



Sustainable Finance

Market Performance - Selected Markets for the Week Ended October 09, 2009				
Market	Dec 31, 2008	Oct 09, 2009	YTD Change	YTD % Change
S&P TSX	8,987.70	11,436.92	2,449.22	27.25%
Dow Jones	8,776.39	9,864.94	1,088.55	12.40%
S&P 500	903.25	1,071.49	168.24	18.63%
Nasdaq	1,577.03	2,139.28	562.25	35.65%
Nikkei 225	8,859.56	10,016.39	1,156.83	13.06%
FTSE 100	4,434.20	5,161.90	727.70	16.41%
Dax	4,810.20	5,711.88	901.68	18.75%
Hang Seng	14,387.48	21,499.44	7,111.96	49.43%
Shanghai	1,820.81	2,911.72	1,090.91	59.91%
DJSI World TR	945.46	1,248.90	303.44	32.09%
DJSI North America TR	92.85	115.10	22.25	23.96%
Jantzi Social Index TR	128.27	167.98	39.71	30.96%
FTSE 4Good Global 100	3,384.13	4,107.98	723.85	21.39%

Selected Rates (Institutional)	
Description	Price/Rate Oct 09, 2009
CDN/USF	1.0424
CDN/EURO	1.5338
CDN/CHF	1.0105
CDN/YEN	0.0116
CPI -Canada TTM Total CPI	-0.80%
CPI - USA TTM Total CPI	-1.50%
CPI - EURO Zone TTM Total CPI	-0.20%
GOC 1 Yr T-Bill	0.58%
GOC 5 Year	2.86%
GOC 10 Year	3.51%
GOC 30 Year	3.96%
Gold USF/Oz	1,047.80
Oil USF/BBL WTI Cushing Spot	72.29

Week in Review

Well this was a bit of a fairy tale week for announcements.

First the Aussies raise interest rates which is always a sign that things are going better. Next, the Fed in the US tells everyone that they are not going to raise rates to keep any recovery going.

Canada saw an increase of 31,000 jobs in September and manufacturing in the US and Can-

ada looks like it is improving although from a very low base.

With so much good news swimming about and after two fairly underwhelming and poor performing weeks, markets decided to start buying and everyone had a party.

The Asian markets were the clear winners with the Hang Seng up 7.81% and Shanghai up 7.27%. Nice.

The Europeans also had a good week considering the European Central Bank decided it will not be raising rates any time soon. The German market was up 5.07% and the UK market was up 3.91%. Beer and crumpets for everyone.

North American markets were also at the party. Here in Canada the TSX was up 5.45% while our neighbours to the south saw the Dow

Jones up 4.30%, the NASDAQ up 5.78%, and the S&P 500 up 5.12%. Not bad for a weeks work.

As you know I have been talking about weakness for a while now and as part of that I thought that there may be a final push and this may be it although when it ends is debatable but early November seems possible.

Gold has once again surprised everyone by

ending the week at \$1,047.80 USF. A shocking level by any measure. With crude at 72.29 USF per barrel we have seen the Gold/Oil ratio move up to 14.50.

This is about the high limit for the past 10 years which indicates to me that gold will likely fall or oil will likely rise. I would not be betting on to other side of either right now.

Interestingly the

Gold/Silver ratio is also high at almost 60. There is potential for a reversal in the price of Gold at these levels.

The only thing that might keep gold where it is will be demand from countries that are holding US dollar assets (bonds mostly) who are looking for something real to hold instead of a high risk currency which is what the US\$ is becoming.

The more China argues for other currencies to become reserve currencies and the more that the US borrows from foreigners, the greater is the chance of a SEVERE devaluation of the US\$. The price of Gold is already reflecting this devaluation and making the inevitable a reality in the making.

Trevor Giles

Sustainable Investing— Interesting Article

At U.N., Gore Urges Senate to Pass Climate Change Bill

Former Vice President Al Gore joined about 100 world leaders at the U.N. building in New York on Sept. 22 for an unprecedented day of discussions regarding climate change.

President Barack Obama also addressed the meeting, which was designed to build momentum toward the U.N. Climate Change Conference to be held in Copenhagen in December. The Copenhagen meeting will work to develop international goals to replace the 1997

Kyoto Protocol.

During the meeting, Gore expressed his gratitude to U.N. leaders for hosting the conference, which he believed was "likely to have a major impact."

