



# CRISPIN ODEY

QUARTERLY REVIEW

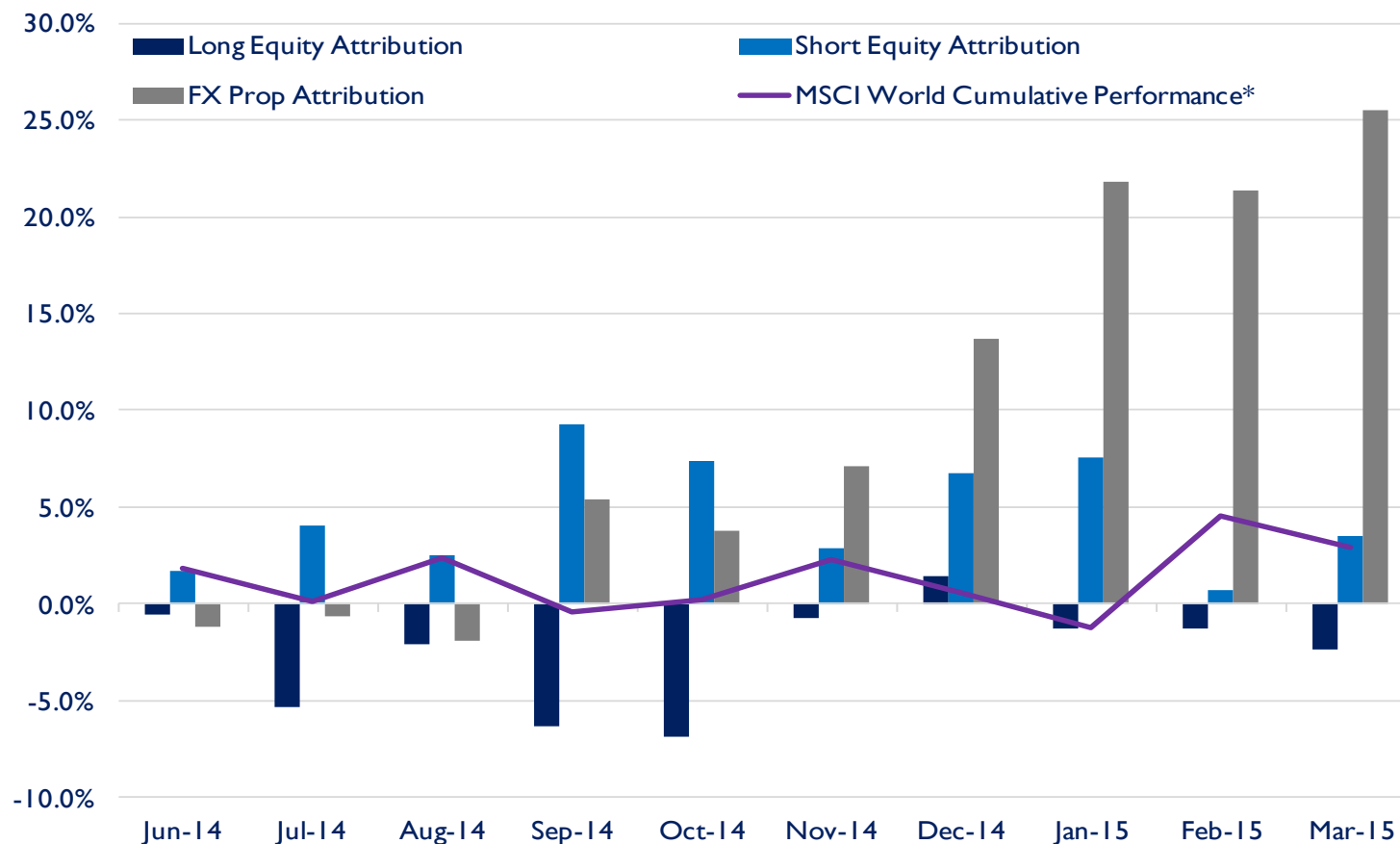
Q1-15

# PERFORMANCE IN Q1-15

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- During Q1-15 OEI returned +1.4% (€), OEI Mac returned +4.7% (\$), Odey Swan returned 0% (€ I); the long-only funds returned: (Opus £) +6.2%, (Odey Allegra International €) +12.8% and (Odey Pan European € R) +9.9%. The MSCI Daily TR Net Europe returned +16.5% (€), +3.5% (\$) and the MSCI Daily TR Net World returned +7.4% (£) and +15.3% (€).
- The performance of OEI for Q1-15 was mainly driven by active currency exposure (+10.1%), this was predominantly due to the AUD/USD position.
- The long equity book disappointed after currency hedging returned -5.0%. Positive contributions from positions such as Sky Plc (+98bps), DMG Mori Seiki Co. Ltd (+80bps) and Man Group Plc (+69bps). There were a number of negative contributions, the largest of which came from Circle Holdings Plc (-20bps), Tungsten Corp Plc (-19bps) and Sports Direct International Plc (-16bps).
- The short equity book also made a negative contribution after currency hedging (-4.7%). The best performers were Fortescue Metals Group Ltd (+40bps), Seadrill Ltd (+29bps) and BG Group Plc (+13bps). The worst performers were Adidas AG (-137bps), Peugeot SA (-64bps) and Tupperware Brands Corporation (-56bps).
- Elsewhere government bond and commodity positions returned +2.0% and -0.6% respectively.

# OEI MAC PERFORMANCE SINCE POSITIONING CHANGE IN JUNE

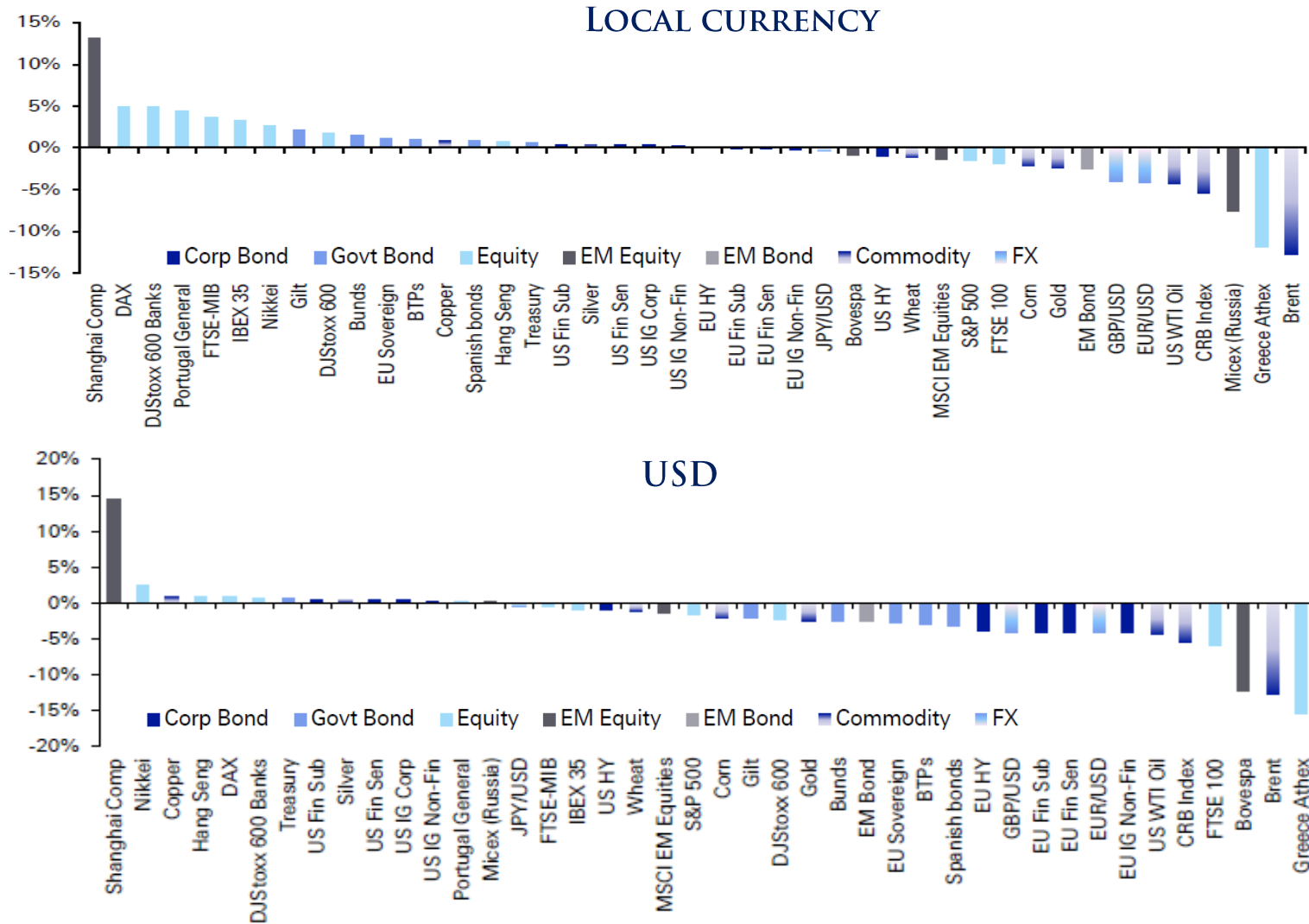


Attribution for OEI Mac is shown on a gross basis

\*Performance for MSCI Daily TR Net World is shown in USD on a cumulative basis

Source: Odey Internal Data. Performance is net of fees and other charges and includes the reinvestment of dividends. Past performance does not guarantee future results and the value of all investments and the income derived therefrom can decrease as well as increase. Investments that have an exposure to currencies other than the base currency of the fund may be subject to exchange rate fluctuations. For details of the equity holdings and other exposures, please refer to the Master Fund, Odey European Inc. The exposures shown are a look through to the Master Fund, Odey European Inc. Equity exposure includes all equity related instruments.

# MARCH 2015 ASSET PERFORMANCE REVIEW – IN LOCAL FX AND USD



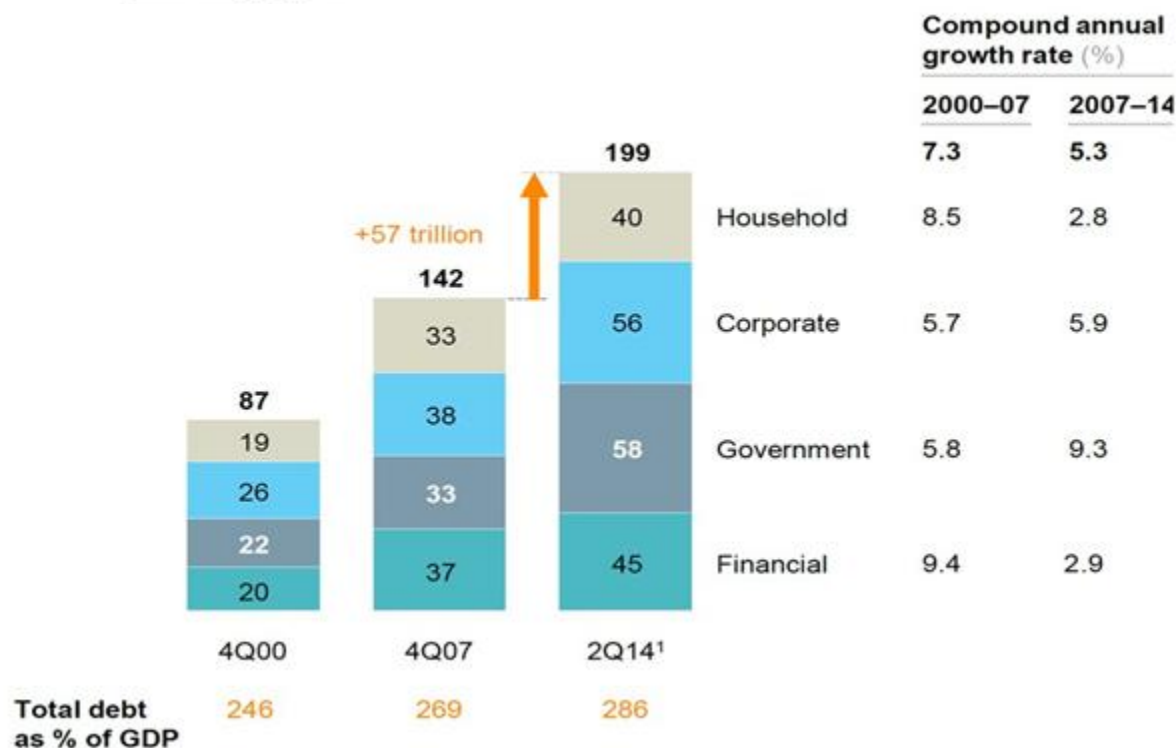
Source: Deutsche Bank, Bloomberg, Markit

The information and any opinions expressed are believed to be reliable, but accuracy and completeness cannot be guaranteed

# GLOBAL DEBT HAS RISEN BY \$57 TRILLION SINCE THE CRISIS IN 2007

## GLOBAL STOCK OF DEBT OUTSTANDING BY TYPE

\$ TRILLION, CONSTANT 2013 EXCHANGE RATES



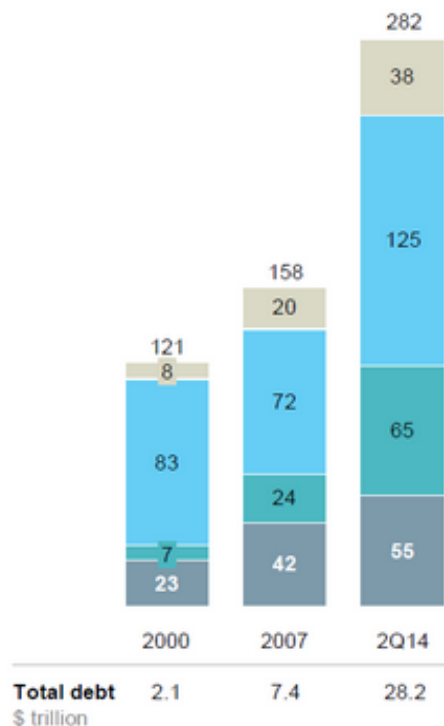
Source: McKinsey

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# CHINA'S DEBT IS NEARLY 300% OF GDP

