



Sustainable Finance

Market Performance - Selected Markets for the Week Ended April 23, 2010					Selected Rates (Institutional)	
Market	Dec 31, 2009	Apr 23, 2010	YTD Change	YTD % Change	Description	Price/Rate Apr 23, 2010
S&P TSX	11,746.11	12,239.64	493.53	4.20%	CDN/USF	1.0027
Dow Jones	10,428.05	11,204.28	776.23	7.44%	CDN/EURO	1.3397
S&P 500	1,115.10	1,217.28	102.18	9.16%	CDN/CHF	0.9332
Nasdaq	2,269.15	2,530.15	261.00	11.50%	CDN/YEN	0.0106
Nikkei 225	10,546.44	10,914.46	368.02	3.49%	Total CPI -Canada TTM (03/10)	1.40%
FTSE 100	5,412.88	5,723.65	310.77	5.74%	Total CPI - USA TTM (02/10)	2.30%
Dax	5,957.43	6,259.53	302.10	5.07%	Total CPI - Euro TTM (02/10)	1.40%
Hang Seng	21,872.50	21,244.49	-628.01	-2.87%	GOC 1 Yr T-Bill	1.30%
Shanghai	3,277.14	2,983.54	-293.60	-8.96%	GOC 5 Year	3.16%
DJSI World TR	1,286.40	1,310.80	24.40	1.90%	GOC 10 Year	3.72%
DJSI North America TR	120.14	130.62	10.48	8.72%	GOC 30 Year	4.09%
Jantzi Social Index TR	173.67	182.94	9.27	5.34%	Gold USF/Oz	1,142.30
FTSE 4Good Global 100	4,256.14	4,298.60	42.46	1.00%	Oil USF/BBL WTI Cushing Spot	84.42

Week in Review

Why is it that the Chinese markets are down and everyone else is up for the year?

To this question we have no good answer. Could it be that a property bubble is expected to collapse in the near future. Or is it the credit tightening that is going on in that country?

We are not completely sure but it has caught our attention. We are watching.

In the past we have been unsure about

entering the equity markets but at this time our sentiment is turning more positive. And it has been the resiliency of the markets that has taken us down this path.

Numerous times over the past few weeks we have seen sell-offs in the market early on in the day only to be followed by a market moving higher by the end of the day or certainly a lot higher than the initial fall.

What does this tell us? It says that there is now an underlying current of buying sentiment for equities

and that the general consensus is that we are past the worst of the financial crisis.

And for the most part we are moving to that camp. Economic indicators are starting to show clear exits from recession and that economies are starting to take up some of the slack created by the Great Recession.

Our expectation is that the TSX in Canada will reach almost 13,000 by the end of the year and as such we will become buyers on market sell-offs of which there

should be a few before year end.

We expect sell offs for a few reasons. There are some entities that will likely take profits on some of their early entry positions sometime in the year.

Perhaps the largest reason we expect some sell-offs have to do with the European debt issue and the general world debt situation.

In addition to Greece, Spain and Ireland have been singled out as the potential next bail-out candidates.

In addition, Hungary, which had to bailed out by the IMF in 2008 has a renegotiation coming up this year and based on the comments made by the new leader, the talks may not go as smoothly as the IMF may wish there would.

Of course, Italy is rarely mentioned but with debt at 120% of GDP it certainly is a possible candidate for financial ruin at any moment.

And lastly, we still have no idea what Japan will come up with. Should the in-

ternational community finally lose faith in its currency and start unwinding the carry trade business of borrowing Yen to purchase higher yielding assets elsewhere there could be a severe shock to stability of that country which carries 200% debt to GDP.

Regardless of the outcome of all this debt, the reality is that people still have to spend and that after a prolonged absence from the pictures, consumers are starting to borrow again and are making

large purchases. Certainly in Canada and to a lesser extent in other countries.

Pent up spending demand typically brings economies out of recession and this one is no different.

So despite some obvious risk on the horizon, and there always is, we believe that markets are now more inclined to a slow and steady increase in their value.

Time to dip the toes into the water and take a swim.

Site C criticized by environmental groups

First Nations in northeast B.C. and some prominent environmental organizations are critical of the province's announcement Monday that it's going ahead with the Site C dam.

The Council of Treaty 8 Chiefs, representing First Nations in the Peace region, said that when combined with forestry, oil and gas and mining projects, the dam would cause irrevocable damage to fish, wildlife and local agriculture.

The Sierra Club of B.C. said the Site C dam would destroy forest and farmland, hurt wildlife and increase carbon

emissions, while the David Suzuki Foundation said too many questions about the project remain unanswered for it to proceed.

The criticisms follow Premier Gordon Campbell's announcement that the \$6.6-billion Peace River project would move into a third stage, which include talks with First Nations stakeholders and environmental assessments.

Tribal Chief Liz Logan said the government was moving ahead with the plan without ever having addressed past infringements on treaty rights caused by the W.A.C. Bennett and

Peace Canyon dams, both of which are also on the Peace River.

