



Sustainable Finance

Market Performance - Selected Markets for the Week Ended January 22, 2010					Selected Rates (Institutional)	
Market	Dec 31, 2009	22-Jan-10	YTD Change	YTD % Change	Description	Price/Rate Jan 22, 2010
S&P TSX	11,746.11	11,343.43	- 402.68	-3.43%	CDN/USF	1.0564
Dow Jones	10,428.05	10,172.98	- 255.07	-2.45%	CDN/EURO	1.4951
S&P 500	1,115.10	1,091.76	- 23.34	-2.09%	CDN/CHF	1.0157
Nasdaq	2,269.15	2,205.29	- 63.86	-2.81%	CDN/YEN	0.0117
Nikkei 225	10,546.44	10,590.55	44.11	0.42%	Total CPI -Canada TTM (12/09)	1.60%
FTSE 100	5,412.88	5,302.99	- 109.89	-2.03%	Total CPI - USA TTM (12/09)	2.70%
Dax	5,957.43	5,695.32	- 262.11	-4.40%	Total CPI - Euro TTM (12/09)	0.90%
Hang Seng	21,872.50	20,726.18	- 1,146.32	-5.24%	GOC 1 Yr T-Bill	0.60%
Shanghai	3,277.14	3,128.59	- 148.55	-4.53%	GOC 5 Year	2.50%
DJSI World TR	1,286.40	1,272.54	- 13.86	-1.08%	GOC 10 Year	3.39%
DJSI North America TR	120.14	119.88	- 0.26	-0.22%	GOC 30 Year	4.00%
Jantzi Social Index TR	173.67	168.77	- 4.90	-2.82%	Gold USF/Oz	1,089.20
FTSE 4Good Global 100	4,256.14	4,129.20	- 126.94	-2.98%	Oil USF/BBL WTI Cushing Spot	74.24

Week in Review

Fundamental and technical analysis are powerful tools when looking at markets. Combined, they are the closest thing to a crystal ball that you will ever get in this industry.

Well my crystal ball is telling me that it is time to be cautious.

We have seen markets move up substantially from the March 2009 lows and they are now

starting to lose their momentum.

This week the Canadian market broke through the 12,000 level and then promptly moved lower. The story was similar in many other markets. A crest and then a fall.

When you look at a chart of the price history of a market it can tell you plenty. Derrided as "Hocus Pocus" by fundamental analysts who are

wrong much of the time, technical analysis gives you insight into the psychology of the market. And in this industry that is important.

After reviewing the fundamentals of the economies we follow and after looking at the technical charts I believe that the following has a greater probability of happening.

The fundamentals of the economy need to

catch up with the action of the markets over the past year. While many countries have moved out of recession, it is a tenuous and weak recovery.

People are paying down debt and saving. That will make the recovery longer.

Countries are now straddled with massive debt loads created from stimulus packages and will have "tight belt"

budgets for the next few years and will have to reduce services and/or increase taxes to pay down the debt.

Until the economic numbers catch up, the markets will be caught in a sideways trajectory. We believe that this could go on for a couple of years.

Return wise, we believe that 2010 will be a low return year and that investors are going to have to work

hard for every dollar of investment return they make.

As it stands right now our call is that markets are weak with significant risk to the downside and we will structure client portfolios accordingly.

As you can see from the tables above all markets, with the strange exception of Japan, fell last week and are now below their closing values at December 31, 2009.

Our sense is that they will head lower as investors really have no compelling reasons to jump into the markets in their weak state.

For the next 18 months or so it will be a tug of war between the optimists and the pessimists with the resulting trendless markets this invites.

As always, life in the markets is interesting.

Native group calls for pipeline boycott

A small B.C. first nation is making a personal plea to a series of Alberta energy companies as well as China and other governments in hopes of derailing an Enbridge Inc. pipeline that would export oil-sands crude to Asia.

The campaign is a preview of a storm brewing between first nations and the backers of the Northern Gateway pipeline project. The 1,170-kilometre project would bring crude from Alberta to the northern B.C. coast, where it would be loaded onto very large crude carriers for transport to Asian refiners.

The project offers oil-sands producers an appealing alterna-

tive market to the United States, where climate change legislation has brought some uncertainty. It has, as a result, gained support from a broad swath of industry and government leaders.

But on some of the pristine, salmon-rich lands Gateway would cross - safely, Enbridge says - first nations are voicing growing concerns that the line will damage the environment and leave little in return.

One of those nations, the Wet'suwet'en, took to Calgary yesterday in hopes of persuading energy companies to boycott the project. About 140 km of Gateway would be built on Wet'suwet'en traditional territory, and

the group believes the environmental approval process for the pipeline will infringe on their constitutional rights, since it does not include a mandate to look into aboriginal rights and title.