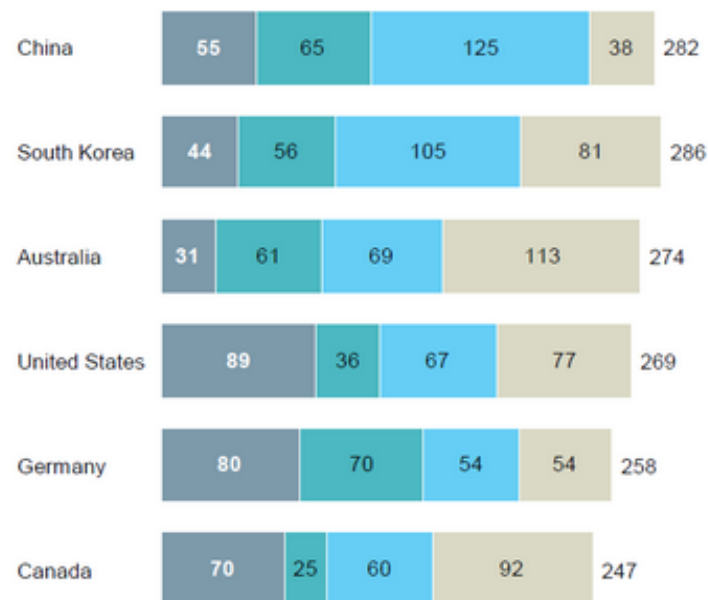
Debt-to-GDP ratio  
%

## China



Government Non-financial corporate  
Financial institutions Households

## By country, 2Q14



Source: MGI Country Debt database, McKinsey Global Institute analysis

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# CHINA'S STOCK MARKET IS NOW THE SECOND LARGEST IN THE WORLD

% of World Stock Market Cap by Country								
Country	Region	10 Yrs Ago	5 Yrs Ago	End of 2014	Current	YTD Chg	5 Yr Chg	10 Yr Chg
United States	Americas	41.17	30.46	37.55	36.07	-1.48	5.60	-5.11
China	Asia/Pacific	1.17	6.87	7.64	9.43	1.79	2.56	8.26
Japan	Asia/Pacific	10.48	7.80	6.83	7.27	0.43	-0.53	-3.21
Hong Kong	Asia/Pacific	2.35	4.91	6.38	6.56	0.17	1.65	4.21
United Kingdom	Europe/Africa/ME	7.73	6.29	5.64	5.41	-0.24	-0.88	-2.32
France	Europe/Africa/ME	4.72	3.83	2.98	3.02	0.04	-0.81	-1.70
Canada	Americas	2.97	3.67	3.23	2.94	-0.29	-0.73	-0.03
Germany	Europe/Africa/ME	3.40	2.81	2.83	2.93	0.10	0.11	-0.47
Switzerland	Europe/Africa/ME	2.00	2.33	2.42	2.46	0.04	0.13	0.46
India	Asia/Pacific	1.06	2.88	2.40	2.34	-0.05	-0.54	1.29
South Korea	Asia/Pacific	1.29	1.82	1.82	1.86	0.04	0.04	0.57
Australia	Asia/Pacific	1.79	2.76	1.88	1.86	-0.03	-0.90	0.07
Taiwan	Asia/Pacific	1.32	1.52	1.49	1.49	0.00	-0.03	0.17
Spain	Europe/Africa/ME	1.81	1.45	1.11	1.12	0.00	-0.33	-0.69
Sweden	Europe/Africa/ME	1.07	1.02	1.02	1.02	0.00	0.00	-0.05
Brazil	Americas	0.97	2.75	1.24	0.96	-0.28	-1.78	0.00
Italy	Europe/Africa/ME	2.26	1.38	0.86	0.91	0.05	-0.47	-1.35
Singapore	Asia/Pacific	0.61	0.98	0.88	0.84	-0.04	-0.14	0.22
Saudi Arabia	Europe/Africa/ME	1.03	0.76	0.74	0.77	0.03	0.01	-0.26
South Africa	Europe/Africa/ME	0.62	0.88	0.78	0.75	-0.03	-0.13	0.13
Malaysia	Asia/Pacific	0.50	0.67	0.70	0.67	-0.03	0.00	0.16
Mexico	Americas	0.52	0.85	0.69	0.65	-0.04	-0.20	0.13
Thailand	Asia/Pacific	0.32	0.41	0.64	0.63	-0.01	0.22	0.31
Netherlands	Europe/Africa/ME	1.21	0.68	0.61	0.62	0.01	-0.05	-0.59
Russia	Europe/Africa/ME	0.85	1.13	0.55	0.62	0.07	-0.51	-0.22

Source: Jefferies

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# CHINA IS ON AN EV/GDP OF 3.5X

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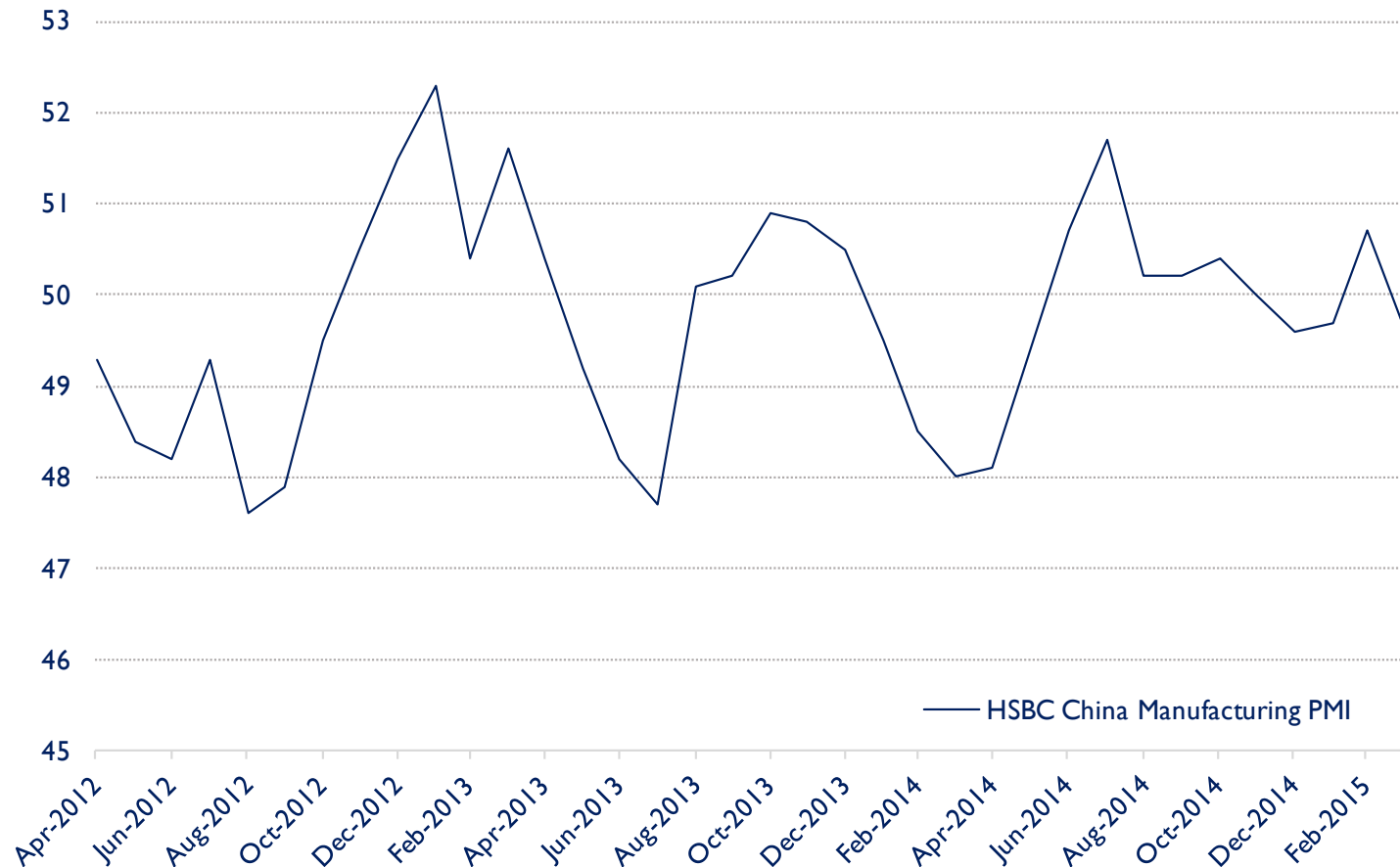
China	USD trillion
Total Debt	28.0
Mcap	6.6
EV	34.6
<b>GDP</b>	<b>10.0</b>
of which is private	5.0
of which government + SOEs etc	5.0
5% interest on total debt	1.4
as % of private share of GDP:	28%
<b>China's multiples</b>	
EV/GDP	3.5
EV/private GDP	6.9
implied EV/Sales	6.9
implied EV/EBIT	24.7
Debt/GDP	2.8

Source: Odey Internal Research as at 14-Apr-2015

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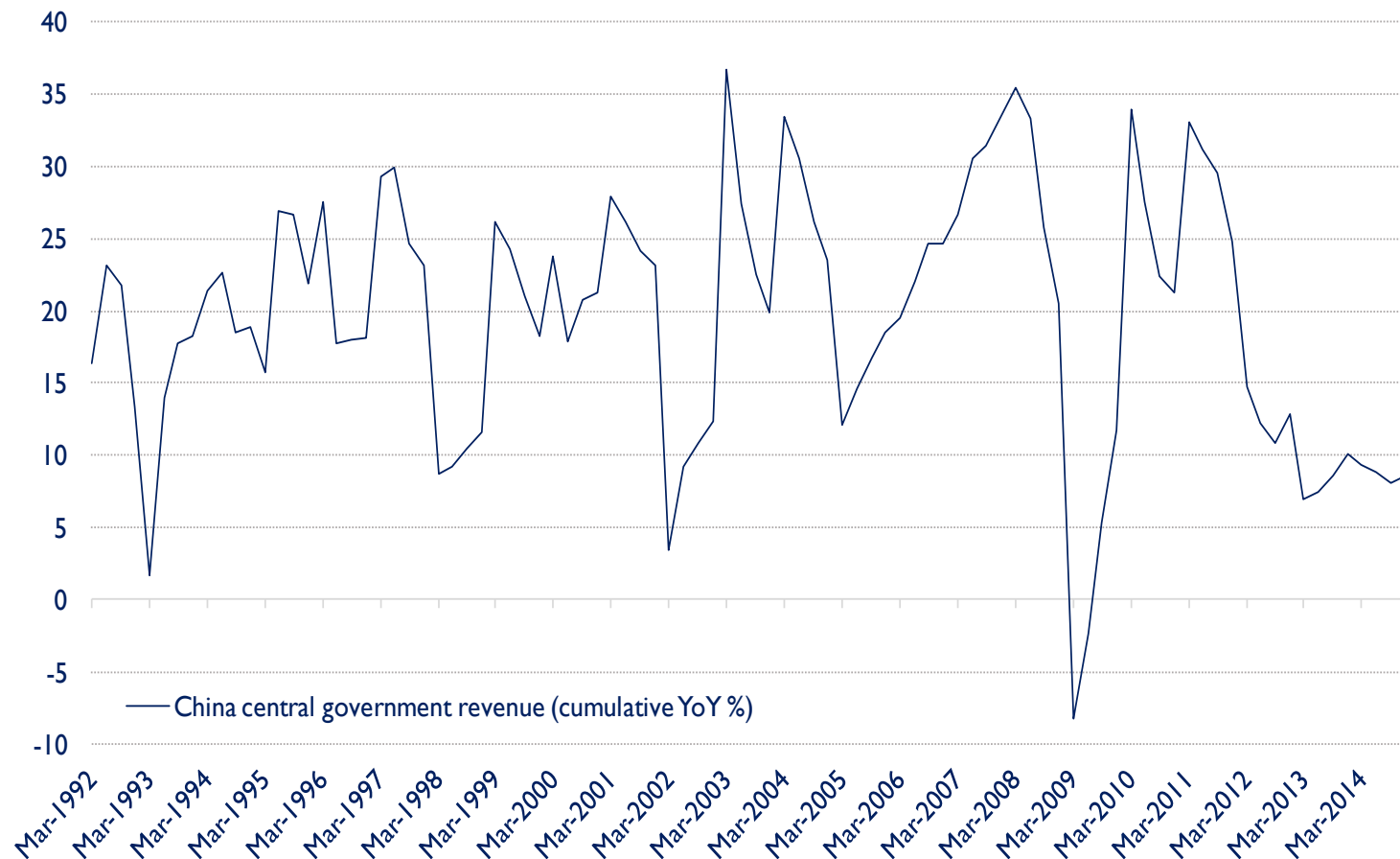
# CHINA'S MANUFACTURING PMI IS BELOW 50 AGAIN



Source: Bloomberg as at 31-Mar-2015

The information and any opinions expressed are believed to be reliable, but accuracy and completeness cannot be guaranteed

