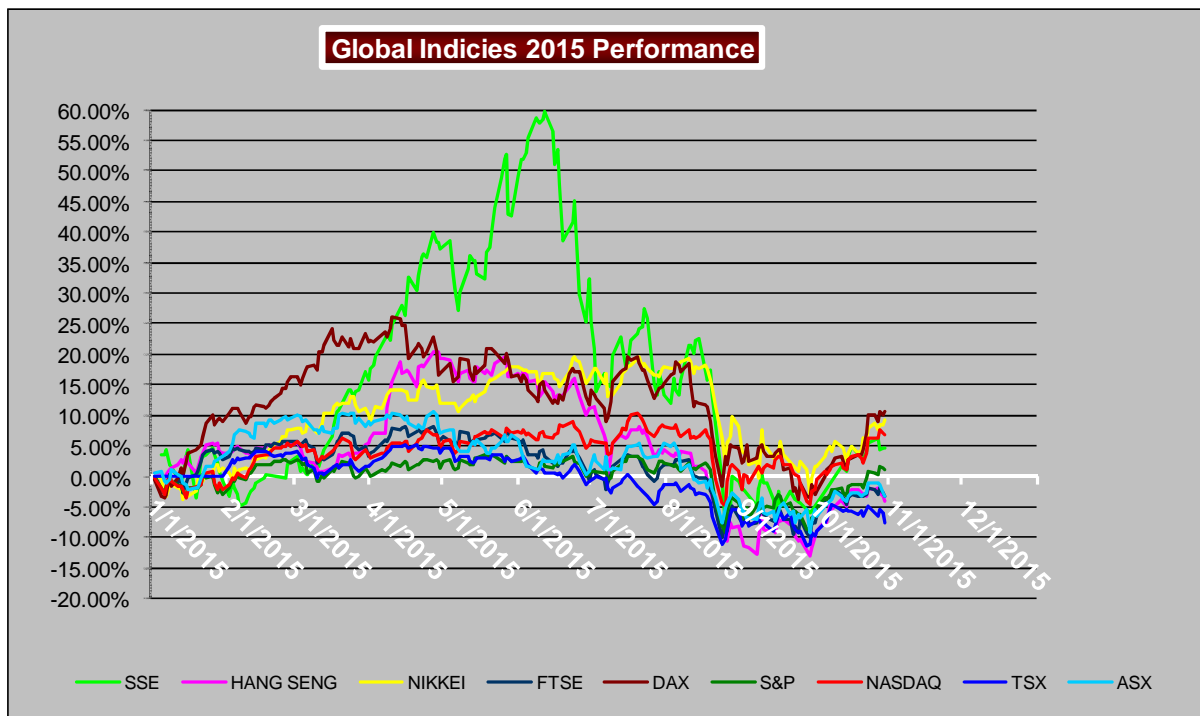


## GDB November 2015 Newsletter

### Monthly Market Summary:

2015 October Market Activity		
SSE COMPOSITE	3,382.56	+329.78 (+10.80)
HANG SENG	22,640.04	+1,793.74 (+8.60)
NIKKEI 225	19,083.10	+1,694.95 (+9.75)
FTSE 100	6,361.10	+299.50 (+4.94)
DAX	10,850.14	+1,189.70 (+12.32)
DOW	17,663.54	+1,378.84 (+8.47)
S&P 500	2,079.36	+159.33 (+8.30)
NASDAQ COMPOSITE	5,053.75	+433.59 (+9.38)
ASX 200	5,239.40	+217.80 (+4.34)
TSX COMPOSITE	13,529.20	+222.20 (+1.67)



## Investment Themes:

Geopolitical risk has heightened drastically after the Paris attack which killed 130 and wounded 300 people on November 13. The coordinated attack was one of the worst acts of terrorism on European soil since the Madrid bombings in 2004. The response from the French government has been swift and punishing. France enacted state of emergency which gave its law enforcement enhanced powers to carry out searches and conduct surveillances. It also carried out retaliatory air strikes in Syria against ISIS targets. Other governments around the world are also alarmed by the Paris attack from the Islamic terror group. Western nations around the world have been beefing up security to circumvent future attacks.