To make their case yesterday, they hand-delivered letters to Shell Canada Ltd., Royal Dutch Shell, Husky Energy, Suncor Energy Inc., Chevron, Imperial Oil Ltd., Ivanhoe Energy, Korea National Oil Corporation and China National Petroleum Corporation.

The group has met with the U.S. and Chinese consulates in Calgary, and also plans to outline its concerns to South Korean representatives.

"We want to let these

shippers know their support for the Enbridge project will also be supporting infringement on the Wet'suwet'en Nation," said David deWit, the group's natural resources manager.

A spokeswoman with the Canadian Environmental Assessment Agency said the review process "has proven over time to be an effective means" to consider environmental and social impacts. The panel's findings will be used by the government "to fulfill its legal duty to consult and, where appropriate, accommodate."

The Wet'suwet'en opposition comes as support rallies around Gateway which, along with a separate West Coast oil pipe-

line being pushed by Kinder Morgan Canada, is seen as a potentially critical link to foreign crude buyers.

A group of Alberta oil producers and Asian refiners has already handed Enbridge \$100-million to develop the project, and on Thursday, newly-installed Energy Minister Ron Liepert said he intends to more aggressively look "at international market for our oil and gas products."

"We have been too reliant on the U.S.," Mr. Liepert said in an interview.

Gateway will cross the land of 50 first nations. Thirty have signed "protocol agreements" that allow discussions with

Enbridge and provide funding for local traditional knowledge studies. Enbridge has not yet, however, signed a single access and benefit agreement with native groups.

Mr. deWit estimates that salmon in north-western B.C. are

worth \$100-million a year.

The National Post
January 16, 2010
By Nathan Vanderlippe

January 22, 2010 Volume 2 Issue 3

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Selected News Articles

An argument against Murkowski's radical attempt to overrule EPA scientists

Today one of my Republican colleagues introduced a proposal to brazenly overturn sound scientific work done by our nation's leading public health experts and prohibit the Environment Protection Agency from doing its job to protect the health and welfare of the American people. This extremely damaging proposal is a political stunt designed to effectively strip the EPA's power to curb harmful air pollution.

Senator Lisa Murkowski's (R-Alaska) proposal takes the form of a "Resolution of Disapproval" under the Congressional Review Act. It is so extreme that it would legally overturn scientists' very conclusion, based on decades of scientific study, that greenhouse-gas emissions threaten public health and the environment, and it would have the effect of prohibiting the EPA from making the same conclusion in the future. It could block any action by the EPA to protect our families, our communities,

and our economy from greenhouse-gas pollution. This resolution represents an irresponsible attempt to take away the power of an independent agency whose sole purpose is to protect the health of our families, friends, and neighbors and the environment we live in.

Imagine if Congress always put the interests of polluters ahead of the health of our families. Our rivers and lakes would be choked with sewage. Acid rain would pour down from smog-filled skies. Hundreds of thousands more of our neighbors, friends, and loved ones would be victims of cancer, heart disease, and asthma. President Nixon—Nixon!—signed the EPA into law because even Republicans recognized that unchecked pollution was poisoning our people.

This resolution is a return to that polluter-first approach that even President Nixon found intolerable.

Decades of scientific research has proven

that carbon pollution is harmful to human health and causes global warming. The EPA's endangerment finding—as required by the Clean Air Act—found that carbon pollution endangers the health of millions of American families and future generations. This resolution would block the EPA's ability to regulate unsafe air pollution and would continue to allow our nation's considerable contribution to global warming to go unchecked. What's worse, this resolution aims to politicize an independent agency and prevent it from protecting the health of our citizens and our communities.

While supporters of this misguided resolution try to tout its supposed positive impact for our economy, it would actually harm our economy by helping maintain our dependence on foreign oil, hamstringing EPA's ability to promote clean energy options, and negatively impacting our nation's clean energy jobs industry. This resolution encourages big polluters to continue polluting,

and discourages one of the fastest-growing industries in America: clean energy. Continuing on the path of spending billions of dollars a day to import foreign oil rather than make significant progress transforming our energy economy and developing American-made renewable energy is a deeply flawed approach.

Plainly put, this dangerous resolution has the best interest of big energy industries in mind, not the health and welfare of the American people or our environment, and not the clean energy job creation we urgently need right now. Because this extreme resolution only needs a simple majority to pass, we need you to speak out. Please consider calling your senators and urging them to put the health of our citizens before politics and vote against this harmful resolution.

The Grist
January 21, 2010
By Senator Jeff Merkley

California to Subsidize Solar Water Heaters

California regulators on Thursday approved a \$350 million program to subsidize the installation of solar water heaters to reduce greenhouse gas emissions.