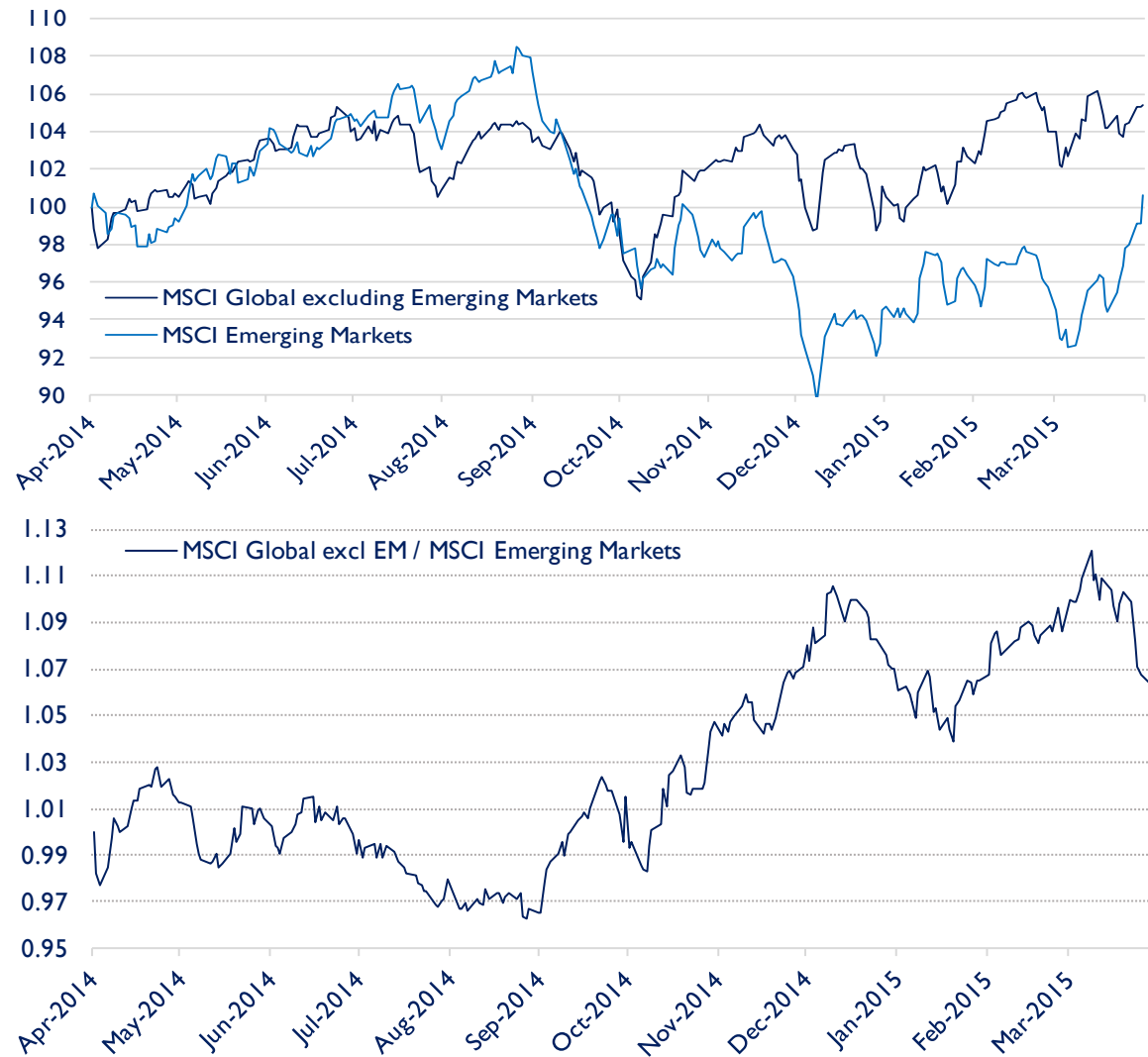
# CHINA'S GOVERNMENT YOY REVENUE GROWTH HAS FALLEN TO NEARLY 0% AGAIN



Source: Bloomberg as at 28-Feb-2015

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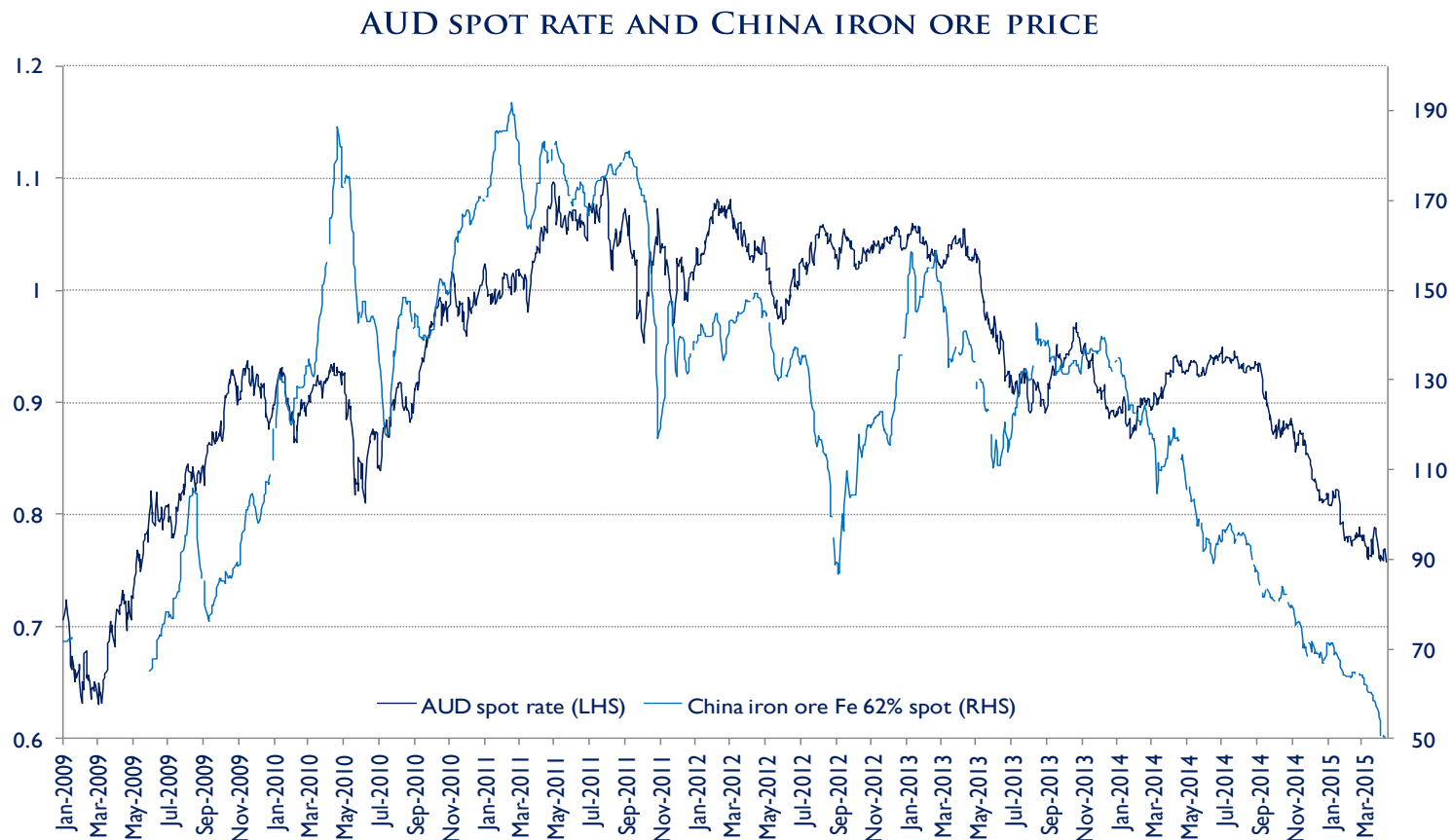
# EMERGING MARKET EQUITIES HAVE REGAINED HALF OF THE UNDERPERFORMANCE SEEN SINCE SEPTEMBER



Source: Bloomberg as at 08-Apr-2015

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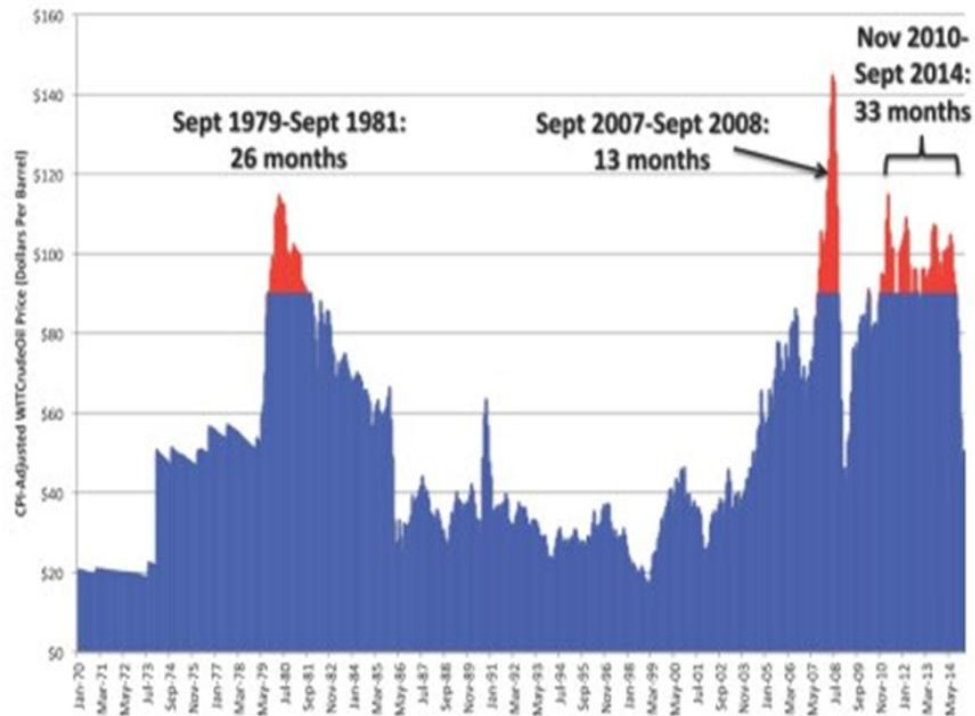
# AUD HAS NOT YET MATCHED THE FALL IN THE IRON ORE PRICE



Source: Bloomberg data as at 13-Apr-2015

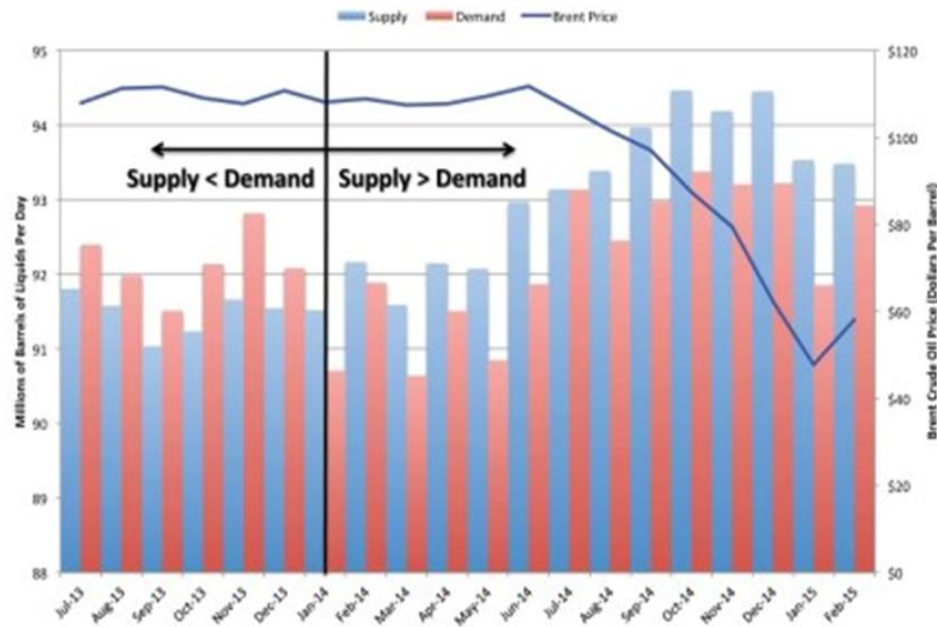
The information and any opinions expressed are believed to be reliable, but accuracy and completeness cannot be guaranteed

# PERIODS WHEN WTI CRUDE OIL PRICE HAS BEEN MORE THAN \$90 PER BARREL



WTI crude oil price adjusted using the consumer price index (CPI) to real February 2015 U.S. dollars. Areas in red represent periods when oil prices exceeded \$90 per barrel.

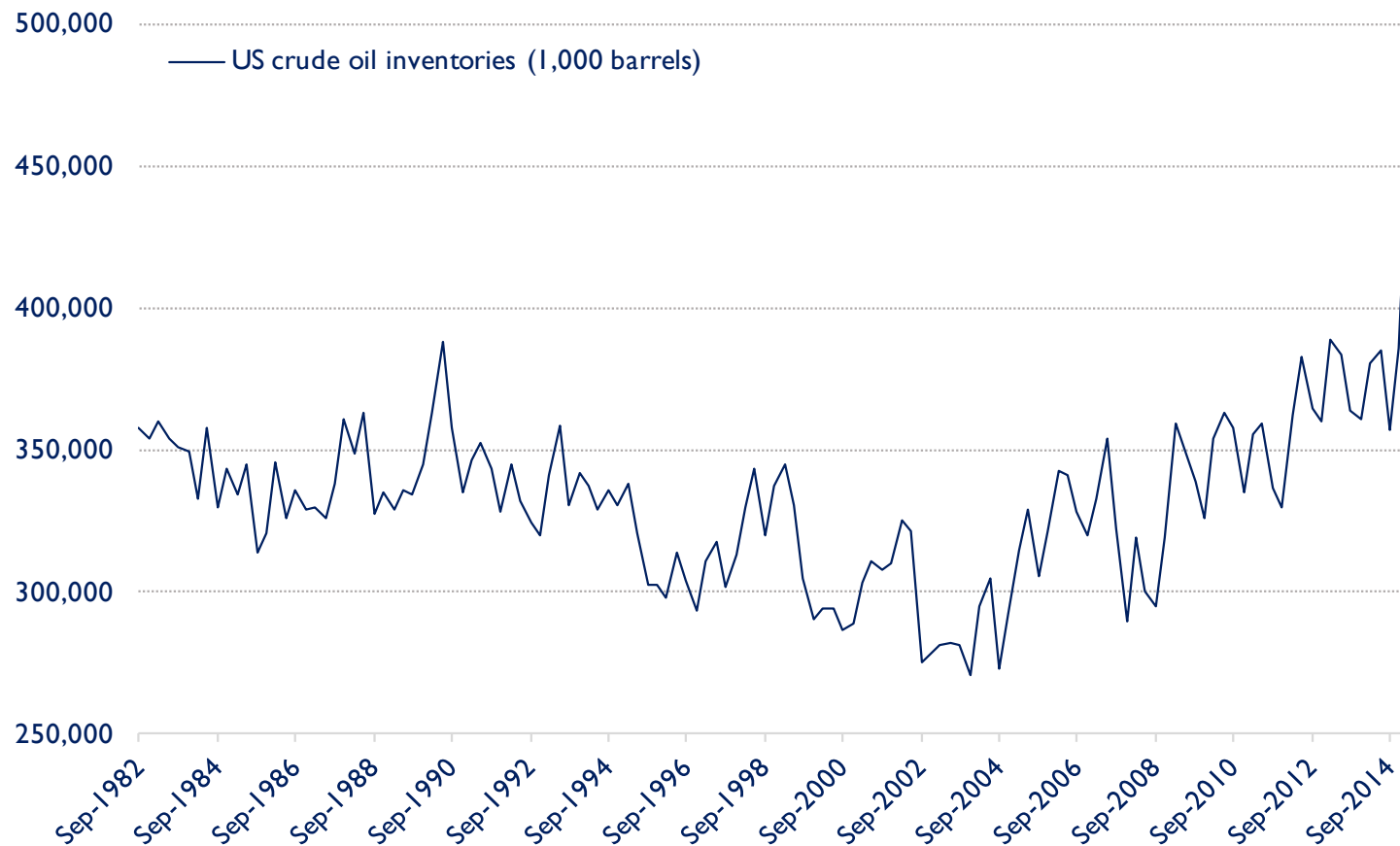
# WORLD LIQUIDS SUPPLY AND DEMAND JULY 2013-FEBRUARY 2015



Source: EIA and Labyrinth Consulting Services, Inc.

