



Sustainable Finance

Market Performance - Selected Markets for the Week Ended March 5, 2010					Selected Rates (Institutional)	
Market	Dec 31, 2009	Mar 5, 2010	YTD Change	YTD % Change	Description	Price/Rate Mar 5, 2010
S&P TSX	11,746.11	11,975.14	229.03	1.95%	CDN/USF	1.0286
Dow Jones	10,428.05	10,566.20	138.15	1.32%	CDN/EURO	1.3996
S&P 500	1,115.10	1,138.69	23.59	2.12%	CDN/CHF	0.9566
Nasdaq	2,269.15	2,326.35	57.20	2.52%	CDN/YEN	0.0114
Nikkei 225	10,546.44	10,368.96	-177.48	-1.68%	Total CPI - Canada TTM (01/10)	1.90%
FTSE 100	5,412.88	5,599.76	186.88	3.45%	Total CPI - USA TTM (01/10)	2.90%
Dax	5,957.43	5,877.36	-80.07	-1.34%	Total CPI - Euro TTM (01/10)	1.10%
Hang Seng	21,872.50	20,787.97	-1,084.53	-4.96%	GOC 1 Yr T-Bill	0.69%
Shanghai	3,277.14	3,031.07	-246.08	-7.51%	GOC 5 Year	2.59%
DJSI World TR	1,286.40	1,248.08	-38.32	-2.98%	GOC 10 Year	3.42%
DJSI North America TR	120.14	121.36	1.22	1.02%	GOC 30 Year	4.01%
Jantzi Social Index TR	173.67	175.51	1.84	1.06%	Gold USF/Oz	1,134.80
FTSE 4Good Global 100	4,256.14	4,155.15	-100.99	-2.37%	Oil USF/BBL WTI Cushing Spot	81.50

Week in Review

An interesting week as they always are. And I am sure that there are many that are saying to themselves that the markets will go higher.

We are off the lows of early February but the markets are still trading in a range.

For the TSX in Canada this range is 11,000 to 12,000. For the S&P 500 in the US the range is 1,050 to 1,150. We expect this to remain so for the foreseeable future.

Our reasons are many. First, the world economy is not as healthy as many would like us to think.

There are numerous European countries that are in debt up to their eyeballs and this will have to flow through the economic system and markets in some manner. The obvious ones are reduced government spending and higher taxes which are a drag on economic

activity at the best of times.

There are also some notable countries with massive debt and operating deficits. The US, UK, (essentially bankrupt), and Japan are all running large deficits and it is questionable when they will be able to rein them in. But when they do, it will cost. And if they don't, it will cost in terms of inflationary purchasing power losses.

Certainly, on the sen-

timent front, the markets are behaving fairly inconsistently. Good news has some times been met with a fall in the markets while bad news has spurred rallies. It is this behaviour that gives us pause as to the true direction the market wants to take.

In any event, we will note that the markets are performing exactly as we have thought they may. It is a range bound market and this next week will be a crucial point in market per-

formance.

If, as we think they will, the markets pull back from the top of the range that they are now approaching it will produce a double top.

What does that mean Trevor? Well very simply when a market's price moves to one level then falls and then moves to almost the same level again and then falls it is called a double top.

Its significance is that buyers do not have enough conviction to

continue buying past a certain level and in fact are becoming sellers at that level and taking profits.

If the market cannot penetrate the previous high and stay there, then there is a very good chance that it will fall again and continue to fall by up to 30% to 50% of the previous gain from the most recent major low.

In this case it means the TSX for example could fall 1,500 to 2,250 points over the

next few months if the double top completes its formation.

For this reason alone we are being very conservative and holding on to cash and fixed income securities while re-searching purchase candidates that would be appropriate for this scenario and for the scenario of a trend past 12,000.

Yes this may sound arcane but it is what we are paid to do. So next week is crucial.

B.C. pollution tests kept under wraps

Extreme levels of a toxic chemical were found in air samples from a Prince George, B.C., neighbourhood more than 18 months ago, but the community still has not been told of the danger, CBC News has learned.

Tests performed in the Millar Addition neighbourhood showed formaldehyde levels more than 18 times the acceptable level.

The Environment Ministry gathered the air samples in Prince George in July and August 2008 after years of complaints from residents about bad smells.

"I don't think there's a reason to panic"—

B.C. Environment Ministry official Maureen Bilawchuk

"The [readings] ... were unusual enough that they came back as a red flag," said Maureen Bilawchuk, head of the Environmental Management Section.

