

Shortened and late edition, next month's will return to normal

## WF NewsLetter



### SUMMARY

- Dear Leaders
- 10,000 and Moving!
- Australia
- Greenback
- Indexes
- Winners
- WF \$100 K Portfolio

### Our Dear Leaders



**B. Obama**

Peace Nobel Prize for what he is going to do. Or will now have to do! Kind of pressure upon the Commander-in-Chief of the world's largest army. Is he going to send more troops in Afghanistan for Peace?



**N. Sarkozy**

A few affairs between his son quick and steady accession to the throne and a non-repentant minister and the polls go south. And he didn't get the Peace Prize!



**S. Berlusconi**

A well know and respected magazine was recently titling "Berlusconi go away!" Quite a statement. The answer was that he (Berlusconi) doesn't like the job anyway. So go!



**20 years ago a Wall went down in Berlin. It has been seen as the beginning of the end for communism. But let's not forget that other walls remain in Jerusalem, or between Mexico and the USA, and the Great one in China has never been of any use. So we have only one word to say: Put them all down!**

### 10,000 and Moving?

The Dow Jones is hanging around the 1,0,000 mark for the first time since October 2008. So did the crisis last only one year? Banks profits and bonuses are back. Business as usual. The mark

appears to be a strong hurdle as the market has been down and up around it for the last two weeks. Not a bad sign however since it helps a good consolidation after a nearly

9-month run that has left a lot of investors on the side and a lot of fund managers unable to decide if this was the real thing or not. Now, with earnings and all kind of data coming out, decisions will be made easier.

### Aussies 1 – 0 the world

A surprise interest-rate increase by the Reserve Bank of Australia (didn't know they had one) spurred a broad-based stock rally across the world, followed by a surge in gold. Many saw this move as a sign that the



economy is definitely on the path to recovery. Good. Let us remember that both UK and the European Central Banks kept theirs unchanged

### US Dollar: Beginning of the end?

The US Dollar has not been so weak against all major currencies since August 2008 and no one is really sure of where it is going to be headed over the next few months. For sure it is starting to be a concern for a lot of players. European companies to start with, who produce in Euro and are having difficulties competing with USD

manufactured goods; but also USD countries such as the Gulf ones who earn their income (oil) in USD but mainly purchase goods from Japan and Europe at a very costly level. Add to that China, the world's largest holder of US Government debt which is seeing the value of its holdings declining in value day after day. The Chinese who, quite

surprisingly are pushing for a more non-USD economy, in the name of non-US supremacy, however they'd shoot themselves by dumping USD too quickly as recently suggested (and quickly retracted) by a senior Chinese official. Banks forecast are mixed on the subject and investors have to distinguish between wishful thinking and real hints.



## Walnut Finance

PO Box 51774  
Dubai  
United Arab Emirates

Phone +971.4.343.0782  
Fax +971.4.343.0569  
Mail info@walnutfinance.com

Visit us

www.walnutfinance.com

Your wealth, our concern



Walnut Finance

### QUOTE OF THE MONTH

**“Take all your savings and buy some good stock and hold it till it goes up, then sell it. If it don’t go up, don’t buy it.”**

**WILL ROGERS  
AMERICAN HUMORIST**

**Annualized Return  
Since Inception:  
+ 80.45%**

### Walnut Finance \$100,000 US Portfolio

On January 1, 2009, Walnut Finance invested for its own five times \$ 20,000 in five different US-listed securities. The table on the right gives the result of that investment as of October 31, 2009. Dividends are net and not re-invested. Profit is +67.04%.

**Current Value:  
\$ 167,043.44**

© Walnut Finance MMIX

| Index      | Last      | Year-to-date | 1-Year  | 5-Year  |
|------------|-----------|--------------|---------|---------|
| Dow Jones  | 9,712.28  | +7.50%       | +4.22%  | -3.14%  |
| NASDAQ     | 2,045.11  | +25.62%      | +18.47% | -1.93%  |
| CAC 40     | 3,607.69  | +7.82%       | +6.51%  | -4.58%  |
| FTSE 100   | 5,044.55  | +10.58%      | +17.54% | +5.14%  |
| Nikkei 225 | 10,034.74 | +10.50%      | +5.39%  | -6.84%  |
| \$/€       | 1.4713    | -8.06%       | -13.46% | -10.70% |



**Elinor Ostrom**

First ever woman to win a Nobel Prize in Economy



**Bernie Ecclestone**

F1 boss declared that Ayrton Senna death had been good for F1 popularity



**Barrack Obama**

US Army Chief Nobel Peace Prize for what he may, or rather should do.



**Michael Bloomberg**

Bought his 3<sup>rd</sup> term as New York mayor killing his opponents with his fortune.

## This month's Winners

Our selection

| Company              | Symbol   | October '09 Perf | Year-to-date Perf | Price    |
|----------------------|----------|------------------|-------------------|----------|
| Exonhit Therapeutics | ALEHT.PA | -5.76%           | +78.84%           | € 5.24   |
| Schlumberger         | SLB      | +4.36%           | +30.67%           | \$ 62.20 |
| Microsoft            | MSFT     | +7.81%           | +36.40%           | \$ 27.73 |

## Walnut Finance \$100,000 Portfolio

| Company                                    | Symbol | Shares | Bought   | Last     | Value         | P/L          |
|--|--------|--------|----------|----------|---------------|--------------|
| AIG  | AIG    | 574    | \$ 34.80 | \$ 33.62 | \$ 19,297.88  | (\$ 677.32)  |
| Arcelor Mittal                             | MT     | 679    | \$ 29.43 | \$ 34.02 | \$ 23,088.58  | \$ 3,116.61  |
| Yahoo!                                     | YHOO   | 1,600  | \$ 14.75 | \$ 15.90 | \$25,440.00   | \$ 1,840.00  |
| Nvidia                                     | NVDA   | 2,254  | \$ 8.87  | \$ 11.96 | \$ 26,957.84  | \$ 6,964.86  |
| Microsoft                                  | MSFT   | 1,000  | \$ 24.75 | \$ 27.73 | \$ 27,730.00  | \$ 2,980.00  |
| Dell                                       | DELL   | 1,300  | \$ 13.60 | \$ 14.45 | \$ 18,785.00  | \$ 1,105.00  |
| Schlumberger                               | SLB    | 400    | \$ 57.00 | \$ 62.20 | \$ 24,880.00  | \$ 2,080.00  |
| Cash + Net Dividends Earned                |        |        |          |          | \$ 853.14     |              |
| Portfolio Net Value as of October 31, 2009 |        |        |          |          | \$ 167,043.44 | \$ 67,043.44 |

(\$ 100,000 invested on January 1, 2009, equally split over five securities)

We sold the balance of our Powerwave (PWAV) position and used the proceeds to buy Microsoft (MSFT) and Schlumberger

(SLB). As It historically is the case, October has not been a good month for the markets and for the first time this year we lost value.