The information and any opinions expressed are believed to be reliable, but accuracy and completeness cannot be guaranteed

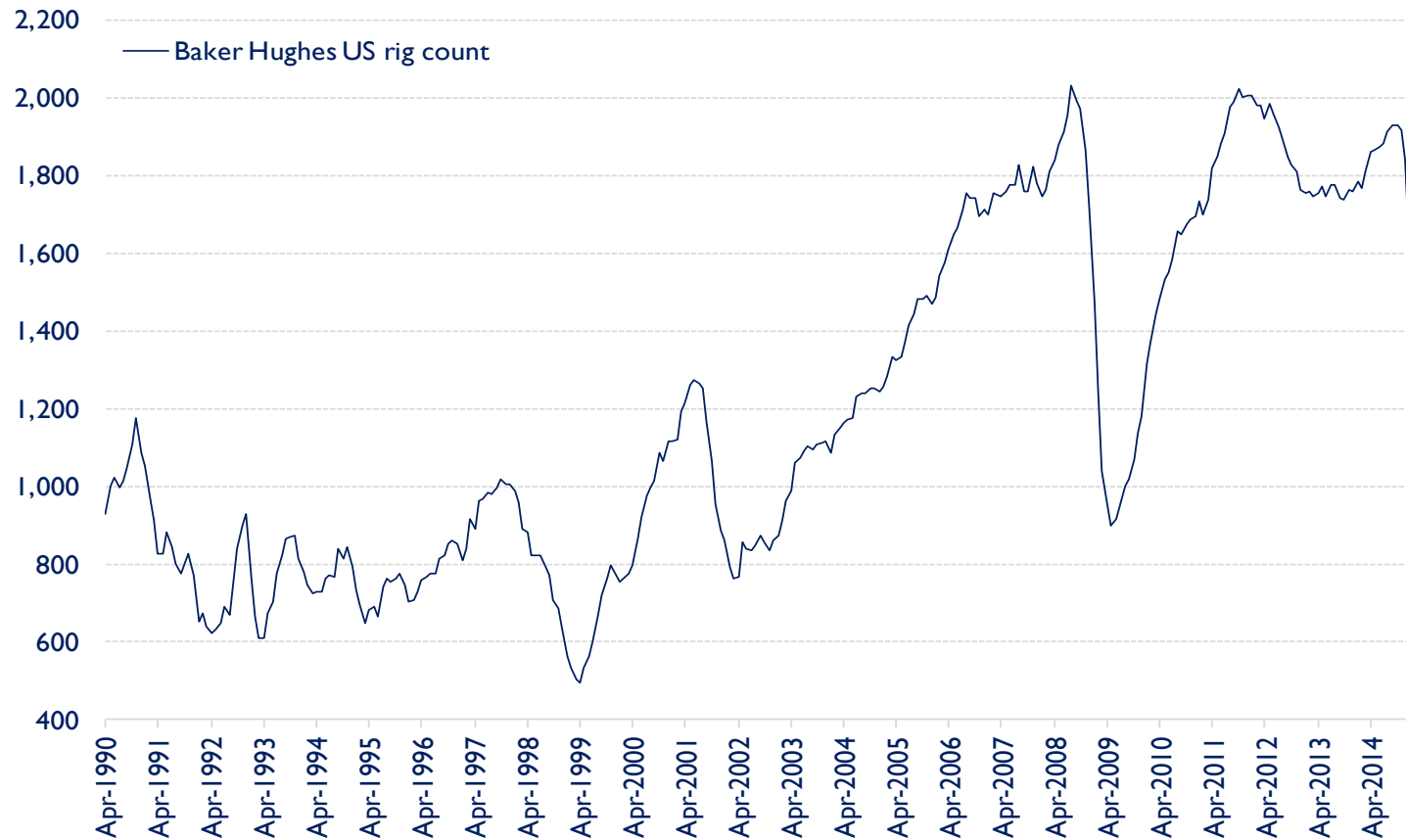
# US OIL INVENTORIES CONTINUE TO HIT NEW HIGHS



Source: Bloomberg as at 03-Apr-2015

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# BAKER HUGHES US RIG COUNT

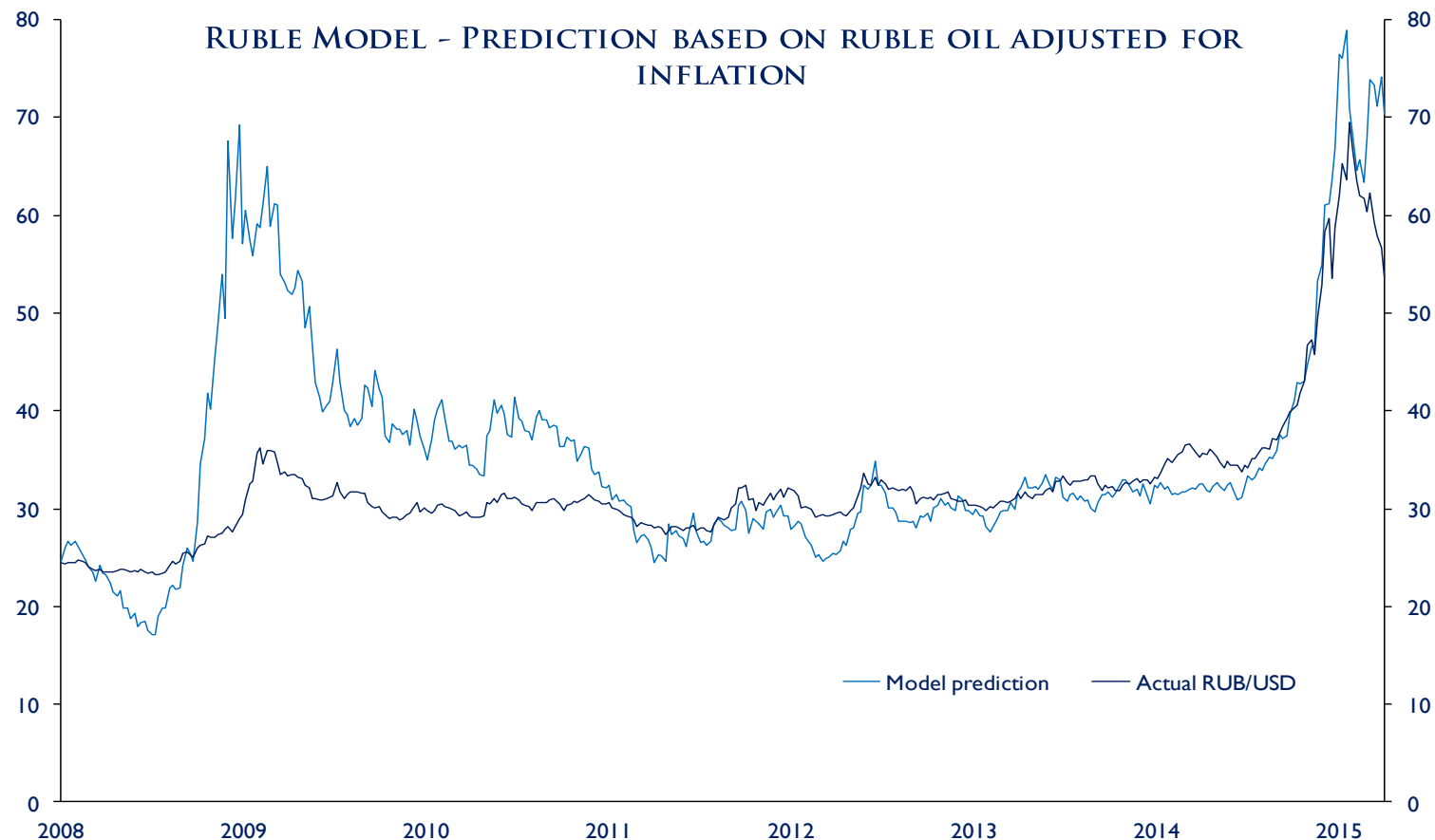


Source: Bloomberg data as at 10-Apr-2015

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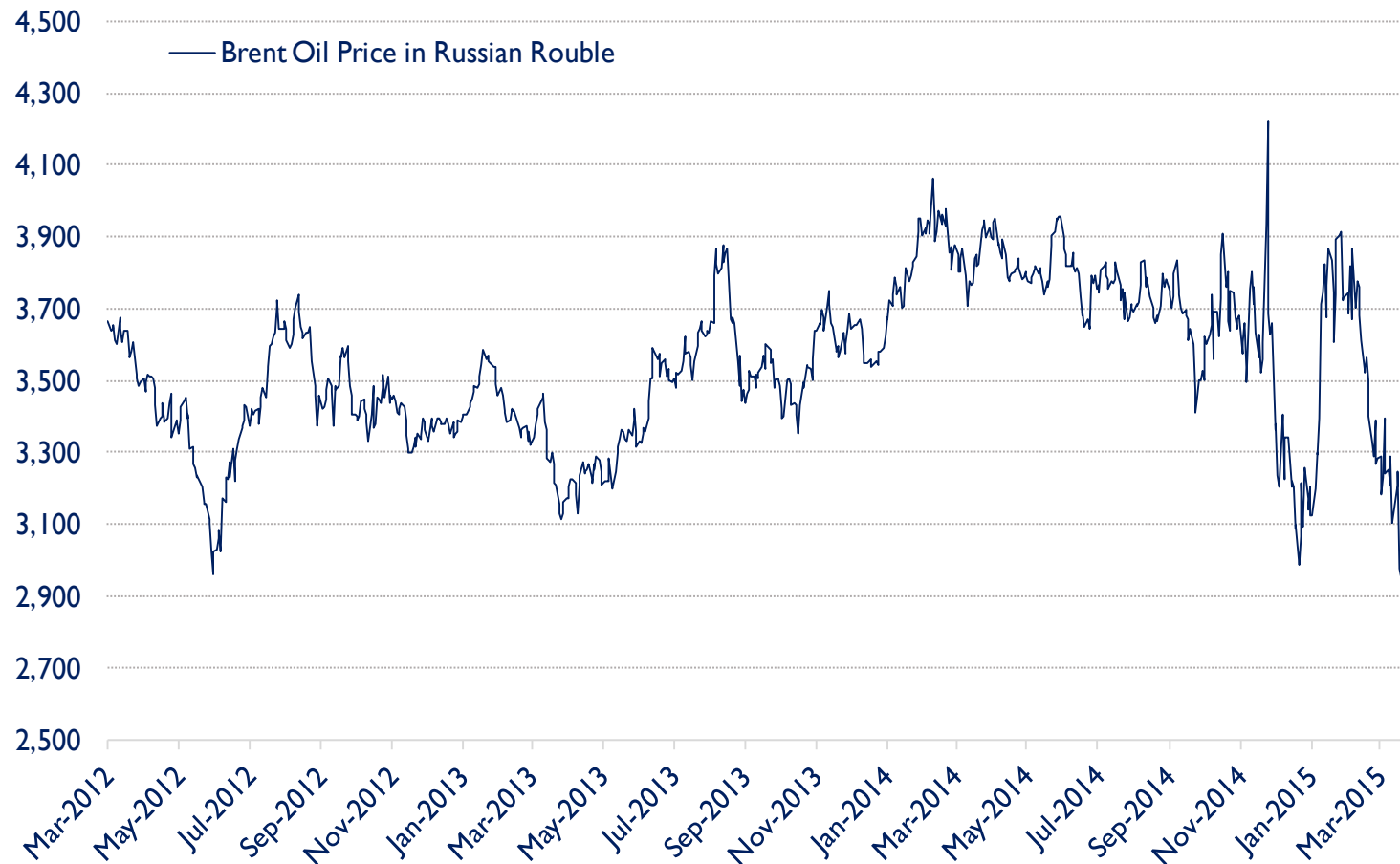
# THE RUBLE HAS DISLOCATED FROM OUR OIL PRICE & INFLATION DRIVEN MODEL



Source: Bloomberg data and Odey Internal Data as at 15-Apr-2015

The information and any opinions expressed are believed to be reliable, but accuracy and completeness cannot be guaranteed

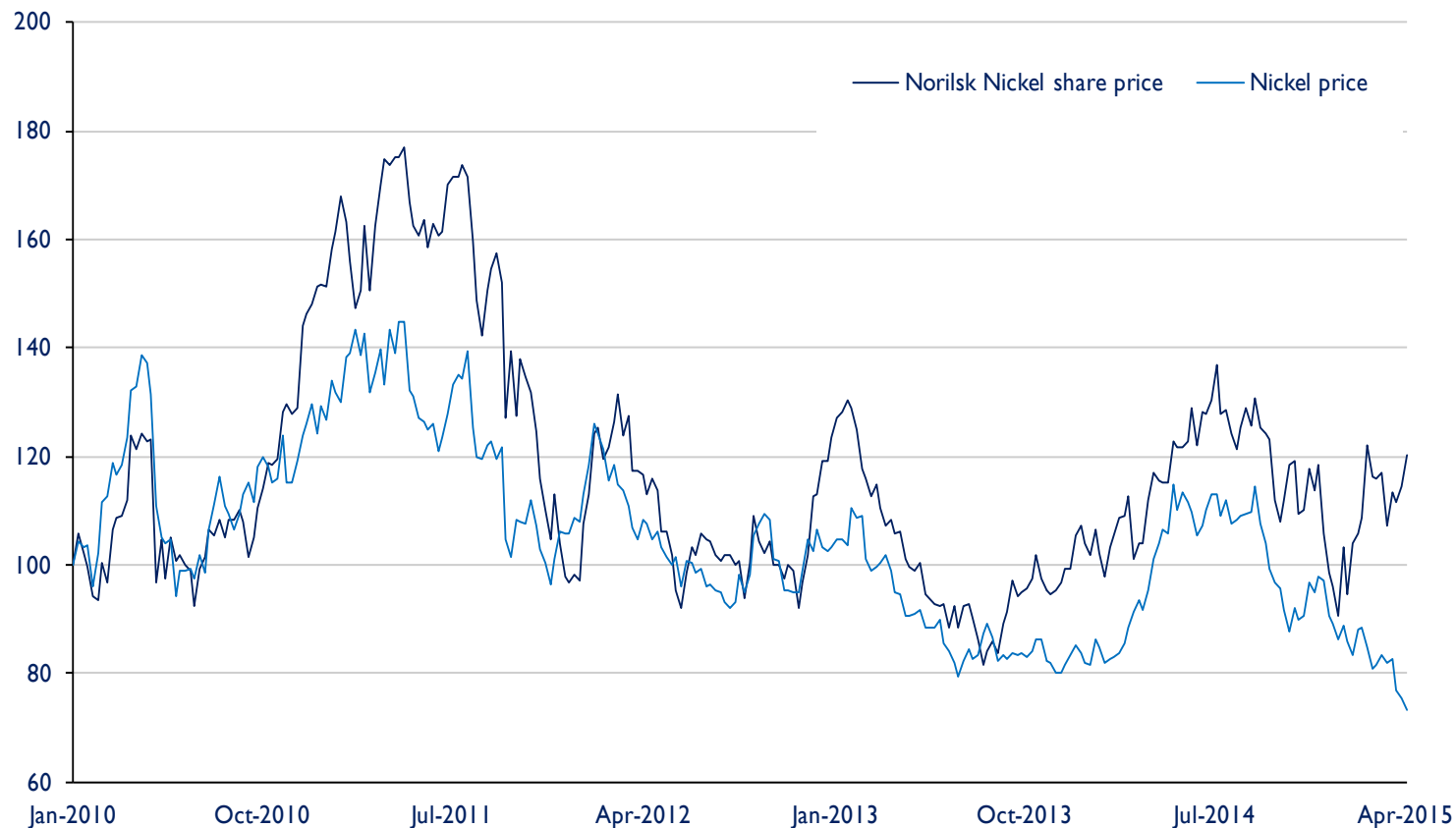
# RUBLE'S STRENGTH SHOULD BE LIMITED BY OIL'S FALL TO 3,000 WHEN PRICED IN RUBLES



