



Media • Analysis • Impact
Strategic Media Intelligence



Growth becomes international norm – Gold bubble slackens - Dollar cannot slump any further – Analysts contradict bond bubble

Media Tenor Financial Sentiment Tracker
2010 with focus October 2010

All Quoted Analysts in WSJ-FT-MINT-Les Echos-Il Sole-Barrons

Media Tenor International AG

Roland Schatz

r.schatz@mediatenor.com

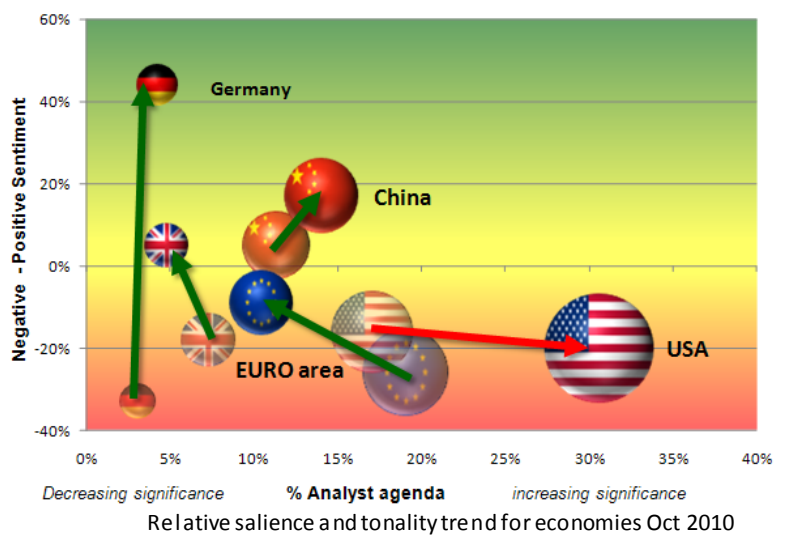
+41-43 255 1920

Growth becomes international norm – Gold bubble slackens - Dollar cannot slump any further – Analysts contradict bond bubble

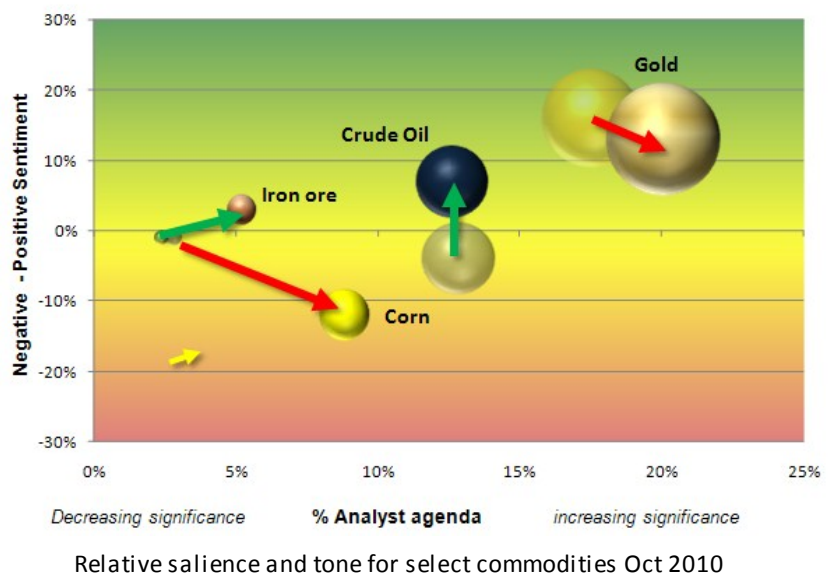
FINANCIAL SENTIMENT TRACKER – ANALYST CITATIONS IN ELITE BUSINESS PRESS

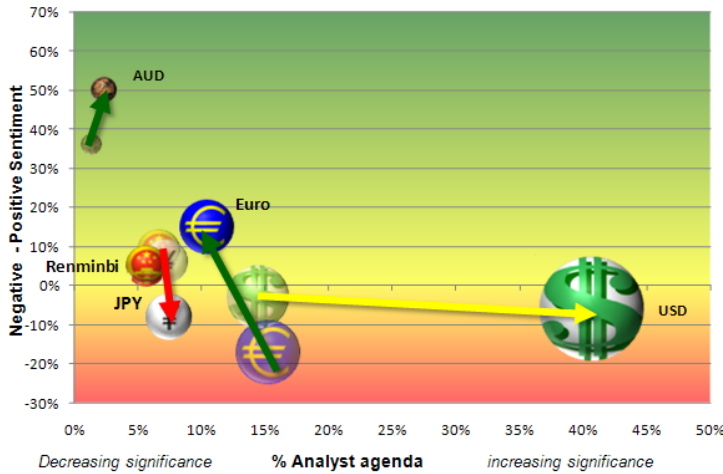
Zurich 22 October: The US appears to be one of the few economies which analysts are not rating positively for growth prospects. The focus on the Fed’s intervention, election jitters and continuing negative figures on unemployment and productivity were the main factors. Gold is still in bubble territory according to analysts. Although slightly lower than the yearly trend, the support for the metal’s high sentiment is still on fear and a flight to safety. For currencies, analysts appear to believe that the dollar cannot get any lower and the focus has shifted to what the Fed’s intervention will do. Finally, legendary bond fund manager Bill Gross was active on the idea of bonds being in a bubble, although with sentiment low on bonds there appears to be little consensus for the idea.

