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THE BP CRISIS- MAKING WAY FOR ALTERNATIVE ENERGIES?



The BP oil spill in the Gulf of Mexico continues to make waves across the financial markets, as the energy giant struggles to put things right. However, as disastrous as this crisis has proven to be, could there possibly be a positive spin to salvage from somewhere amongst all the mess? Experts are optimistic that alternative energies will eventually

benefit from the aftermath of this major spill, as investors shy away from oil and the associated environmental effects, towards more eco friendly sustainable energy sources. These effects have not been prominent in markets as yet, but over time will become inevitable, as The BP disaster has highlighted concerns over deepwater drilling, the rising price of oil and the growing need for the world to embrace more environmentally friendly energy sources. As oil prices continue to rise, as do alternative energy prices as they become a more popular substitute. The Alternative Energy market remains fairly small in the US but it would appear that its potential is limitless. Focusing more on the long term rather than the expectedly unsound imminent future, Alternative Energy markets are expected to prosper, which has been supported by these recent events. Fortunately for those who have particularly suffered as a result of this environmental catastrophe, namely the Americans whose livelihood comes from their once beautiful beaches, BP have set up a disaster fund that could reach up to \$50billion in the next two years to pay for the clean up and compensation of the oil spill. This aided in boosting BP shares following the inevitable slumps after the event. For more information and daily updated market news please go to www.churchillandpartners.com/markets-news.asp

POTENTIAL RETURNS OF 13.75% FROM NOMURA

The latest offering from Nomura is the **World Indices Autocallable Notes**, an attractive new fund offering potential returns of 13.75% per annum. The notes provide exposure to the FTSE100, S&P 500 Index and the Dow Jones Eurostoxx 50 index, and are issued in 3 major currencies, USD, EUR and GBP. The investment period is 5 years and the investor can receive automatic redemptions (13.75% for each year the notes are held) if, at the annual observation date, the indices are above their initial level. A 50% or more fall is required before the capital is at risk. For more information or to arrange an investment please contact your IFA or go to www.churchillandpartners.com/funds-portman-associates.asp

SPANISH AUCTIONS LIFT EUROPEAN MARKETS



There has been a lot of concern recently over the stability of the European markets and the Euro because of the Greek debt crisis and similarly, Spanish debt reports.

However, investor confidence was boosted earlier this month after the success of the Spanish bond sales. Spain sold around €3.5bn of 10 year and 30 year bonds, France also sold almost €8bn worth. Furthermore, in a report titled '*Spain is not Greece*' by Jeremy Batstone-Carr at Charles Stanley, Spain's deficit was downplayed- 'Spains' aggregate / GDP ratio is less than that of Germany or France... Spain should have no trouble financing its deficit and that there should not be a crisis.' June has seen European equities climbing, achieving their longest winning streak for 11 months. The Euro hit a 3 week high against the dollar following the auctions, allowing stocks to rise. The FTSEurofirst 300 has risen 6.8 % in 7 sessions and is now positive on the year. For more information and up to date market news please go to www.churchillandpartners.com/market-news.asp

S. AFRICA'S FIFA WORLD CUP



The global spotlight is currently on South Africa for the FIFA World Cup. An exciting event for the host country and not only because of the beautiful game, but also the promising affects

on SA's economy. Having spent an estimated \$15.7billion on improving the entire infrastructure, including 10 stadiums, public transport, roads and airports, the event has already reportedly generated \$52 billion in investment, and the SA government are hoping this continues to pay dividends after the world cup finishes. Research firm Grant Thornton has reported that the games have generated approximately 400,000 jobs and will bring in 450,000 tourists spending a possible \$1.1 billion. All this is hoped to contribute \$7.3billion to the country's GDP. Furthermore, a Credit Suisse analysis of world cup host countries reports an expected growth potential of 3.2-3.7% in the two years following the games. Of course, as with the game itself there are no guarantees, but South Africa's economic future is looking bright even though they won't be winning the cup. Enjoy the tournament! For more market and business updates please go to www.churchillandpartners.com/market-news.asp

FSA TO BE SCRAPPED

Britain's current financial system will be abolished by 2012 and all the regulatory power will go to the Bank of England, announced chancellor George Osborne in his first speech at Mansion House earlier this month. The shake up will see the breakdown of the tripartite system, and consequently the scrapping of the Financial Services Authority, part of a team that Osborne has said has 'utterly failed.' It has been reported that the three organisations, the FSA, Bank of England and the Treasury couldn't work together or establish who was in charge, resulting in a lack of control over the levels of debt that lead to Britain's financial crisis. Osborne believes that given the Bank of England greater power will help prevent similar problems in the future. Four new bodies are planned to be integrated within the new Bank of England system to cover regulation, serious economic crime, consumer protection and a financial policy committee. Chief exec of the FSA Hector Sants will become chief exec of the new prudential regulator within the bank. Hopefully the new financial set up will be more successful than the last. For more market and business updates please go to www.churchillandpartners.com/market-news.asp

MARKETS UPDATE- Close 29/06/10

	Current	Previous (28-05-10)	Movement %
FTSE 	4,914.22	5,198.19	-5.46
DOW 	9,870.30	10,136.63	-2.63
CAC 	3,432.99	3,515.06	-2.33
SMI 	6,144.45	6,321.92	-2.81
DAX 	5,952.03	5,946.18	+0.10
NIKKEI 	9,570.67	9,762.98	-1.97

For the very latest market info
www.churchillandpartners.com/market-news.asp

CURRENCY EXCHANGE RATES- 30/06/10

CHF- USD\$: 0.92470	CHF- GBPE: 0.61640
CHF-EUR€: 0.75360	EUR€- USD\$: 1.22620
USD\$-GBPE: 0.66710	EUR€- GBPE: 0.81770

www.churchillandpartners.com/currency-converter.asp

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