Source: Bloomberg data as at 15-Apr-2015

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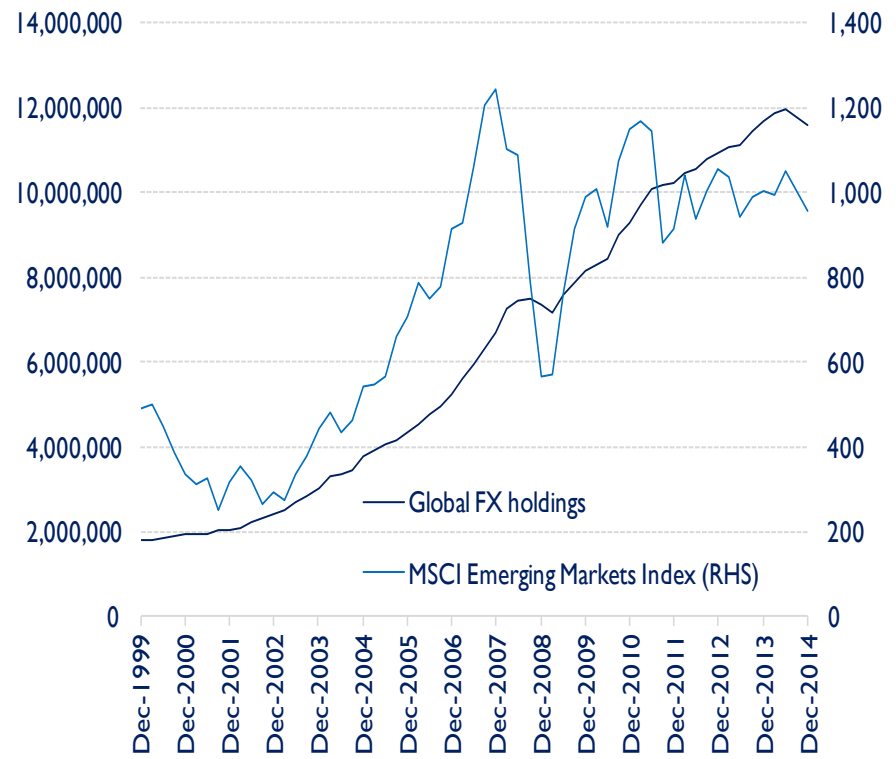
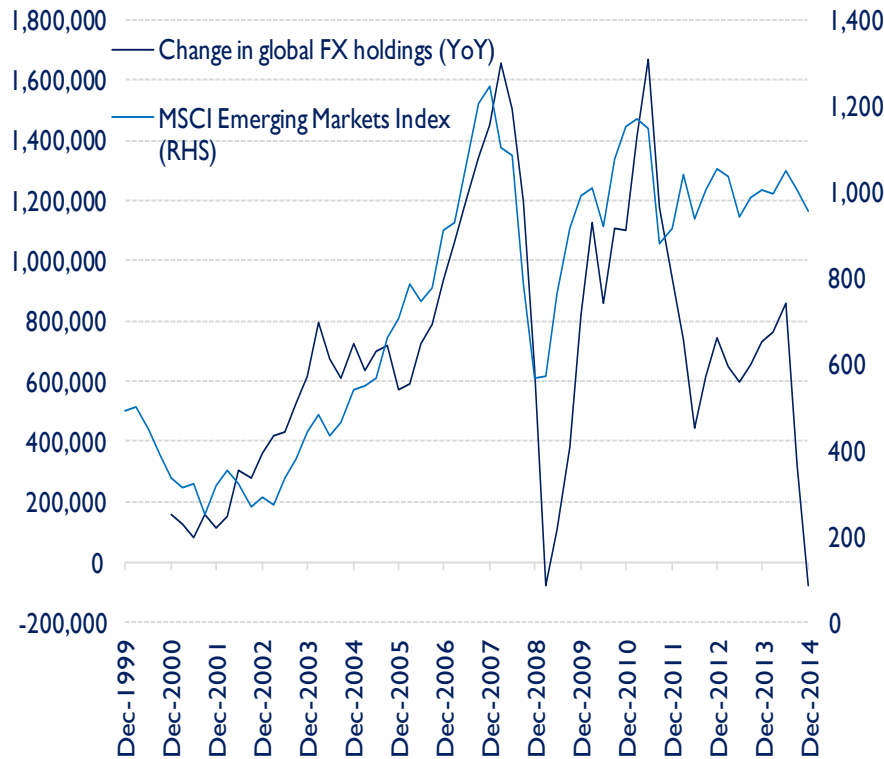
# WHEN THAT PROVED TOO MUCH, I LIVED OFF AIR



Source: Bloomberg as at 10-Apr-2015

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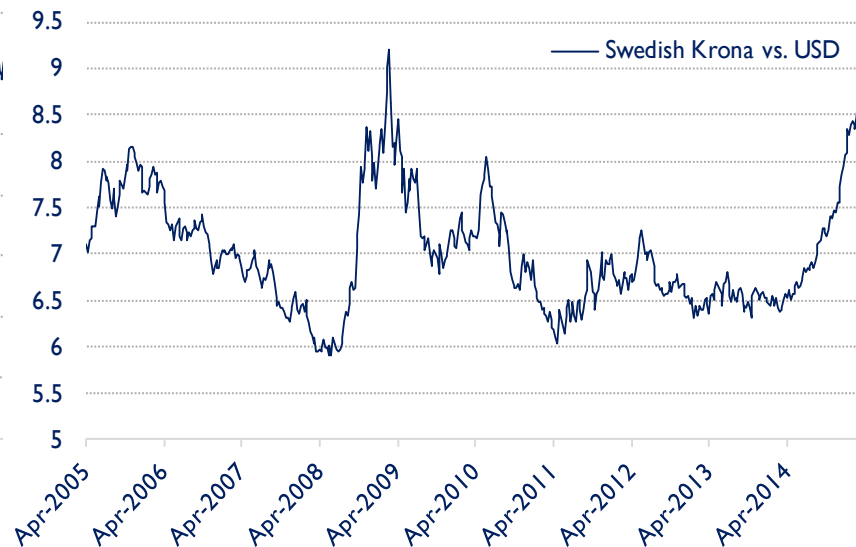
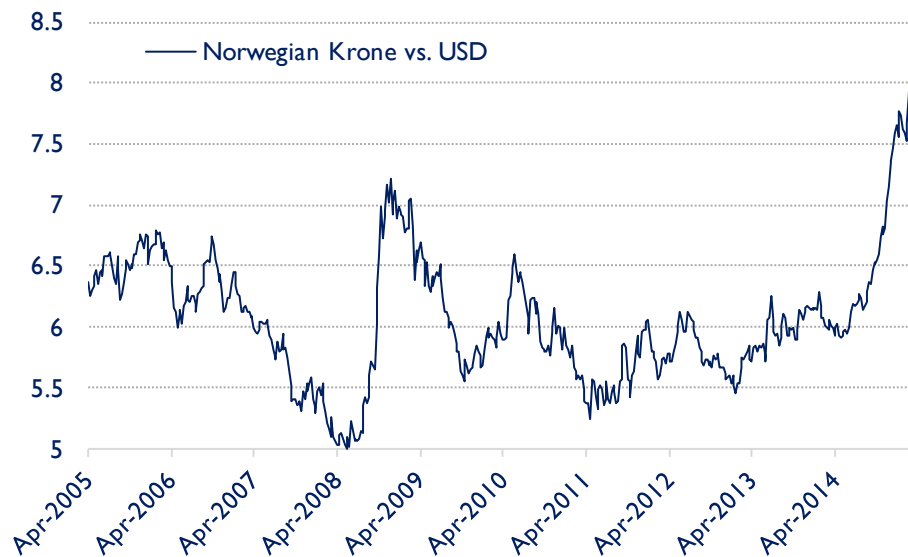
# EMERGING MARKET EQUITIES ARE YET TO REFLECT THE DOWNSWING IN FX ACCUMULATION



Source: Bloomberg as at 31-Dec-2014

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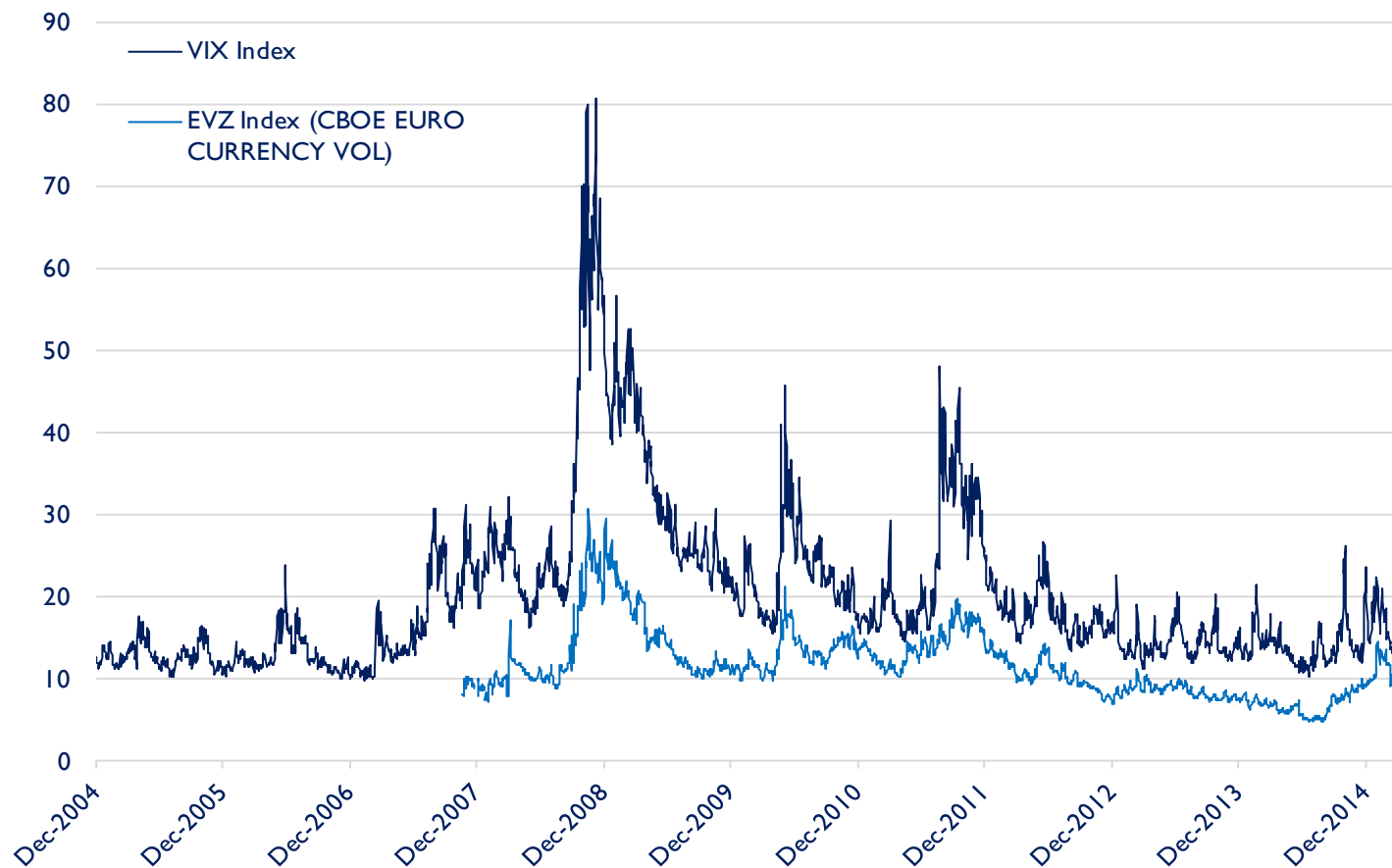
# SWEDES ARE CLEVERER THAN NORWEGIANS



Source: Bloomberg as at 13-Apr-2015

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# CURRENCY VOLATILITY MOVED ABOVE EQUITY VOLATILITY FOR THE FIRST TIME IN MARCH, HAVING RALLIED SINCE SUMMER 2014