The short to medium term impact from the terrorist attack could be negative for the region and globally. Some European countries have already put in place boarder controls prior to the attack to curtail the waves of refugees from Africa and the Middle East. After the Paris attack, France and Italy are now added to this list of countries that are re-imposing boarder controls. Boarder controls restrict the movement of goods and travel. For manufacturers, it impedes the free movement of goods and imposes additional costs on logistics. For tourism and business travel, additional security causes delays and cancellations. We expect this to add to the list of challenging conditions Europe faces in order to reboot its already frail economy.

Over the long-term, a borderless Europe is a key achievement to European integration and its irreversibility will be defended by its members. The Schengen nations behind the European project will do whatever it takes to ensure the open passage among its membership states.

Terrorist attacks unfortunately are on the rise in recent years. By compiling data from Wikipedia, reported attacks have risen both in terms of frequency and the number of casualty they inflict. And compare to just half a decade ago, terrorism attacks have grown more than three folds:

<b>2015</b>	<i>Jan</i>	<i>Feb</i>	<i>Mar</i>	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>MTD</i>	<b>Total</b>	<b>Average</b>
Incidents	30	13	22	20	28	30	40	31	16	49	24		303	28
Dead	2,000	181	280	318	281	685	936	321	308	618	284		6,212	565
Injured	509	676	727	358	362	713	743	1,343	599	1,000	990		8,020	729
Mass Casualty Attacks (Death >50)	3	1	2	1	-	3	4	3	1	3	1		22	2

<b>2014</b>	<i>Jan</i>	<i>Feb</i>	<i>Mar</i>	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>	<b>Total</b>	<b>Average</b>
Incidents	48	44	25	14	18	43	1	1	4	7	24	17	246	21
Dead	623	587	507	484	334	409	100	1	84	76	321	433	3,959	330
Injured	1,362	1,000	694	385	389	475	-	6	57	136	293	525	5,322	444
Mass Casualty Attacks (Death >50)	1	2	1	3	1	1	1	-	1	-	2	2	15	1

<b>2013</b>	<i>Jan</i>	<i>Feb</i>	<i>Mar</i>	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>	<b>Total</b>	<b>Average</b>
Incidents	19	18	17	17	11	18	38	24	9	16	2	7	196	16
Dead	599	558	487	672	567	361	637	416	454	247	3	91	5,092	424
Injured	1,162	1,218	968	664	898	727	2,783	852	526	525	1	428	10,752	896
Mass Casualty Attacks (Death >50)	4	3	2	3	1	2	5	2	3	2	-	1	28	2

<b>2010</b>	<i>Jan</i>	<i>Feb</i>	<i>Mar</i>	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>	<b>Total</b>	<b>Average</b>
Incidents	6	7	12	11	14	15	10	9	7	5	2	2	100	8
Dead	121	44	163	175	39	42	330	129	142	37	18	47	1,287	107
Injured	111	166	423	584	105	99	1,103	455	496	100	100	102	3,844	320
Mass Casualty Attacks (Death >50)	1	-	1	1	-	-	4	2	1	-	-	-	10	1

Source: Wikipedia. Numbers are best estimates and used as reference only.

The rise in terrorism in recent years can be attributed to the more effective use of communication by terrorist organizations and its ability to reach beyond borders. The ISIS for example has effectively leveraged from the power of social media to both recruit foreign fighters and to coordinate offshore attacks. After the assault on Paris, the balance of individual privacy and power of government will again be debated. If one were to bet, recent developments would tilt the favor on the side of the states as governments and intelligence agencies around the world are expected to allocate additional resources and capital to monitoring, intercepting and disturb the communication networks of terrorist organizations. The new age of counter-terrorism will rely immensely from companies that provide cutting edge technologies in this field. Companies involved in cyber securities, surveillance, drone manufacturing, and defense are all likely to see demand from countries around the world in the fight against terrorism.