West Moberly Chief Roland Willson said what he called, "the watering down of the environmental regulatory process," in the Site C approval process could result in the project slipping through with few environmental challenges.

Carbon footprint cited

The Sierra Club called the Site C decision "misguided." "Instead of investing billions of dollars in a dam whose need is unproven, we should first spend our time and money develop-

ing a full provincial framework for future energy development before making a final decision on Site C," said George Heyman, executive director of the organization's B.C. branch.

The loss of a huge tract of forest would leave fewer trees to soak up carbon, while flooded farmland would reduce the province's food security, said Heyman.

That concern was echoed by a David Suzuki Foundation spokesman.

"They haven't looked at the costs that this dam is going to incur, in terms of the climate," said the foundation's science direc-

*Only after the last tree has been cut down,
Only after the last river has been poisoned,
Only after the last fish has been caught,
Only then will you find that money
cannot be eaten.*

Cree Indian Prophecy

tor, Faisal Moola.

Moola said the project has the potential of destroying forest land that provides "a critical carbon sink," that is "sequestering the greenhouse gases the cause climate change."

CBC
April 19, 2010
Canadian Press Association

April 23, 2010 Volume 2 Issue 16

Trevor Giles is Managing Director of Blue Marble Capital Management Limited, a discretionary portfolio manager located in Nelson, British Columbia that specializes in socially responsible investment using their ESGC Investing™ method.

He is a Certified Management Accountant (CMA), a Chartered Financial Analyst (CFA) and a Fellow of the Canadian Securities Institute (FCSI). He has over 20 years investment experience in public investments, venture capital, carbon finance, and socially responsible investing.

Trevor be contacted at 250.354.4422 or at trevor.giles@bluemarblecml.com. The firm's website is www.bluemarblecml.com.



Selected News Articles

Imagining a Jet-Free Europe

On April 15, the European Environment Agency in Copenhagen convened a two-day workshop on how to move toward a more sustainable transport system on the Continent by 2050. Since flying is by far the most highly emitting form of transportation, the central question was "How would Europe look and function without aviation or with much less aviation than we have now?" as Peder Jensen, the agency's transportation expert and the event's organizer, put it.

Perfect timing. As participants from all over Europe gathered, a cloud of vol-

canic ash was spreading eastward from Iceland and by day's end had grounded flights from Britain to Germany. "On Thursday morning [the 15th] the participants couldn't imagine Europe without aviation; by Friday night they were living it – I just got the last person home yesterday, to Spain, by rail," Dr. Jensen said in a telephone interview Thursday.

"It takes something like a giant ash cloud to get people to imagine something different," he said.

To reduce Europe's emissions, the agency is looking hard at whether high-speed rail could partly – or

mostly – replace aviation on a Continent that is highly interconnected by fleets of planes.

Hordes of European Commission bureaucrats descend on Brussels each week. British vacationers are accustomed to weekend trips to Prague or Marbella.

As I've written recently, many European countries like Spain and Britain are already aggressively promoting very high-speed rail to replace domestic air travel. But can it connect a continent?

"It takes something like a giant ash cloud to get people to imagine something differ-

ent," Dr. Jensen said. Maybe it advanced the project.

Of course, the millions of travelers who were stranded this week were mostly thrilled when planes took flight again. But many people had their first long-haul train experience in years, reminding them – perhaps – that this is an alternative.

At the Gare Du Lyon station in Paris, Pietro Colinelli, a businessman from Milan, was boarding a TGV train Wednesday morning, coffee in hand, after being stranded. He noted appreciatively that train stations were much easier to navigate than airports these days, although

he said he doubted that rail would become a regular habit for his trips to Paris, since current train routes over that distance are still far slower than flying.

After my own flight from London to Rome was canceled because of spreading volcanic ash, my journey involved one train from London to Paris, and a second from Paris to Nice. It was pleasantly surreal to find myself starting this post aboard a train passing through Cannes! From Nice, I continued by plane to Rome, a bit regretful that this last leg of the journey happened so fast.

Ultra-high-speed

trains can't do it all. Dr. Jensen said the Greek representative at his workshop was concerned about the push for high-speed rail, since Greece is out in a corner of the Continent, and so much of Greece consists of islands.

And current high-speed trains are not fast or efficient enough to get you from Milan to Paris for an important business lunch – a common business trip in an age of flying. But, as those of us who were grounded this week discovered, perhaps you didn't really need to be there in person. There's a lot you can do by phone.

But high-speed rail in Asia and Europe is forever speeding up. New routes in China and Spain feature trains that travel over 300 kilometers, or 186 miles, per hour. Earlier this year Josep Valls, an expert in high-speed rail at the Esade business school in Barcelona, told me he imagined a four-hour rail link between Barcelona and Paris in the not too distant future.

Take that, ash cloud!

Green Inc. Blog
April 23, 2010
By Elisabeth Rosenthal

Sunken Drilling Rig in Gulf Raises Questions for Future Oil and Gas Exploration

The future of offshore drilling in the United States may depend on which way the wind blows in the Gulf of Mexico in the next few days.