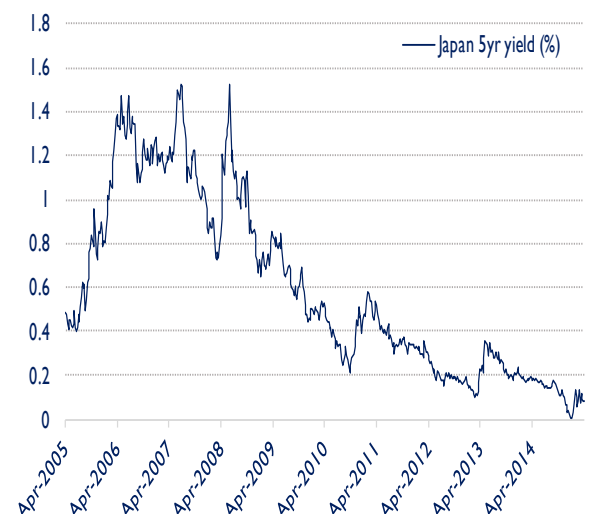
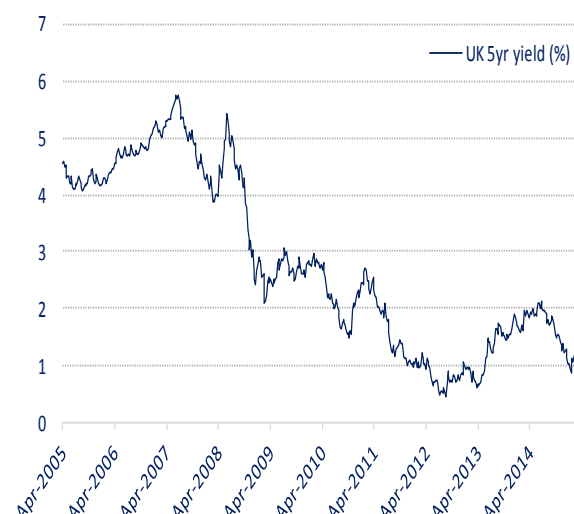
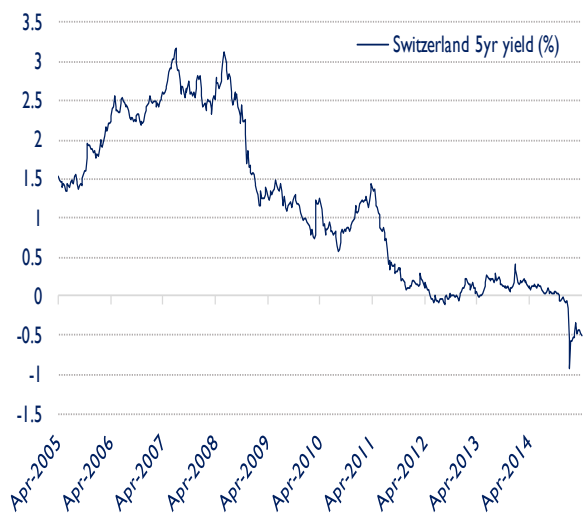
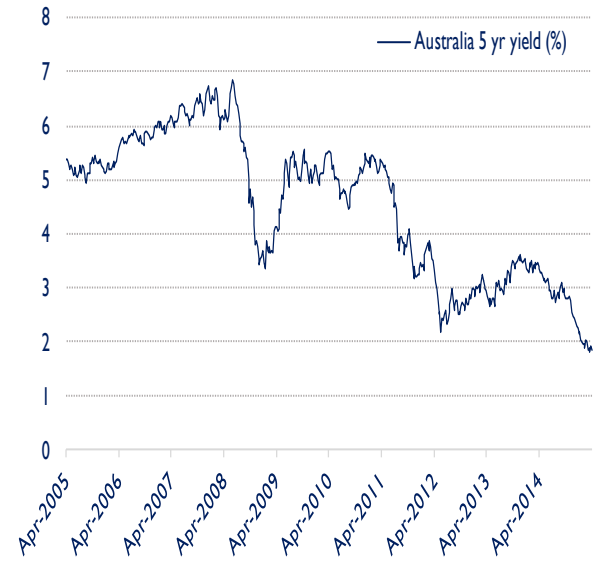
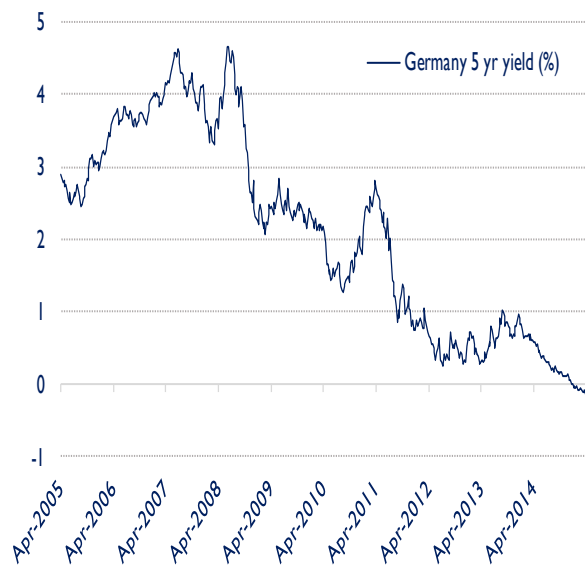


Source: Factset as at 27-Mar-2015

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**ECB ACTIONS HAVE CREATED A  
BUBBLE IN THE BOND MARKETS**

# GERMAN AND SWISS 5-YEAR YIELDS ARE NOW NEGATIVE

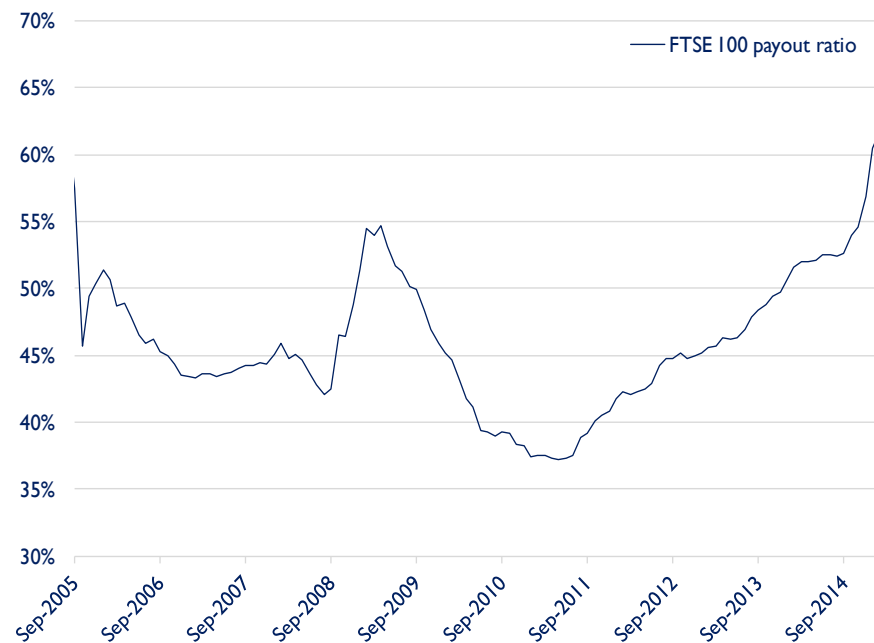
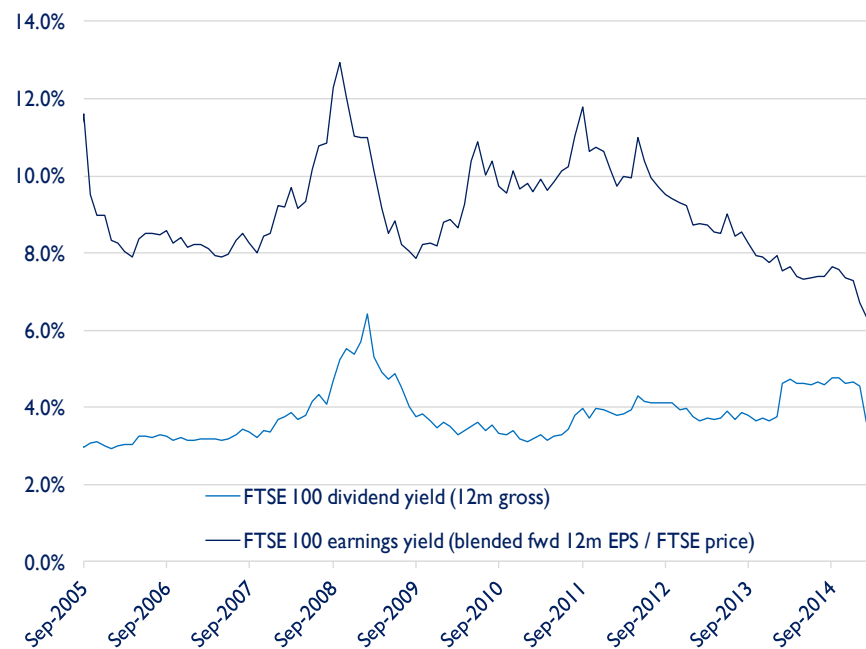


Source: Bloomberg data as at 13-Apr-2015

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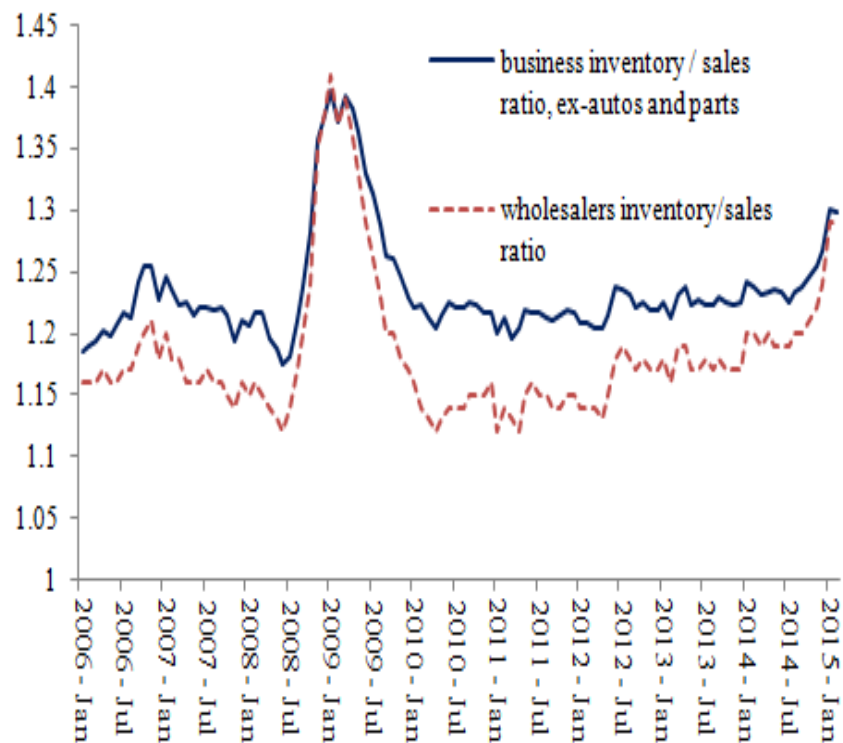
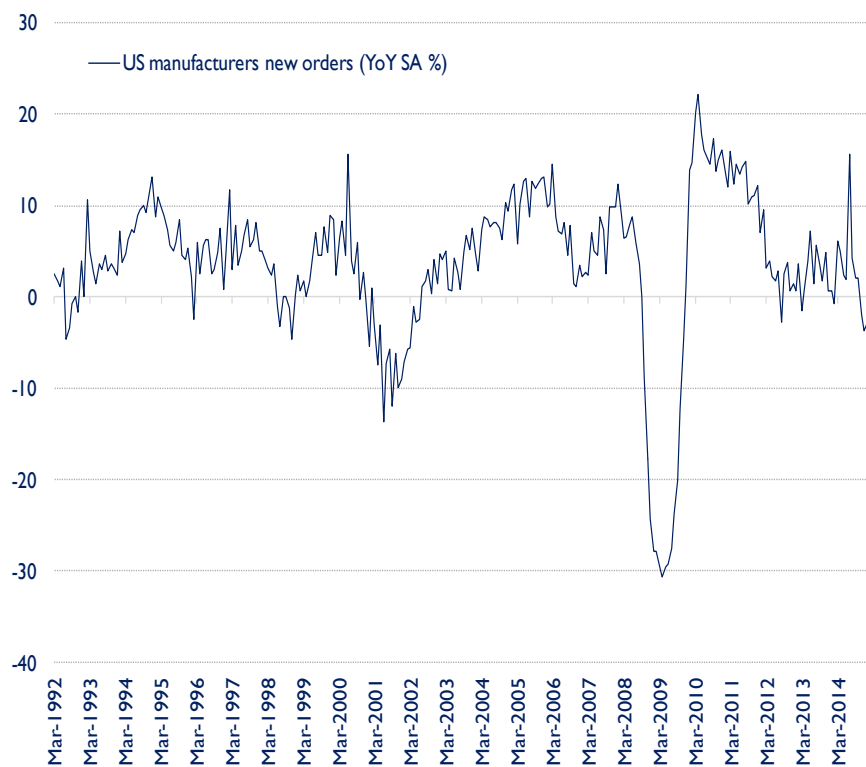
# EARNINGS ARE DISAPPEARING BUT THE BOND BUBBLE IS LEADING TO AN EQUITY BUBBLE



Source: Bloomberg as at 23-Mar-2015

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# SIGNALS OF A SLOWDOWN IN THE US

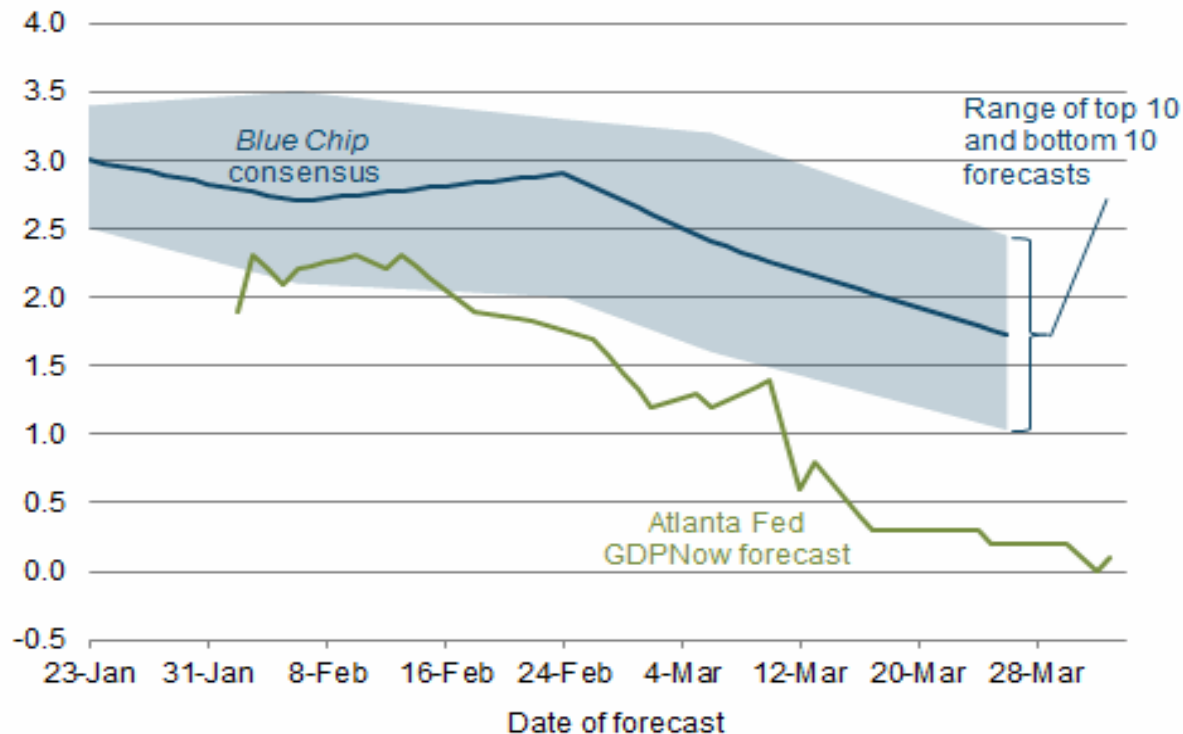


Source: Bloomberg as at 28-Feb-2015 and Haver Analytics.

