



KMI EXCLUSIVE NEWSLETTER

March 2015

Dear Clients and Investors

Welcome to the March 2015 newsletter; the agenda is as follows:

- 1) The UK General Election May 2015
- 2) The currency report, (a new regular feature)
- 3) The Dominion Luxury fund
- 4) The Chryson managed account
- 5) The Oil Price

The UK General Election May 2015

Investors getting nervous with under two months to go.

At the time of this newsletter, the BBC poll of polls give the following forecast:

Labour 34% (assuming this must include the SNP ?)

Conservative 33%

UKIP 14%

Liberal 8%

Green 6%

Others 5%

Too close to call but certainly a hung parliament

The Chryson Managed account

This portfolio service is a complete change from KMI's normal portfolio service which is mostly held through offshore wrappers.

The Chryson account is a completely separate entity where clients place their cash directly into a bank account in their own name, set up by Chryson for clients, usually Saxo Bank in London. The Minimum investment is £10k.

The Chryson service is based on this company trading daily on CFDs (known as Contracts For Difference), these are directly linked to an index such as the FTSE or DAX, or a stock in the FTSE.

By using CFDs the costs are much reduced and the cash at clients bank account is used as security. No stocks are actually purchased, just trading on the stock price difference up or down during the trading day.

This is a very tried and tested method of trading, see CMC and its founder <http://www.cmcmarkets.co.uk/en/about-cmc/peter-cruddas>

This is also a HIGH RISK investment. In theory all the investment can be lost but rarely is in practice. That said, profits and losses can be high, Chryson have a good profitable record which may or may not be a guide to future investments.

We have attached a much more detailed brochure giving fuller details of Chryson. KMI's George Diamond, in conjunction with clients regular consultants, will be contacting clients to give exact details of the particular service.

We reiterate, this is a high risk /reward service. KMI recommends small investments especially to start. Chryson is however fully regulated by the UK's FCA and this has encouraged us to recommend this service.

The Oil Price

Many of KMI's structured notes are linked to the oil price. Whilst these have been very successful over the last five years more recently there has been a concern. However, with crude oil around the US\$50-60 mark, we ask, is this the time to invest?



STRONG demand and tight supply have stoked a rise in the oil price. Last week, it reached more than \$60 for Brent (the benchmark price for North Sea oil) and \$50 for West Texas Intermediate, the main American price. Last year's downward slide seems over. Goldman Sachs, a bank which was forecasting oil at \$40 for the next two quarters, now says the risk is "skewed to the upside", meaning that the likely price is higher

Snapshot - FX Market Overview

Greece has been afforded a little breathing space as the EU allowed them to take back €550 million to meet immediate commitments. In the overall picture, this is little more than a pencil stroke but it does show the EU's caring side; something we are not that familiar with. It hasn't helped the Euro one jot though. Against the USD, the shared currency is at the weakest it has been since 2002 and against the Pound, we are back at levels not seen since November 2007. Levels that precede the major fall brought about by the financial crisis. A cautionary note for Euro buyers is that Sterling is showing signs of being seriously overbought so there is a lot of scope for a correction and that could take us back to €1.36.

Strength in the US Dollar has had the effect of weakening many other currencies. So we have seen the South African Rand displaying the sort of weakness we last saw in January 2014 and we have seen the NZ and Australian Dollars weaken aswell; albeit less dramatically. The Reserve Bank of New Zealand is due to meet late this evening (UK time) and no change is forecast to their 3.5% base rate. However, there is scope for volatility dependent on what Governor Wheeler unveils as their method of controlling the housing market without raising interest rates. Tonight would

be a great occasion for both NZD buyers and sellers to place 'tongue in cheek' market orders to see if they can grasp the opportunity.

Before we get to that, we will get UK industrial and manufacturing data. Both sets of data are forecast to be quite upbeat, so Sterling has the capacity to strengthen but, as against the Euro, the Pound is remarkably overbought on most exchange rates. The risk of a fall is in Sterling.

Dominion funds

KMI has included the Dominion range of funds in our portfolio of approved funds for our client, in particular their Luxury Euro fund which has five years of good performance (see attached fact sheet and visit their web site).

See more info at; <http://www.dominion-funds.com/en/Fund-Range/>
Dominion Managers believe in Trend Investing, their research has led them to believe the higher net worth individuals, worldwide, are buying more and more luxury products, all shown on their web site. They invest in these companies and their performance so far has shown their research to be correct.

From all of us at KMI we hope all clients enjoy the spring in Europe and good weather elsewhere!

Lee

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