The B.C. government and local industry were informed of the results, but the community wasn't for fear of causing panic over results that might not be accurate, according to Bilawchuk.

"I don't think there's a reason to panic over these five very discrete samples," she said. "I don't want to say we're ignoring the situation. We want to follow up and find out what's going on."

It was important for residents to put the issue in context and realize that everything from traffic to indoor furniture can emit formaldehyde, Bilawchuk said.

Identified as carcinogen

According to Health Canada, formaldehyde in high concentrations is a carcinogen and contributes to asthma and allergies, especially in children. In lower concentrations, it can irritate and burn the eyes, nose, and throat.

Although B.C. Environment Ministry officials believe the 2008 test results were so high they might have been inaccurate, no new tests have been ordered.

One of the Prince George tests was taken in Fort George Park, a popular playground and water park next to a children's science museum and daycare. The samples showed 1,200 micrograms of formaldehyde per cubic metre in a one-hour period.

Another set of samples were taken a few blocks away at Patricia Boulevard and Taylor Drive, a residential street in middle-class Millar Addition, which is also near the Fraser River and the city's downtown. That test indicated 950 micrograms per cubic metre, also in a one-hour period.

B.C.'s acceptable level is 65 micrograms per cubic me-

tre.

Re-testing in Prince George would cost between \$6,000 and \$12,000, but the government has not committed funding to the followup, Bilawchuk said.

Local activists have pointed to local pulp mills and an oil refinery as possible sources of the pollution.

CBC
March 4, 2010

**Update

The MLA for Prince George-Valemount, Transportation Minister Shirley Bond, said late Thursday that new tests would be performed but she did not know when.

The B.C. NDP's envi-

ronment critic says the government should have acted much sooner.

"It shouldn't take breaking news for our government to do the right thing," said MLA Rob Fleming.

"Protecting human

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Selected News Articles

Protestors call on top tar sands financier to protect Indigenous rights and climate

More than 150 people gathered outside the RBC Annual General Shareholder Meeting today to protest the bank's leading role in funding the contentious Alberta tar sands. People concerned with the impact of tar sands projects on First Nations, water quality and the climate came from every corner of Canada to ensure that the bank heard the message: 'stop bankrolling the tar sands.'

Outside the shareholder meeting school children, bank customers of every age, First Nations community representatives and leading environmental groups rallied with brightly colored signs and chants. Inside the shareholder meeting, Chief Al Lameman of Beaver Lake First

Nation of Alberta, Vice Chief Terry Teegee of the Carrier Sekani Tribal Council of BC, and Hereditary Chief Warner Naziel of the Wet'su-We'ten First Nation of BC addressed RBC CEO Gordon Nixon directly about the way tar sands extraction projects have jeopardized their health and their rights.

"RBC has a decision to make. They can continue to align themselves with the tar sands, a project that is single-handedly compromising the climate, drinking water and the health of First Nations," said Brant Olson of the Rainforest Action Network, which has been running a campaign to clean up RBC since its shareholder meeting last year. "Or they can lead Canada's economy toward

clean energy and socially responsible development."

RBC is clearly feeling the public pressure over their tar sands financing. Recently, the bank convened a high-level meeting with more than a dozen international banks for a "day of learning" about the reputational risks associated with the tar sands. In addition, according to information the bank provided to RAN during a February meeting in San Francisco, RBC is currently evaluating new lending criteria that would apply to the oil and gas sector, in particular to the tar sands. However, the bank has been reticent to include Free, Prior and Informed Consent in its policy, which would ensure that First Nations communities are respected in lending

practices.

"RBC's significant financial relationship with companies pursuing tar sands development activities within our traditional territory and without consent warrants close attention," said Chief Al Lameman of Beaver Lake First Nation. "RBC should update their policies to include a recognition of Free, Prior and Informed consent for Indigenous communities; this globally recognized concept was adopted by TD Bank Financial Group in 2007 and is endorsed by Indigenous communities across the political spectrum."

Internationally, tar sands financing is gaining tremendous negative An increasingly vocal group of shareholders and environmentalists turned last month's

BP, Shell and Royal Bank of Scotland annual meetings into a referendum on the oil extraction projects.