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# US NOWCAST DECLINES TO 0% GROWTH

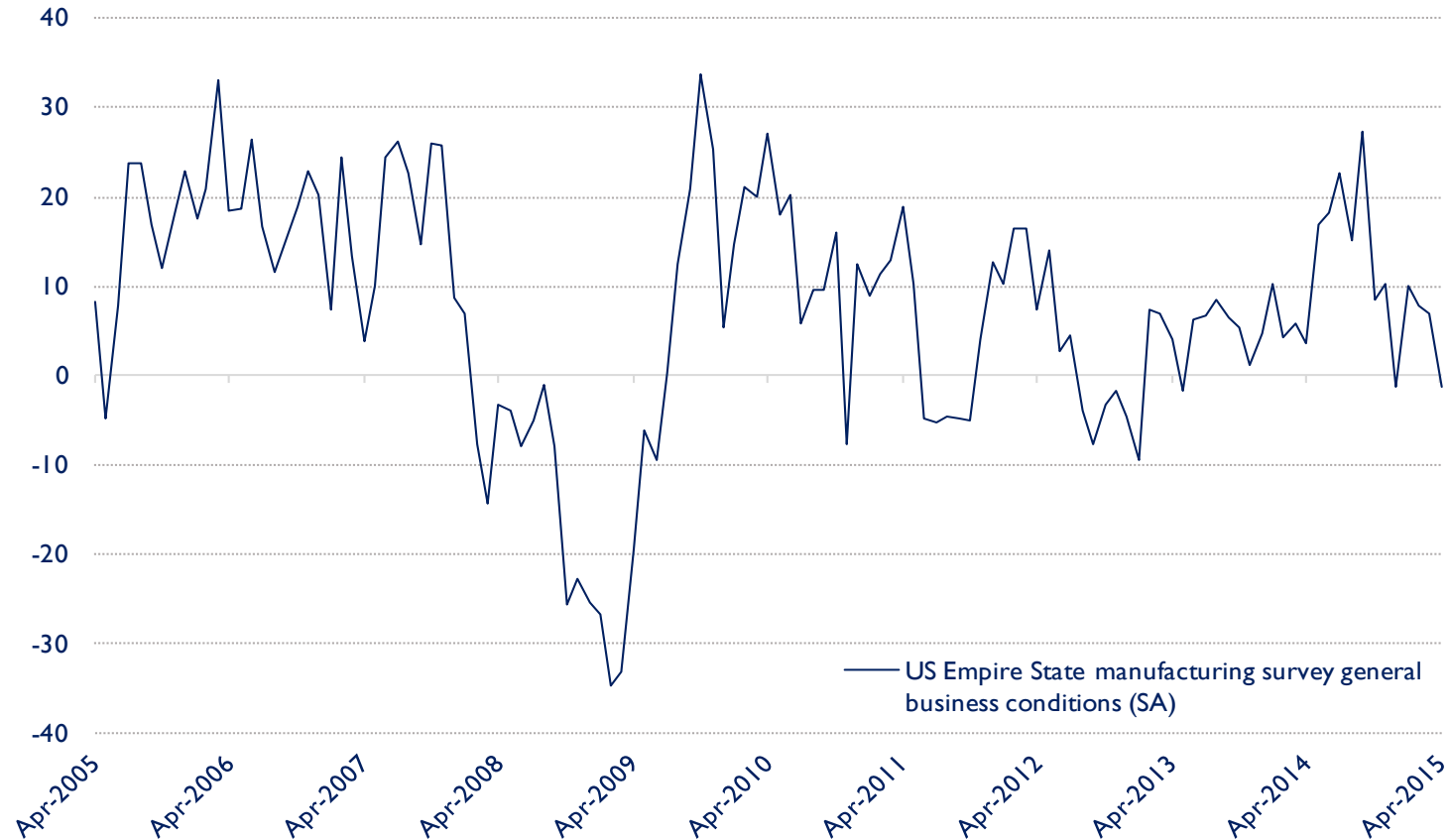
## EVOLUTION OF ATLANTA FED GDPNOW REAL GDP FORECAST FOR 2015: Q1 QUARTERLY PERCENT CHANGE (SAAR)



Source: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

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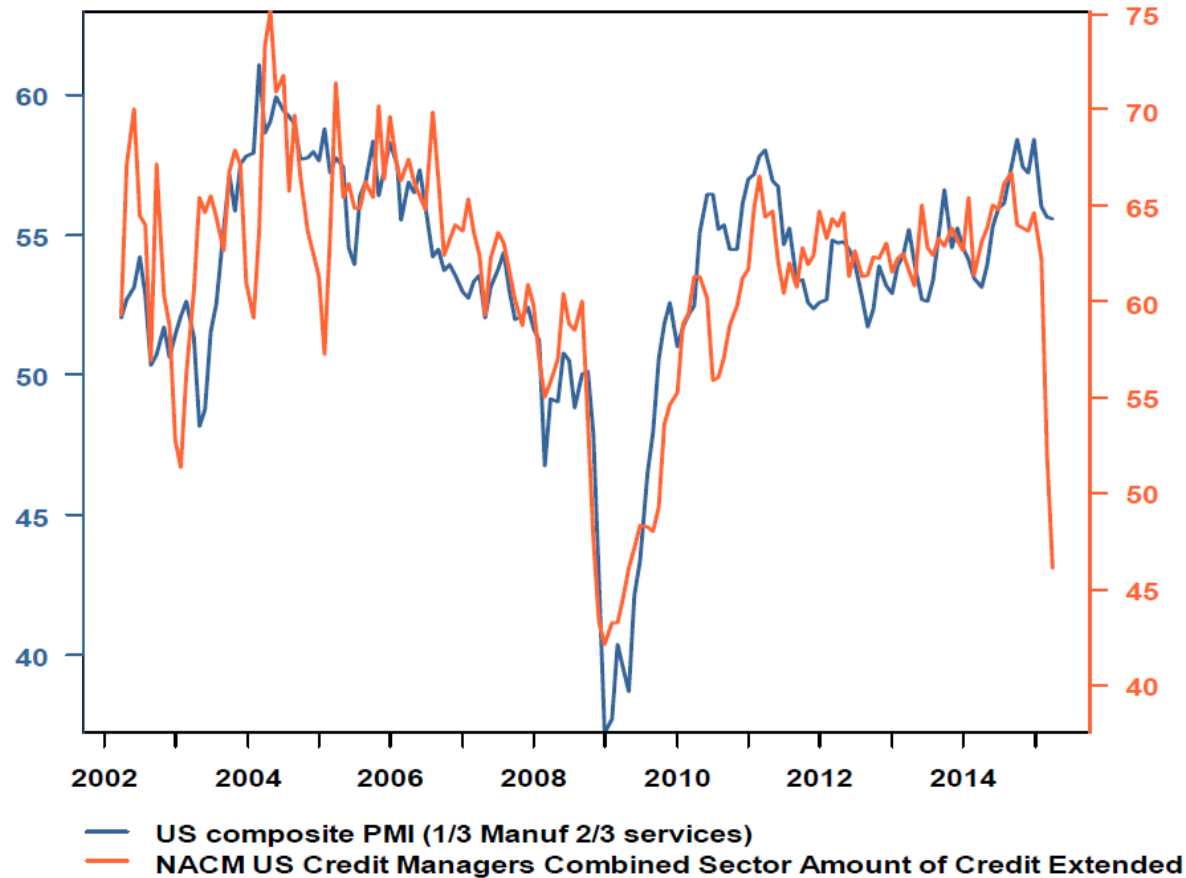
# EMPIRE STATE MANUFACTURING SURVEY FELL BELOW ZERO FOR APRIL



Source: Bloomberg as at 15-Apr-2015

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# THE NACM CREDIT MANAGER SURVEY FOR CREDIT EXTENDED BODES HORRIBLY FOR US COMPOSITE PMIs

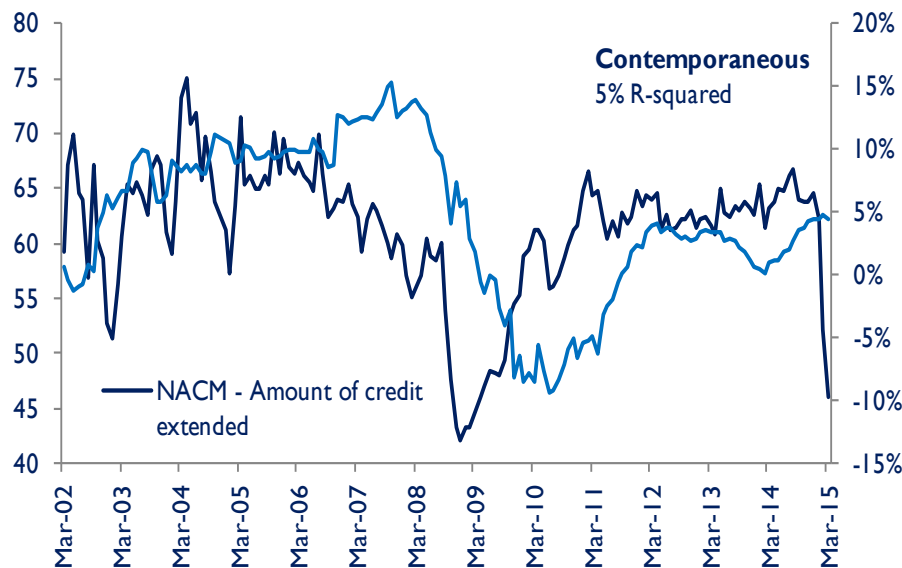


Source: Rcube

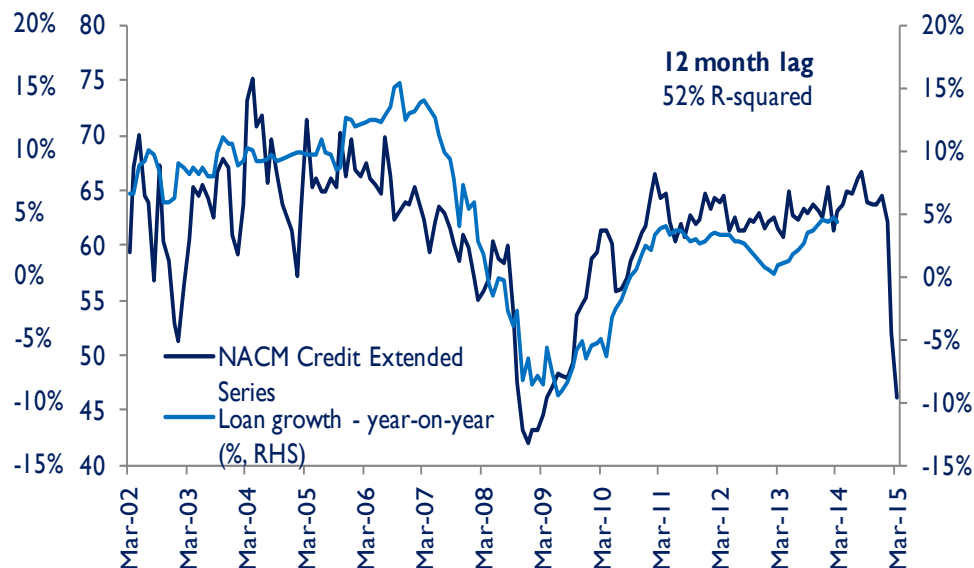
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# THE NACM SERIES IS A WORRYING LEAD INDICATOR FOR US LARGE BANKS' LOAN GROWTH

## CONTEMPORANEOUS TIME SERIES



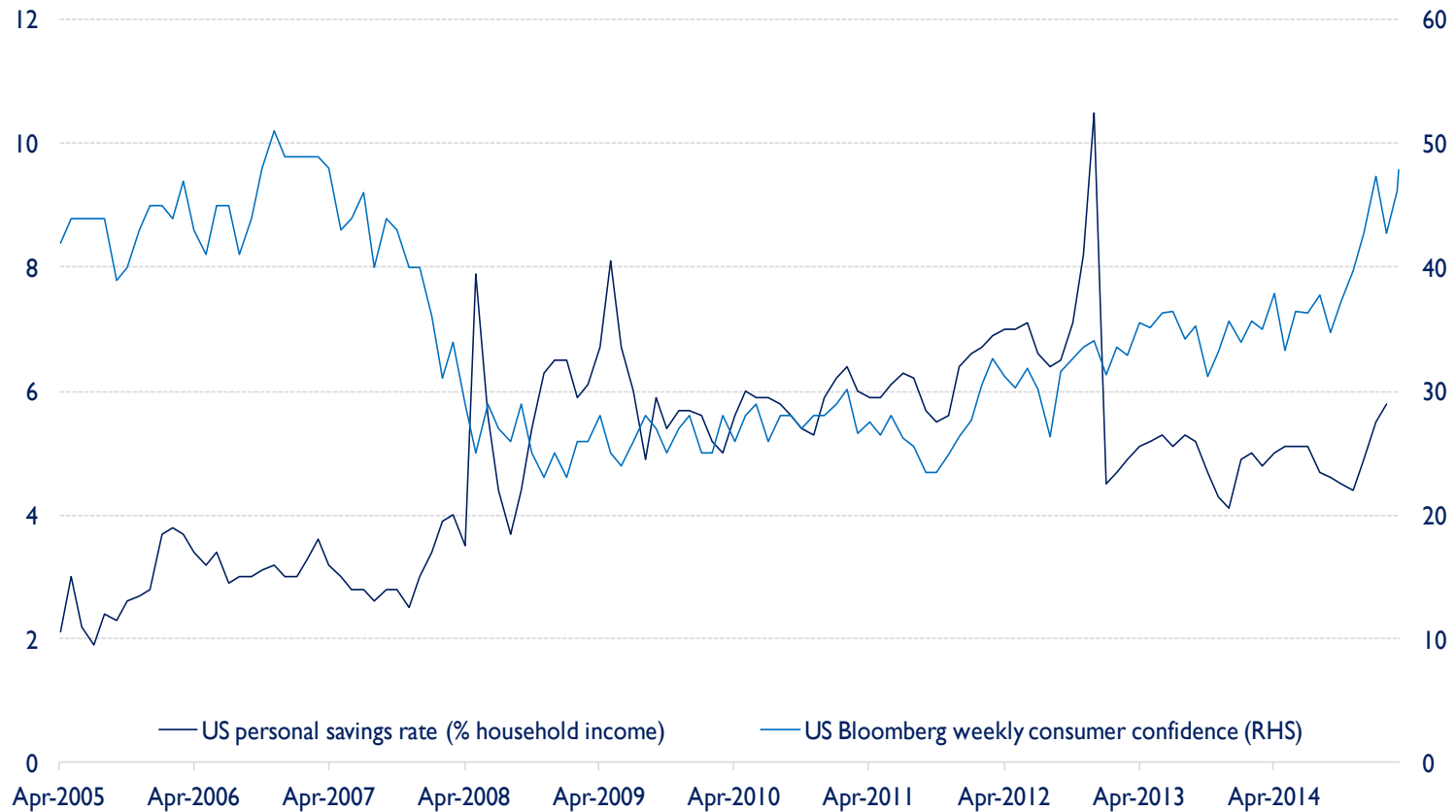
## LARGE BANKS' LOAN GROWTH LAGGED BY 12 MONTHS



