



Justin A. Urquhart Stewart

Justin is one of the most recognisable and trusted market commentators on television, radio, and in the press. Originally trained as a lawyer, he has observed the retail market industry for 20 years whilst at Barclays Stockbrokers and developed a unique understanding of the market's roles and benefits for the private investor.

Ignore the sweaty rabbit

Please don't hold your breath – it's going to be a tedious budget. Next week The Chancellor is going to stand up and effectively launch his part of the election campaign. The content will no doubt include some symbolic gestures (one or two unrepeatable ones come to mind) and inevitably some political pontificating along the lines of "you are safe in our hands". There is however, unlikely to be anything new or of any note, although a small sweaty rabbit might be pulled out from an old frayed top hat just to keep us interested. Frankly anything meaningful or any initiative is going to be saved for the Party Manifesto and will come under the aegis of the First Lord of the Treasury and not his downtrodden Chancellor, whose career prospects post election would seem to be somewhat truncated whatever the outcome.

Any sweaty rabbits are likely to be concerning those areas that the Tories have begun to focus on and these would probably include direct support and encouragement for 'businesses of the future' and smaller to medium sized enterprises. Actually this is a very important area and one that deserves far more focus than a mere rabbit-related mention. This after all is quite likely to be the growth area for our injured economy and, if we are to move away from our dependence on governmental financial heroin handouts, then this is going to be our route.

A measure of our addiction to government spending was perfectly illustrated in last week's 'good' unemployment numbers. The headlines all seemed to focus on an apparent fall in unemployment. However, upon closer inspection, all is not what it seems. Yes, the headline figure showed a drop in the claimant count of 32,300, and yes there was a drop in jobless numbers to 2.45m, but in fact there was a significant drop in the number of people actually employed overall. This dropped by 54,000 to a total of 28.9m which is apparently the lowest figure in four years. Not an encouraging sign.

However, there is a more concerning figure that I have highlighted before – we have apparently around 8.16m who are 'economically inactive' - those that don't work and don't claim benefits. Of this number, some 5.8m say they don't want to find work but some 2.3m say that they do. So if you then add in those who are officially unemployed, 2.45m, then we have a total of the potential working population of around 10.55m not working. At a rough calculation that is about 17% of the population and roughly 30% of the potentially working population. What was the old slogan Saatchi & Saatchi - "Labour isn't working"?

I must congratulate the newly branded East Coast Line on the improved service on their trains. Since coming under new ownership I have asked quite a number of the staff there how things have changed and the answer comes back that, at last, they seem to have been left to run the trains themselves – and ‘better than the last lot who couldn’t even run a proper bus company!’ It just goes to show that if you let those who know about trains, run the trains, then maybe we are better off.

Also I found it quite encouraging that Deutsche Bahn (DB,) the German state railway, is taking an even greater interest in our trains. Given their famous ability to run on time, then certainly this is something we can all benefit from. DB already run the well regarded Chiltern Railways, as well as the EWS freight service and has been behind the entrepreneurial Shropshire & Wrexham service, and is now looking at the Arriva train and transport company. Arriva are best known for their Cross Country service and have recently been courted by the French national railway SNCF, but this seems to have run into trouble and thus probably triggered the interest from the Germans. Nothing like a bit of Rhine rivalry over our railways.

As I am writing this, the Greek game of poker continues to be played out. For a country with few cards in their hand, the Greeks seem to be playing a blinder against the leading Euro zone members, but as yet of course have not resolved any of their outstanding problems. Seemingly every day I hear someone saying that the worst is over and the storm has passed, but I fail to see one iota of resolution to the problem.

We must now recognise this as a much broader sovereign debt and sovereign risk issue in which the Greek situation is just one unpleasant and seeping sore. Over the next few months the funding for other nations will come to the fore and no doubt further suppurating buboes will come out.

Whether the Greeks can continue to play the IMF threat against Angela Merkel with any credibility remains to be seen, but they need to be very careful as the demands of the IMF are likely to be far more stringent than those that could be imposed by the Euro zone members. Additionally, any referral to the IMF can only just show to the rest of the world that yet again those bickering Europeans can’t sort out their own problems. That doesn’t do much for the credibility of the Euro, and this only a year after many were calling for the Euro to be seen as a potential alternative reserve currency to the US \$. Perhaps we should give it a rebranding and call it the Neuro – as it will just represent in effect just the northern Euro members?

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And finally One for the file of 'How dim can your criminal really be?'Last week police were looking for a gunman in Seattle - one initially believed to have shot a man after an attempted robbery.

A few minutes before 1 pm on the 8th March, a 911 caller said a man with a gunshot wound was sitting in a black Honda Accord in the car park of Seward Park. Officers found the man bleeding from his lower left leg. He told officers a story about a robbery attempt, but then police found a .38-calibre Smith and Wesson revolver in the bushes about 30 yards north of the car, containing one fired and four unfired cartridge casings.

The police grilled the man about story inconsistencies and, according to police documents, he admitted he accidentally shot himself and tossed the gun in the bushes.

When questioned about the incident, (the man) stated that "he had set a booby trap as an anti-theft device by placing his loaded .38 calibre Smith and Wesson revolver with the hammer in the cocked position under his steering wheel," Gang Unit Detective, Rob Thomas, wrote in a police document. "When he returned to his vehicle after jogging in the park he attempted to disarm his booby trap, accidentally set off the gun and shot himself in the leg."

The 24-year-old man, who had his first of five felony convictions in February 2005, is prohibited from possessing guns. Two of his felony convictions were firearms violations.

It's just a question of practice.

Have a good week.

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