

## JAPAN'S CENTRAL BANK STARTS THE YEAR WITH A BANG

### The central bank hopes activist investing will revive the economy

Japan's central bank is strengthening its pursuit of economic revival by becoming somewhat of an activist investor, using its influence as an indirect owner of shares "to support firms that spend more cash at home."

The bank owns approximately USD 54B in ETFs (about half the ETFs in Japan), investing mostly in firms with growing capital expenditure and an investment in its staff, echoing Prime Minister Shinzo Abe's call for companies to raise capital

expenditures and wages to spur the economy. The demand for ETFs of firms that are "proactively making investment in physical and human capital" serves as an invitation for asset managers and index compilers.

Meanwhile, the Japanese government has proposed that a [new management committee](#) be implemented for the USD 1.1tn Government Pension Investment Fund as part of an effort to improve the pension fund's governance and risk controls (*subscription required for link above*).

### @SICMGMT TWEET OF THE WEEK

 Did you miss this over the holidays? We didn't! Freak storm pushes North Pole 50 degrees above normal to melting point <http://wpo.st/GVb11>

### WORD OF THE WEEK

**Presenteeism.** It's when you drag yourself to work when you're sick. We've all done it. But this cold and flu season, do yourself and your coworkers a favor and stay home. Or follow these [tips](#) to stay healthy!

## BIG OIL CAPEX FALLS AGAIN

With oil prices at 11-year lows, big oil and gas is facing its longest period of [investment cuts](#) in decades. Global oil and gas investments are expected to fall to their "lowest in six years in 2016 to \$522 billion, following a 22 percent fall to \$595 billion in 2015", according to the Oslo-based consultancy Rystad Energy.

Only a handful of major projects were approved in 2015 and 2016 is also likely to see few large investment decisions. "Companies want to reduce their range of activity and pick those with the highest returns on capital," an oil and gas equity analyst at BMO Capital Markets said this week. [READ MORE](#)

### Don't miss our 2016 Predictions + 2015 Review

#### What's Next?



[2016 Predictions](#)

#### How'd we do?



[2015 Review](#)

### ESG META DATA ANALYSIS

The Journal of Sustainable Finance & Investment [published](#): ESG and financial performance: aggregated evidence from more than 2000 empirical studies. The studies – published since 1970 – reveal a "positive and durable overall impact for ESG integration in boosting the financial performance of companies."

[READ MORE](#)

### DID YOU SEE?



According to the group [High Pay Centre](#), Britain's top bosses will have made more money by the [first Tuesday](#) in January 2016 than the average full-time UK worker's annual salary. They've coined it: Fat Cat Tuesday.

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# INSIGHTS

## For the Mainstream Investor

Week ending January 8, 2016

Edition 124

## CITY POLLUTION & CARS: MEASURES TAKEN IN THE LAST 12 MONTHS

**Delhi** - India's capital has banned private cars on alternate days in the first significant move in over a decade to tackle worsening air pollution.

**Milan** - Recently, officials in Milan temporarily barred cars from the city; in Rome, too, persistent smog has forced the authorities to limit the use of private vehicles. But **bicycles** have free reign!

**Paris** - Emergency measures introduced in Paris has halved the number of vehicles on the roads after a noxious smog descended on the French capital.

**London** - Last year, the UK government issued health warnings this week as a dangerous cloud of smog continued to drift across much of Europe.

Watch real-time air pollution worldwide [HERE](#)

## WHAT WE'RE WATCHING

We're keeping an eye on **ESG Standards** – tightening and transparency.



## BELIEVE IT OR NOT

During the avian flu epidemic 48 million birds were killed, despite The Agriculture Department only recording that 219 birds were actually sick with the flu.

[READ MORE](#)

## THIS WEEK IN NUMBERS

**2019**

is the date by which China is to ban any new proposed coal mines, while output of existing operations will be cut.

**150**

organizations have signed the Fiduciary Duty & Climate Change Disclosure, according to the Climate Disclosure Standards Board (CDSB)

**69**

percent of middle- and high-school students are being reached by e-cigarette companies from one or more media sources in 2014.

**40**

years or more is the estimate for women to reach boardroom parity, says the [US Government Accountability Office](#).

**38**

percent of mangrove deforestation in South-East Asia was caused by rice and oil plantations.

**13.6**

trillion US Dollars was invested in sustainable assets in Europe in 2014, versus 6.6 trillion for the US.

**11**

percent of the UK's power was generated from wind in 2015, up from 9.5% in the previous year.

**3**

months is the ban that the Malaysian Government has imposed on mining ore to reduce river and sea pollution.

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