"I know it looks like a daunting challenge, [but] it is not an impossible challenge," Gore argued. "So much is at stake. We really must have progress, and I hope that we will."

Gore noted "the importance of U.S. leadership in the days between now and the opening of the Copenhagen negotiation," but added that "the politics in the United States are difficult on this is-

sue." In particular, he pushed the U.S. Senate to pass climate change legislation before the Copenhagen meeting.

"I choose to be optimistic that they will act, and I call upon them to avoid being distracted by backward-looking amendments," Gore stated.

In June, the U.S. House of Representatives narrowly passed the "American Clean Energy and Security Act," an unprecedented effort to fight global warming. A Baptist Center for Ethics letter signed by more than 140 Baptist leaders and declaring support for the bill was released to each member of Congress shortly be-

fore the House vote.

By: Brian Kaylor

I just wanted to comment on this article and its relation to sustainability.

It cannot not be anything but encouraging to have president Barack Obama and former Vice President Al Gore at these preliminary discussions.

One of the biggest concerns is that the US will not pass Climate Change legislation now before Congress before the Copenhagen talks which could delay or prevent the United States from signing on to the new agreement and actually ratifying it and participating.

The priority that President Obama has placed on this piece of legislation and on his health care reforms must be commended and applauded by all people on the planet.

The participation of the United States is CRUCIAL to the success of the new agreement and to bringing China, India and Brazil into the agreement.

If there were one issue that would affect the sustainability of the human race for the long term, the passing of Climate Change legislation in the US and its becoming a signatory to the post Kyoto agreement would be it.

If the US does not proceed with the legislation in the House and does not participate in the post Kyoto agreement then the possibility of coming to an agreement that includes the major carbon emitters on the planet will be severely compro-

mised.

Let us all hope that the good people in the United States Congress can see their way to putting aside partisanship and self interest and vote for humanity.

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Selected News Articles

Quebec Company Turns Trash Into Fuel

Will today's municipal landfills become tomorrow's clean energy reserves?

A team of scientists from Singapore and Switzerland recently released figures, published in the current issue of the journal *Global Change Biology: Bioenergy*, projecting how much cellulosic ethanol could be generated from the waste paper and cardboard that ends up in municipal waste streams.

Basing their calculations on known wood and crop waste yields, as well as estimates of gas

and paper consumption in 173 countries, the group reckons there's enough such trash to generate 82.9 billion litres of ethanol (almost 22 billion gallons) a year – “replacing 5.36 percent of gasoline consumption, with accompanying greenhouse gas emissions savings of between 29.2 percent and 86.1 percent,” the authors conclude.

But these emission-reduction figures don't account for additional carbon emissions arising from increased timber harvesting — which would presumably follow a reduction in

global supplies of recycled newsprint and cardboard.

Enerkem, a green energy company based in Quebec, has developed an alternative approach to mining the carbon out of non-recyclable plastics, construction waste and other materials found in the municipal waste stream.

The company says it has pioneered a gasification technology that processes waste into a synthetic gas that can be converted into liquid fuels and biochemicals, and it has entered a 25-year deal with the City of Edmonton to pur-

chase the trash left over after glass, metals, paper and recyclable plastics have been removed.

This fall, the company started construction on a \$65 million plant in Edmonton, Alberta, that will transform 110,000 tons of sorted municipal solid waste into about 9.5 million gallons of fuel-grade ethanol.

It will be the first such plant to go into operation in North America.

Enerkem says the fuel represents an 80 percent reduction in greenhouse gases

relative to gasoline, and so will qualify for the Canadian government's new bio-fuel content mandate, to be introduced in 2010.

Marie-Hélène Labrie, the vice president of government affairs and communications, told Green Inc. that the company is in the process of negotiating a similar venture with the Three Rivers Solid Waste Management Authority of Mississippi, which serves seven counties in the Tupelo region.

That deal, still under negotiation, will involve 189,000 tons of unsorted municipal

solid waste a year.

The \$250 million plant, in Pontotoc, will recycle and convert approximately 60 percent of the trash that crosses the gate at the Three Rivers landfill, according to an Enerkem statement.

The majority of the waste will be converted into biofuels and the remainder “will be distributed to recycling processors,” the company said. The plant is expected to produce about 20 million gallons of ethanol a year. According to the University of Michigan's Centre for Sustain-

able Systems, the United States produces almost 250 million tons of municipal solid waste each year, with just under 60 percent destined for landfill.