If the sunken Deepwater Horizon oil drilling rig were to spew millions of gallons of crude oil into the gulf, the scenes of environmental devastation, combined with the loss of life, could rapidly reverse the confidence drillers have gained with the public in the past few years.

But if the wind and current drive any leaking oil out to sea, the disaster could remain, in the public's mind, a tragedy for oil workers and their families -- similar to the recent West Virginia mine disaster -- but not a threat to the environment.

"Which way the wind blows, the weather, all of those kinds of things are going to be major issues," said Nancy Kinner, director of the Coastal Response Research Center in Durham, N.H.

There is also the

question of how the political winds will blow the rig accident. It comes at a crucial time for the offshore drilling industry. Congress let a long-standing ban on drilling expire in 2008 and President Obama recently agreed to drilling off the Atlantic seaboard and recommended expanding drilling in the eastern Gulf of Mexico and Alaska. A Pew Research Center poll earlier this year found that 63 percent of Americans favor allowing more offshore oil and gas drilling.

But while support for drilling offshore has broadened in recent years, University of Virginia political scientist Larry Sabato says that support does not run very deep.

"It's based on some general support for getting more energy domestically," Sabato said. "Undoubtedly, as people learn more about the costs, it's entirely possible that public support could wane."

Drilling has also seemed poised for gains in a Senate climate and energy bill to be rolled out next week. But the gulf accident could scram-

ble the vote count for offshore drilling, which was already tenuous. The effects could even disrupt efforts to pass the climate bill being cobbled together by Sens. John Kerry (D-Mass.), Lindsey Graham (R-S.C.) and Joe Lieberman (I-Conn.).

New Jersey Democratic Sens. Robert Menendez and Frank Lautenberg had already pledged to vote against a climate bill if it includes new incentives for offshore drilling. The sunken rig could strengthen their resolve. And liberals who had seemed willing to trade offshore drilling for limits on greenhouse gas emissions might be less likely to deal.

Sabato said it would be Democratic drilling supporters whose position is likely to weaken or change, since they are already risking support from their liberal base by supporting exploration and production.

But others dismiss the idea that environmental concerns, rather than money, will drive the drilling debate. The crucial provisions in Kerry-Graham-Lieberman

have to do with giving states a cut of the royalties from drilling in federal waters off their shores. Barring a swift, decisive reversal of public opinion, some argue, cash-strapped states are unlikely to withdraw their support for production.

If Democrats won't bend on offshore drilling, it will be harder to get Republicans to break with their party leaders and support the climate regulations in the bill. Graham, who is trying to win Republican votes for the plan, has said that offshore drilling is vital to getting his GOP colleagues to even consider voting for it.

Overall, the rig disaster could undermine confidence in a business that has had to fight for decades to regain the trust of Americans after a massive oil spill off Santa Barbara that coated miles of beaches with oil and killed dolphins, seals and thousands of birds. The spill helped lead to a moratorium on drilling off the Atlantic and Pacific coasts that lasted nearly four decades, through Re-

publican and Democratic administrations.

Oil companies and drilling supporters have long stressed that a spill like Santa Barbara couldn't happen now, because technology has vastly improved. But drilling's staunchest opponents were surprisingly quick to cite the accident as proof those claims are not true.

"Big Oil has perpetuated a dangerous myth that coastline oil drilling is a completely safe endeavor, but accidents like this are a sober reminder just how far that is from the truth," Lautenberg and Menendez said in a joint statement yesterday.

Drilling's defenders criticized the two senators as too willing to politicize a tragedy.

"While an investigation into what caused this tragic accident is definitely warranted to prevent it from occurring again, I would certainly hope that senators don't take an isolated, tragic accident such as this as an excuse to further restrict domestic energy production," said Patrick

Creighton, spokesman for the Institute for Energy Research. "There will be time for investigations, but the focus of those on Capitol Hill should be those 11 missing men, not political capitalization."

For now, it is not even clear if the damaged well is going to leak oil. The rig sunk yesterday after catching fire Tuesday night, further dimming hopes that 11 missing workers had survived.

But the pipe is sticking into a reservoir said to have millions of barrels of oil in it. Coast Guard officials yesterday said they had no evidence one way or the other on a spill. They sent an unmanned vessel below the surface to find out. If it does leak, meteorologists at Accuweather say the current is likely to shift the flow toward land.

An executive of rig owner Transocean said yesterday that the situation "has the potential to be a major spill." The United States has developed the best spill response system in the world since the Exxon Valdez spill in

1989, said Kinner, a University of New Hampshire professor whose center is jointly operated by the school and the National Oceanic and Atmospheric Administration.

The gulf, Kinner added, is the best prepared region in the country. Still, if there is a large spill, it will be difficult for the Coast Guard and other agencies to recover even half the oil.

And despite its rigorous training on spills, the United States has shirked on scientific research about the best ways to address the environmental damage from spills.

"It costs a lot of money," Kinner said. "Company presidents and agency heads say, 'We haven't had a spill in a long time.' But this kind of spill might have the effect of showing that we're not as safe from this as we thought we were."

Greenwire
April 23, 2010
By Mike Soraghan
