growing rapidly in this area. It even provides sector choice comprising industrials, utilities, technology, chemicals as well as construction & materials. Also important is the company reports that the green economy is outperforming, with its broadest green indices ‘outperforming their parent benchmarks over the last five years’.

THIS WEEK IN NUMBERS

18,000

inspectors are to be sent on inspections to more cities and regions of China by the Ministry of Ecology and Environment (MEE)

10,000

technology and operations jobs are at risk at Citigroup as machine processing takes over their roles

2022

is the date by which India will abolish single-use plastics, with an immediate ban in Delhi

50

billion US\$ could be the cost to the shipping industry of new environmental rules for marine fuels says the president and CEO of Mitsui OSK Lines

12

wildfires in 6 counties were caused by PG&E’s ‘electric power and distribution lines, conductors and failure of power poles’ according to Cal Fire

12

percent more energy would have been used had it not been for improved energy efficiency since 2000

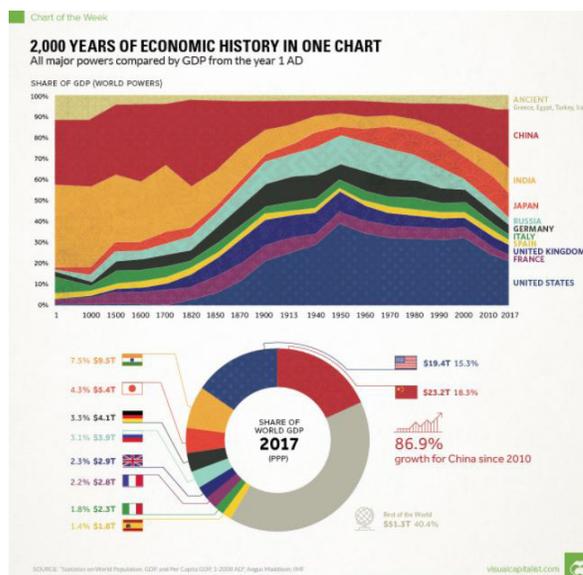
9

of the 13 oldest and largest baobab trees (dated as 1,100 to 2,500 years old) have suddenly died, probably because of climate change

3

trillion tons of ice has vanished from Antarctica in the past 25 years, accelerating in the last five years

INFOGRAPHIC OF THE WEEK



Source: World Economic Forum

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THE FUTURE WORKPLACE

Examining diversity

A [report](#) by PwC examines the workforce of the future driven by a number of megatrends: technological breakthroughs, demographic shifts, urbanisation, shifts in global economic power and resource scarcity & climate change. Four different worlds are mapped out: one where humans come first; a second where innovation rules; a green world where companies care; and a fourth world where corporates capitalism rules. These worlds lead to very different outcomes. Where innovation rules, 'specialists and niche profit-makers race to serve the needs of individuals'. Compare this to one where corporates rule and 'a corporate career separates the haves from the have nots'. In the caring society, 'the need for a powerful social conscience is paramount'.

GOOD NEWS

The World Health Organization (WHO) has [announced](#) that Paraguay has eliminated malaria calling it an 'incredible achievement'. It is the first country in the Americas to eradicate the disease in 45 years, the last being Cuba in 1973. The last case in Paraguay was reported in 2011.

AND MORE GOOD NEWS

The first South American country is banning plastic bags. [Chile's](#) lawmakers voted to ban plastic bags in within the next 12 months, improving on the original plan of just banning them in coastal cities.

QUOTE OF THE WEEK



We believe that it is important that the user of differential voting structures are discouraged, and that [index users](#) are appropriately protected against the governance risks posed by unequal voting structure.

– [The UK's Investment Association](#)



WHERE'S COAL HEADING?

A tale of two regions

The Age of Coal has passed. But has it? In 2017, coal use [rose](#) for the first time in three years, and another rise is possible in 2018. The International Energy Agency (IEA) forecasts that global [demand](#) for coal 'should remain nearly flat between 2017 and 2022'. It's share of the energy mix is only predicted to fall marginally, from 27% in 2016 to 26% by 2022 as other fuels increase demand more rapidly.

There are notable regional differences with falling demand in China, the EU and US. However, increases are being recorded in India and other parts of Southeast Asia. In its earlier [Coal 2017 report](#), the IEA commented that 'despite progress in energy efficiency improvements and the deployment of renewables' economic growth and development will win out in India. The IEA strongly [recommends](#) investment in carbon capture, utilisation and storage to deal with emissions.

MORE GOOD NEWS

American Express will launch the first-ever Amex Card manufactured 'primarily from [recovered plastic](#) found in the oceans and on the coasts'. Public availability is expected within the next twelve months.

DID YOU SEE?

The UK Government is introducing [legislation](#) requiring all listed companies with more than 250 employees to disclose the CEO to average workers' salaries as well as having to justify it. Companies will have to start reporting this information in 2020.

LISTENING LIST



How can we make best use of health data?
[Financial Times](#)

Scientists at Work: The Jane Goodall of Penguins
[After the Fact](#)

Babbage: Polio Returns
[The Economist](#)

READING LIST



2018 Atlas of Sustainable Development Goals
[The World Bank](#)

'Next Gen' clients seek greener, leaner wealth managers
[Financial Times](#)

Boosting Africa's solid
[FAO](#)

BELIEVE IT OR NOT

A new 'movement disorder APP' will be released by Apple for their watches. It will be able to detect the shakes experienced by Parkinson's Disease patients.

[READ MORE](#)

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