“It is recycling the carbon molecules in this garbage,” Ms. Labrie said. “You can also produce green chemicals as well as biofuels. It's a great resource.”

Green Inc. Blog
New York Times
October 5, 2009
By John Lorinc

"Anything else you're interested in is not going to happen if you can't breathe the air and drink the water. Don't sit this one out. Do something."

Carl Sagan

US threatens to derail climate talks by refusing to include Kyoto targets

The US threatened to derail a deal on global climate change today in a public showdown with China by expressing deep opposition to the existing Kyoto protocol. The US team also urged other rich countries to join it in setting up a new legal agreement which would, unlike Kyoto, force all countries to reduce emissions.

In a further development, the EU sided strongly with the US in seeking a new agreement, but said that it hoped the best elements of Kyoto could be kept. China and many developing countries immediately hit back stating that the protocol, the world's only legally binding commitment to get countries to reduce emissions, was "not negotiable".

With only a few days of formal UN negotiations remaining before the

crunch Copenhagen meeting in December, and the world's two largest emitters refusing to give ground, a third way may now have to be found to secure a climate change agreement. Last night it emerged that lawyers for the EU are in talks with the US delegation urgently seeking a way out of the impasse that now threatens a strong climate deal.

In a day of high international rhetoric, chief US negotiator Jonathan Pershing said the US had moved significantly in the last year. "There has been a startling change in the US position. There is now engagement. We have had a 10-fold increase finance from the US. We have put \$80bn into a green economic stimulus package. One year ago there was no commitment to a global agreement."

But he forcefully

outlined America's opposition to the Kyoto protocol. "We are not going to be in the Kyoto protocol. We are not going to be part of an agreement that we cannot meet. We say a new agreement has to [be signed] by all countries. Things have changed since Kyoto. Where countries were in 1990 and today is very different. We cannot be stuck with an agreement 20 years old. We want action from all countries."

Yu Qingtai, China's special representative on climate talks, said rich countries should not desert the Kyoto agreement, which all industrialised countries except the US signed up to and was ratified in 2002 after many years of negotiations. It contains no requirement for developing countries to cut greenhouse gas emissions, as both their current and historical emissions are low in most cases.

However, China, with its surging economy and rapidly expanding population is now the world's biggest polluter.

"The Kyoto protocol is not negotiable. We want [it] to be strengthened. We don't want to kill Kyoto. We really want a revival, a strengthening of the treaty. That can only be done by Annex I (industrialized) countries having a target of 40% cuts by 2020," said Yu.

"We have an agreement. If you take that away [you remove] the basis of negotiations. There are specific provisions for parties [like the US] who are not signed up to the Kyoto protocol."

China was backed strongly by the G77 group of 130 countries and the Alliance of Small Island States (Aosis), made up of Caribbean and Pacific countries which ex-

pect to be made uninhabitable in the next few generations if a strong climate agreement is not secured.

"We face an emergency. We want commitments. We did not create the problem. Any mechanism currently in use is one we want to maintain. National actions are important but they are no substitutes for an international framework," said Dessima Williams, a Grenadian spokeswoman for Aosis.

The EU, today sided openly with the US for the first time. "We look at the Kyoto protocol, but since it came into force we have seen emissions increase. It has not decreased emissions. It's not enough and we need more," said spokesman Karl Falkenberg.

"We are very unlikely to see the US join Kyoto, but we are working with the US to find a legal frame-

work to allow the US to participate and which will allow large emitters [such as China] to participate."

The difference between the sides is now considered to threaten the success of the talks. In essence, the US is insisting on a completely new agreement, with all countries signed up and all countries free to choose and set their own targets and timetable. Most other countries want to keep the existing agreement as a basis for negotiations, to ensure that rich countries are held by international law to agreed cuts. China in particular wants cuts calculated on a per capita basis.

Diplomats last night suggested that the only way out could be for the US to be asked to sign a separate agreement acceptable to developing countries, which

would see it cutting emissions at a comparable speed to other countries.

The G77 countries are meeting to consider their oppositions. One diplomat said: "They are very angry. People have talked of walking out."

However, lawyers said it would be difficult to terminate the Kyoto protocol because all parties have to formally agree by consensus to end it. In addition, if no further commitment periods after 2012 are established for rich countries, it would be a breach of their own legal agreements.

The Guardian UK
October 7, 2009
By John Vidal