Source: Fed, Bloomberg data and Odey Internal Research as at 31-Mar-2015

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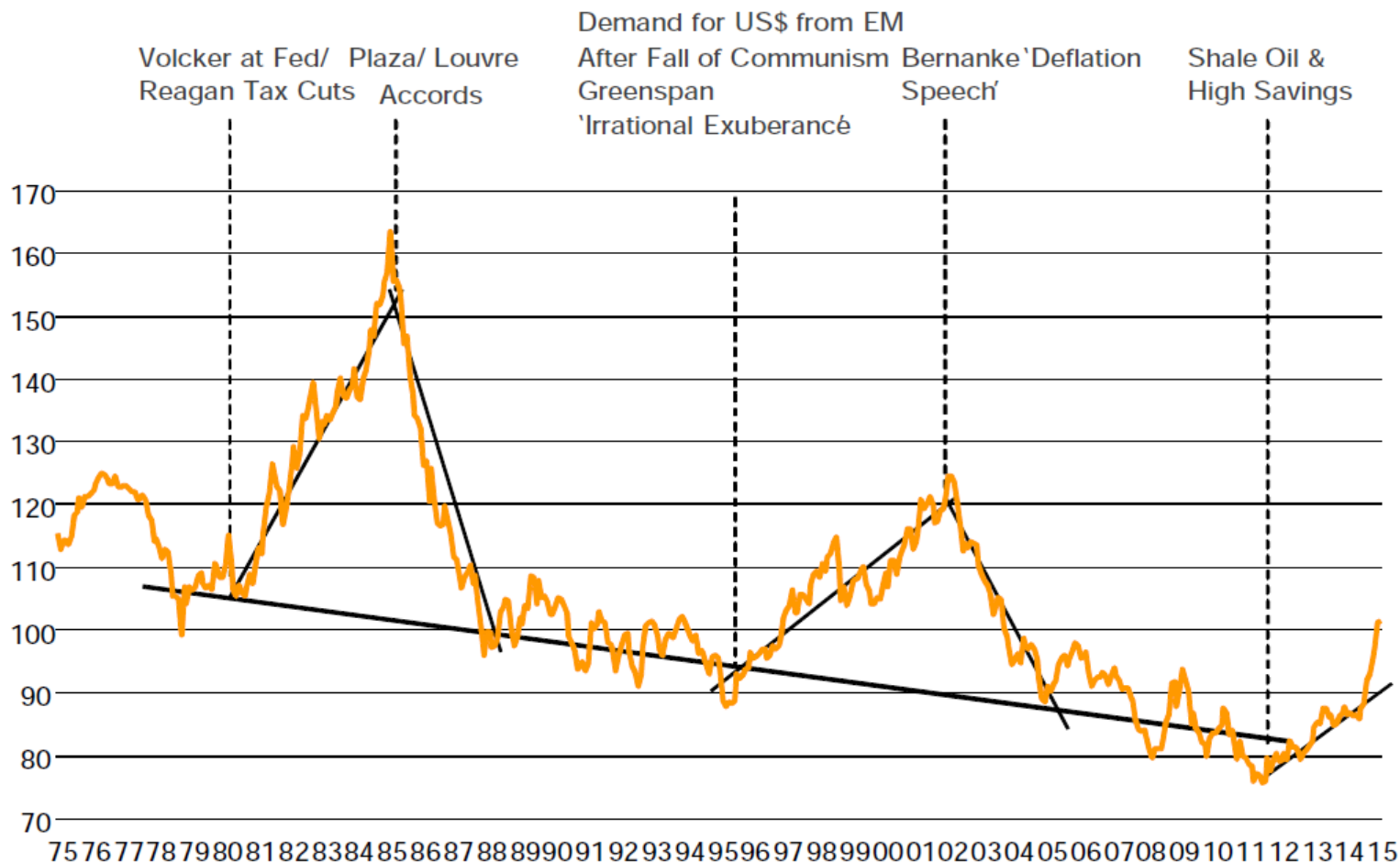
# US SAVINGS RATE RISING WHILE CONSUMER CONFIDENCE RISES



Source: Bloomberg as at 05-Apr-2015

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# THIS IS A YOUNG US DOLLAR BULL MARKET WHEN COMPARED WITH ITS TWO PRIOR BULL MARKETS

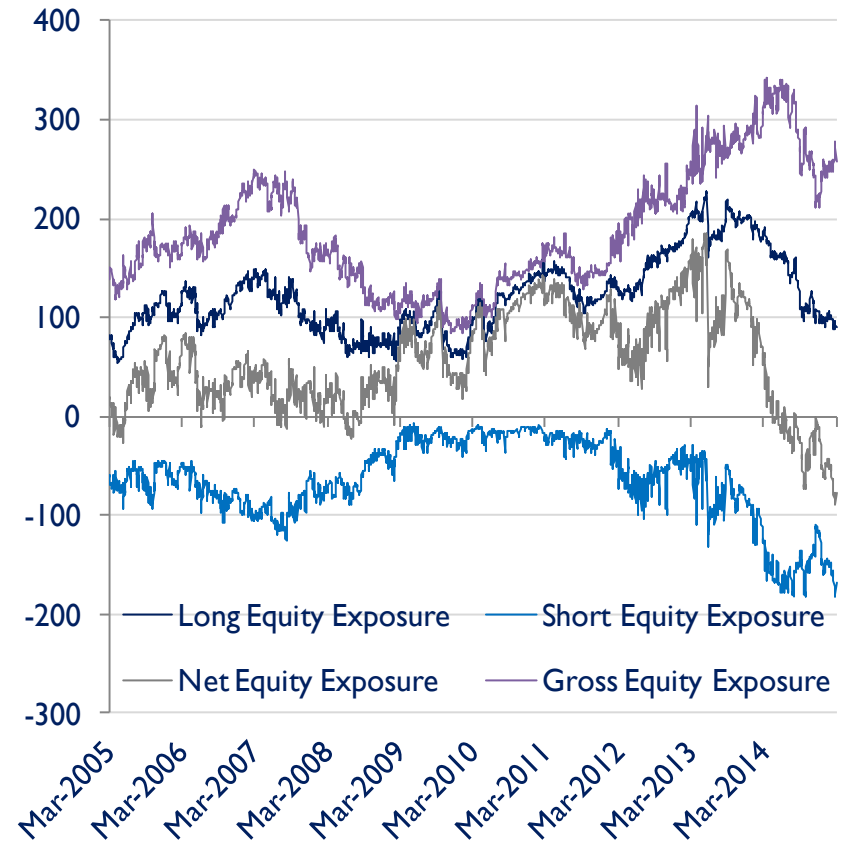
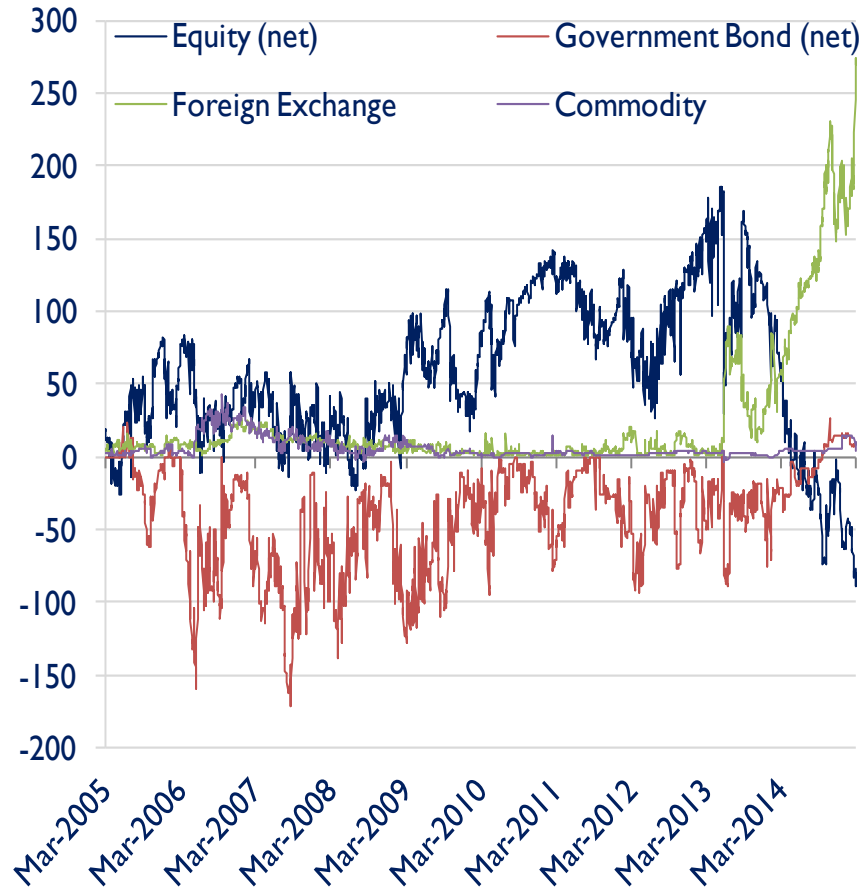


Source: CrossBorder Capital

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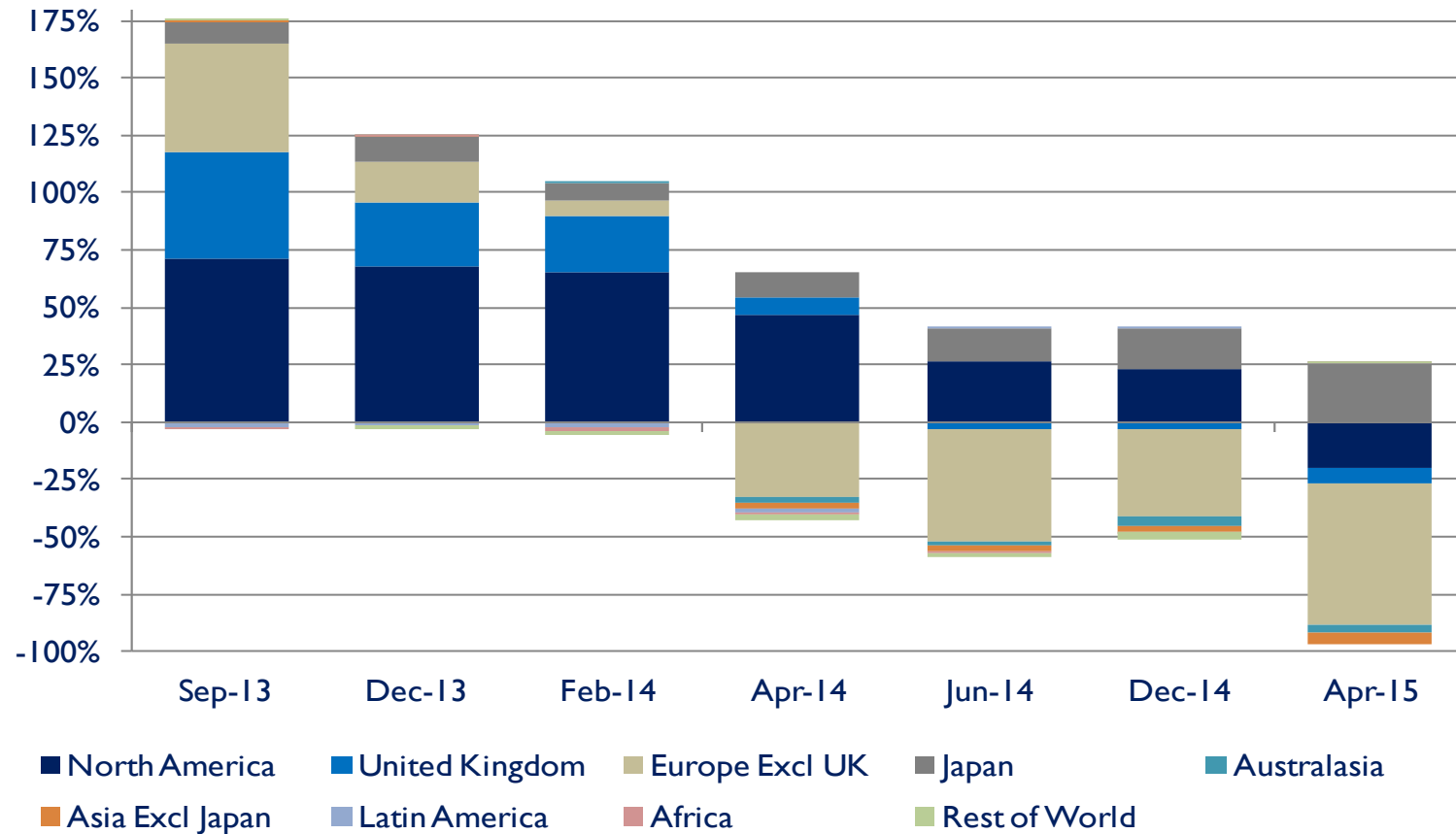
# OEI WEIGHTINGS



Source: Odey Internal Data as at 30-Mar-2015

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# OEI WEIGHTINGS



Source: Odey Internal Data as at 14-Apr-2015

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