The US was one of the few economies perceived as negative in October. In analysts’ perspective on the economic situation across the globe, the US is the clear dominant discussion, fuelled by both speculation on Fed interventions, and the rush of economic analysis in the financial press around the midterms. However, under the US agenda the other most visible economies have shown a clear rise in sentiment. This situation raises the question of whether there is enough volume in the “good news” countries for perception to shake off the wave of “bad US news.” Media Tenor Research Director, Matthias Vollbracht explains, “If there is a high enough volume of negativity coming out of the US, then that will be far more important for driving sentiment than the positive perceptions that cannot get awareness.”



The slight cooling on Gold sentiment in October compared to the yearly result would suggest that analysts have eased off on their opinion of Gold’s safety factor. However, as the overall sentiment is still above 10%, there is enough comment on continually rising prices to conclude that sentiment will play a role in supporting the price for some time yet. The continuing lack of a fundamental for the high price still shows a characteristic bubble tendency however. Media Tenor’s research shows that agricultural products, and food in particular, has not picked up in its share of the agenda, but corn, orange juice, cotton and sugar are all showing support for price increases among the cited analysts.



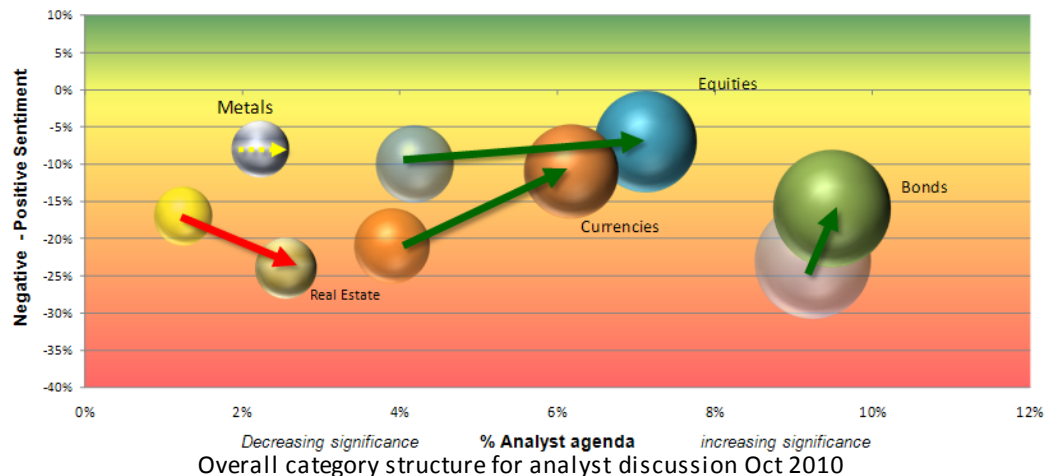


Relative salience and tonality trend for currencies Oct v YTD 2010

In the wake of the rather spectacular currency war headlines, analysts have seemed to find a unanimous opinion that the dollar simply has nowhere left to go. As a result Dollar sentiment stabilized in October. Matthias Vollbracht highlights the fact that the general economic conditions and the dollar debate have become mixed to the point where one might be forgiven for believing it was the same issue. "To some extent the dollar's plunge became a substitute for other perceived weaknesses in the US economy and for the growth of China's economic power. The US government's position towards China may have helped fuel the second position, but the general weakness is symptomatic of the lack of a

perceived recovery after the crisis."

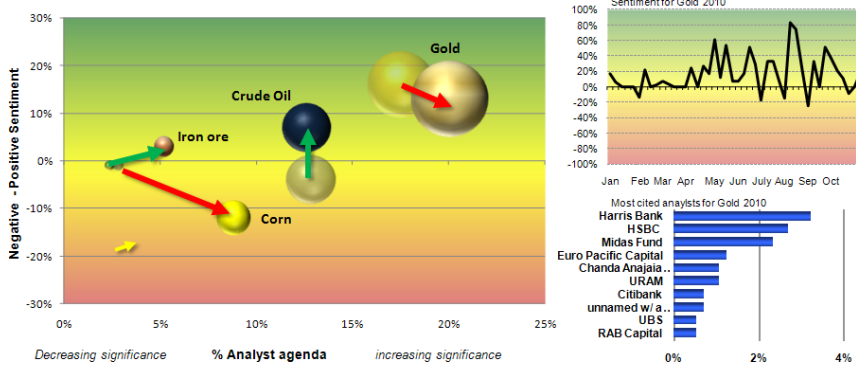
The bond bubble discussion was raised early in November's coverage. The often quoted Pimco fund manager Bill Gross was present in a discussion around the possibility that bond prices were overvalued and due for collapse. However, any sort of spectacular bond action would contradict a rather stable sentiment trend for bond markets in general. This shows a change in the bond debate, away from inflation and debt fears, to a more specific focus on bonds themselves and their value as investment objects. For other categories, the equities revival continued to develop positively. Increased discussion on currencies in the face of pending Fed actions was the other developing story in October.