The program will allocate \$250 million for the replacement of hot water heaters fueled by natural gas and \$100.8 million for those powered by electricity.

Solar hot water systems typically consist of a storage tank and a rooftop array that collects heat from the sun to warm the water.

Customers of California's three big investor-owned utilities will receive rebates of up to \$1,500, or about 30 percent of the cost of replacing a residential natural-gas hot water heater with a solar system. Owners of multifamily commercial buildings are eligible for up to \$500,000 in incentives.

The California Public Utilities Commission reserved 60 percent of the funds to install solar hot water systems on those buildings, with the balance going to single-family homes.

Homeowners with electric hot water heaters can receive up to \$1,010 to install a solar hot water system and owners of commercial buildings will get up to \$250,000. Only about 10 percent of hot water systems in California are electric, according to the utilities commission.

The program's goal is to replace 585 therms of natural gas — the equivalent of installing 200,000 solar hot water systems — and 150 megawatts of electricity by 2017. Incentives decrease over the eight-year life of the program.

"Today's decision will increase consumer confidence and understanding of solar water

heating technology and its benefits," Michael R. Peevey, president of the utilities commission, said in a statement.

The California initiative could help jumpstart the solar hot water market, which boomed 30 years ago when federal subsidies were offered for such systems in the wake of the oil embargoes of the 1970s. But when oil prices fell in the 1980s and the subsidies ended, many installers went out of business.

Terrie Prosper, a spokeswoman for the utilities commission, said Arizona, Florida and Hawaii also offer solar hot water incentive programs.

New York Times
Green Inc Blog
January 21, 2010
By Todd Woody

We have to shift our emphasis from economic efficiency and materialism towards a sustainable quality of life and to healing of our society, of our people and our ecological systems.
~Janet Holmes à Court

The Real Himalayan Scandal

.After the University of East Anglia's email scandal, climate sceptics now believe they have another cause for celebration. Some British papers claimed this week that climate change "theories" are in doubt because of the retraction of an unfounded claim in an Intergovernmental Panel on Climate Change -report from 2007.

The item alleged that the glaciers of the Himalayas could disappear by 2035. It was drawn from a campaigning report by the WWF, which had taken it from an interview with an Indian glaciologist

published years earlier in New Scientist. It was not based on peer-reviewed science and should not have been included in the IPCC's fourth assessment report.

However, what is really worrying about the report is how little it has to say about the future of the Himalayas-Hindu Kush, a region on which nearly 40% of the world's population depends for water. There was a striking lack of useful data on the possible fate of the largest store of fresh water outside the poles — and no available fieldwork, it would appear, on glaciers that feed all the major river sys-

tems of Asia. There is a further worrying unknown: what impact might the loss of the Himalayan glaciers have on the monsoon, on which food security in south Asia depends? When the report was under preparation, it seems that the science of this region — one of the world's most sensitive and volatile — was a black hole. There are reasons for this lack of data. There are tens of thousands of glaciers that are difficult and expensive to get to. They are scattered across three major weather systems and countless microclimates. The countries

in which they lie are not good neighbours and have little history of scientific co-operation.

To be a glacier scientist in tropical and temperate zones requires both scientific training and mountaineering skills. In most of the Himalayas, those with mountaineering skills are tribal people, and those with scientific training middle-class and urban. Since the glaciers lie in some of the most sensitive security regions in the world, scientists from elsewhere can find their work frustrated by national security suspicions.

Studying the glaciers,

until recently, was not a high priority. Unlike the Alps, the Himalayas has a patchy photographic record and the history of scientific glaciology is short. Climate modeling is unreliable across big variations in altitude, and in the Himalayas it needs to be tested against data collected on the ground. But the collection of even basic data is sparse: for instance, weather stations on the Qinghai-Tibet plateau were located in towns so as to be easy to read. The result was that nothing was known about precipitation at high altitude, where the glaciers are.

This is one of the most complex regions on earth, and there are confusing local variations, such as in the Karakoram, where glaciers are advancing. But this anomaly does not alter the overall picture of retreat that affects 80% of the region's glaciers, a retreat recorded by the Chinese Academy of Science's extensive inventory.

The people of the region know that climate change has long-term implications for their water and food security. In the short term, it threatens the energy supplies of all the nations that rely on hydropower to fuel

their economies. Farmers in Nepal are already -reporting new pests and diseases. -Kyrgyzstan, scientists predict, will lose 80% of its water supply. Pakistan and India's great rivers may become seasonal, and their monsoons erratic. The Yangtze and -Yellow rivers will lose volume. The pace and pattern of -glacier retreat is urgent, and needs to be - understood through science — not - dismissed by ignorant sceptics.

Guardian UK
January 20, 2010
By Isabel Hilton