"It is unacceptable that RBC is a major financier of the Alberta tar sands, one of the most environmentally destructive projects in the world," said Maryam Adrangi, a member of Rainforest Action Network Toronto and a lead organizer of today's rally. "We will not stop until RBC adopts a socially responsible banking policy that includes respect for Indigenous rights and the phasing out financing for dirty fossil fuels like the tar sands."

According to Bloomberg, since 2007, RBC has backed \$16.9 billion in loans to companies operating in the tar

sands, and has earned more than \$132 million in underwriting fees. As a result, RBC has enabled the production of the world's dirtiest oil. Oil extraction from the tar sands generates three times the CO2 emissions as conventionally extracted oil, and will soon make Canada the biggest contributor to global warming.

Mining oil from tar sands requires churning up huge tracts of ancient boreal forest and polluting so much clean water with poisonous chemicals that the resulting waste ponds can be seen from outer space. The health impacts to Alberta's First Nation communities are severe, with cancer rates up in some communities as much as 400 times its usual frequency. In addition,

communities living near oil refineries face increased air and water pollution from tar sands oil, which contains 11 times more sulfur and nickel and five times more lead than conventional oil.

The Rainforest Action Network campaign to Clean Up RBC has been demanding that RBC take responsibility for its lending in the tar sands by meeting basic standards set by other leading banks on Indigenous rights, water and habitat impacts and climate change.

Dispatches from the Youth Climate Movement Blog
March 3, 2010
By Maryam Adrangi

This is a beautiful planet and not at all fragile. Earth can withstand significant volcanic eruptions, tectonic cataclysms, and ice ages. But this canny, intelligent, prolific, and extremely self-centered human creature had proven himself capable of more destruction of life than Mother Nature herself... We've got to be stopped.

~Michael L. Fischer

Brussels Approves Inedible GMO Potato

The European Commission on Tuesday (2 March) approved the first genetically modified crop for cultivation in Europe in 12 years, provoking the ire of environmental groups and some member states and cheers from the biotech industry.

The EU executive gave the green light to the growing of the Amflora potato, produced by Germany's BASF (BASFY), the largest chemical company in the world, alongside the entry onto the European market of three GM maize products.

Austria denounced the decision, declar-

ing that Vienna would immediately ban the potato, while Italy's agriculture minister warned that the commission had overstepped its authority.

"We will not allow the questioning of member states' sovereignty on this matter," he said.

In the past, a majority of EU member states has opposed the authorization of the potato, which is not intended for human consumption. Rather, its starch would be used in industrial processes. Critics say however that the crop could cross with potatoes that humans do eat.

EU health commissioner John Dalli announced the decision saying the EU executive was committed to a "science-based union authorization system."

"It is clear to me that there were no new scientific issues that merited further assessments...All scientific issues, particularly those concerning safety for human and animal health and the environment have been fully addressed."

He added that the delays to approval were inhibiting innovation: "My guiding principle in the context of innovative technologies will be that of responsible innovation. It is inno-

vation that will give our citizens the best guarantee of safety and the strongest impetus for economic growth."

Green groups however are worried that the BASF potato contains a gene that confers resistance to some antibiotics.

While the European Food Safety Authority has given the potato a passing grade on a number of occasions, the World Health Organization and the European Medicines Agency have warned of the "critical importance" of the antibiotics affected by the Amflora potato, Greenpeace said in reaction to the commission green

light.

"Releasing BASF's GM potato into the environment could raise bacterial resistance to life-saving medicines, including drugs used for the treatment of tuberculosis," said the group's agriculture campaigner, Marco Contiero.

"In six years, [EU Commission President] Barroso has been unable to bury scientific evidence questioning the safety of this GM potato," he continued, but now "health commissioner Dalli has agreed to this cold-blooded approval that flies in the face of science, public opinion and EU law."

In 2001, the EU adopted legislation phasing out products containing antibiotic resistance genes.

BASF for its part was happy with the decision. "After waiting for more than 13 years, we are delighted that the European Commission has approved Amflora," said Stefan Marciniowski, a member of the BASF board.

The company said commercial cultivation of the potato could begin as soon as this year. The potato is intended for industrial processes rather than human consumption. Its starch gives paper a higher gloss, and makes concrete and

adhesives stay wet for a longer period of time, reducing the consumption of energy and raw materials.

Europabio, the European biotech industry trade association, said: "Today's approvals represent a step in the right direction and a return to science-based decision making. This is essential if European farmers are to be given the freedom to choose whether or not to cultivate innovative GM crops."

Euobserver.com
March 3, 2010
BY Leigh Phillips