Overall category structure for analyst discussion Oct 2010

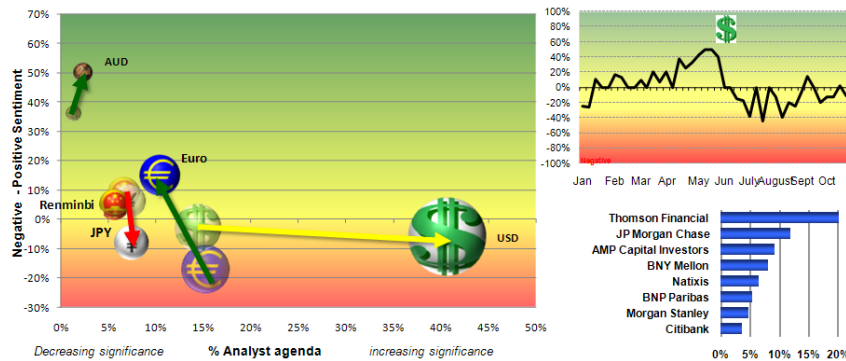
Media Tenor's financial sentiment tracker will be released weekly at <http://www.mediatenor.com>.

Gold debate swings back to positive



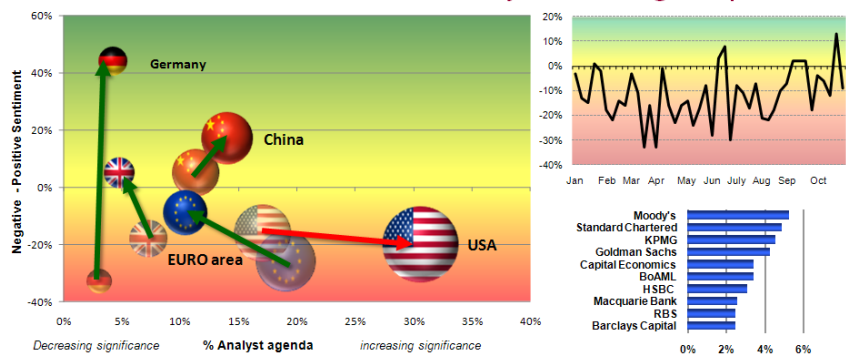
October saw Gold discussed as a bubble candidate only to have the rising price deemed sustainable. Gold has, to a certain extent, become a proxy fear meter among analysts.

Dollar just can't slump any further



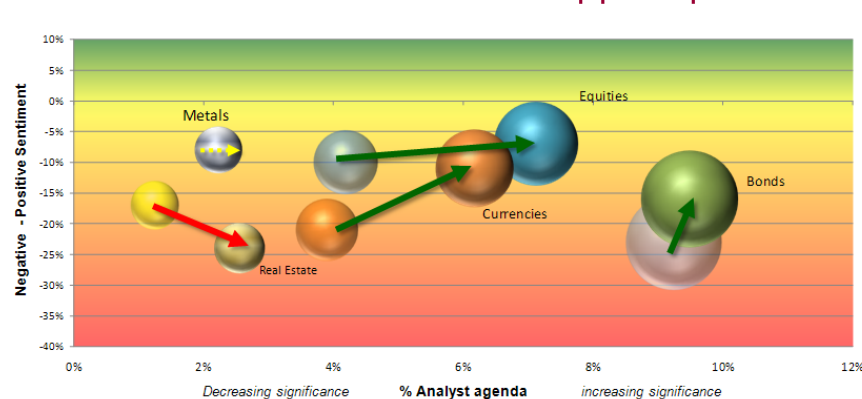
The decline in the dollar appears to be taking a less radical course overall. Rather, discussion on any economic stimulus and the mid-terms have led to the consensus that it can't get worse for the dollar, but the future is still up for grabs.

QE2 or not to QE2 – US economy on the tightrope



The US government's decision on whether or not to apply quantitative easing was a huge discussion and a key part of the midterm election discussion. All other economies, and indeed the global economy in general, have improved in the outlook.

Bond bubble discussion would appear premature



Bill Gross's comments in early November that bonds were in bubble territory is contradicted by overall sentiment. Rather, the low level of bond sentiment would reflect a cautious tone in the market and hefty debate.