



WF NewsLetter



SUMMARY

- Goldman Conspiracy
- Swine or Mexican?
- American or French?
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- Dubai Real Estate
- Bugatti Veyron



Microsoft (MSFT)
+10% on cost control ability

Sun Microsystems (JAVA)
+44% after take over from Oracle

Roche Holdings (RHHB)
+7% on the swine flu, Roche is the maker of Tamiflu

Pure Bioscience (PURE)
+50% on the swine flu, it manufactures a specific disinfectant efficient against the H1N1 virus

AIR France – KLM (AF)
-9% on the swine flu and bad travel prospects

Citigroup (C)
-26% on uncertainties about the future of the giant

Euro Disney (EDL)
-9% after it doubled its half-year losses

The Goldman Conspiracy

Prior to becoming Treasury Secretary in May 2006, **Hank Paulson** had been the CEO of Goldman Sachs. As soon as nominated three former Goldman CEOs (Corzine, Friedman, Rubin) joined him at the US government. In his last year at Goldman, he got paid \$38 millions. Then during the market meltdown six months ago the \$700 million personal fortune he built at Goldman was threatened by Goldman's huge \$20 billion derivatives exposure at AIG: suddenly his responsibilities at Treasury merged with a strong self-interest in

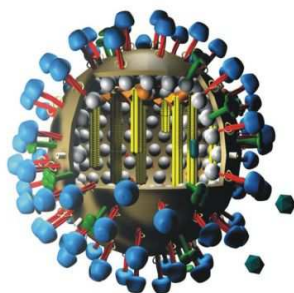
protecting his personal fortune. AIG was "saved". In a Fortune article in 2007, Paulson declared: **"This is far**



and away the strongest global economy I've seen in my business lifetime." The situation is best described by a financial commentator: **"Paulson and his cronies turned the federal government into one gigantic**

half-opaque holding company whose balance sheet includes the world's most appallingly large and risky hedge funds". The US government is not the only target: when Paulson became Treasury secretary, Robert Zoellick, a former deputy secretary of state became chairman of Goldman's International Advisors. Then in 2007, Zoellick became president of the **World Bank**, which lends billions to over 100 nations. Tell your children to apply for a job at Goldman Sachs, it's worth the effort, and maybe easier than politics!

Swine, Mexican, or A? H1N1 is here!



Neither your child's latest Lego, nor your assistant's latest hairdo. This is H1N1!

Apparently it all started in an industrial pig farm in a small village a few hundred kilometers south of Mexico City. From pig to humans, no one seems to understand how it made the jump. Then from the village to Mexico City. Then all across Mexico.

Then all over the world thanks to air transport. There are now cases as far as New Zealand (ironically the country said to be home to more sheep than humans!). Apart from Mexico, the country the most hit is obviously its closest neighbor, the USA, some cases in Canada and Central America, but also Spain and more and more in the rest of Europe. One in Israel, nothing so far in the Gulf. Probably not for the obvious Islamic reason (no pigs here) but rather because of the low level of interaction between the Gulf and Mexico. The EU is advising not to call it

"swine" or "Mexican" flu but simply "A", we'll see later by which name it will be remembered...

Now, if you are an investor and not a doctor (or both), the "... flu is an interesting phenomenon. Dump airline and hotel shares, buy Roche and other manufacturers of drugs and masks ones. Remember that Donald Rumsfeld (the guy who implemented the torture at Guantanamo) is a major shareholder of Tamiflu, and each time you buy a box you fill his pockets as well. Anyway, for the time being we are watching four-legged pigs! The word is out from WHO: **PANDEMIC!**

Citigroup, Emaar, ...

The British Foreign Office has **distanced** itself from stories published by UK tabloids about Dubai's difficult days saying these stories do not reflect the reality. Bravo les anglais...

Barrack **Obama** wants **Turkey** inside the EU. It is said that the main reason behind this stance is that Turkey would be difficult to integrate (size, population, religion, Kurds, Cyprus) and that would make the EU a weaker partner to the USA. Nice thinking Mr. President!

Larry Ellison's **Oracle** won where IBM missed by taking over **Sun Microsystems** for \$5.6 Billions. Sun Microsystems is best known for its **Java** brand.

The **Great Wall of China** is 8,850 km long and not 5,000 km as believed until now. That's a 77% increase! Not bad.

Saudi Arabian investor **Prince Alwaleed bin Talal bin Abdulaziz Al Saud** said Thursday that he will increase his holdings in **Citigroup** back to 5%. He currently holds 4%.

A **rare blue diamond** will be sold in London next month, it weighs 7.03 carats and is said to be worth between \$6 millions and \$8.5 millions.

For the first time Emaar decided to withhold dividend payment citing the financial crisis and shortage of liquidity in the market as main reason. Unhappy investors made their voices heard

Index	Last	Year-to-date	1-Year	5-Year
Dow Jones	8,168.12	-9.59%	-37.27%	-18.05%
NASDAQ	1,717.30	+5.21%	-31.17%	-10.46%
CAC 40	3,189.55	-5.95%	-37.50%	-14.57%
FTSE 100	4,243.71	-6.97%	-30.29%	-5.66%
Nikkei 225	8,828.26	-0.12%	-35.87%	-22.82%
\$/€	1.3249	+4.37%	+14.07%	-11.35%



Chrysler
Chapter 11



Larry Ellison Bought Sun Microsystems (Java) and shows the world that business is still on



Thierry Morin, Valéo CEO bugged his Board to know the latest on his departure payoff



Captain Phillips Gave his freedom for his crew, tried to escape, and was rescued by the troops

This month's **Winners**

Our selection

Company	April '09 Perf	Year-to-date Perf	Price
AIG	+28.97%	-16.87%	1.38
Citigroup	+13.81%	-59.12%	3.05
BNP-Paribas	+22.34%	+23.09%	40.25
Goldman Sachs	+16.51%	+48.11%	128.50
Sun Microsystems	+14.50%	+117.06%	9.16
Bank of America	+26.67%	-37.68%	8.93
Saint Gobain	+26.48%	+22.56%	27.42
Lafarge	+35.44%	-8.41%	43.22
Royal Bank of Scotland	+66.14%	-18.24%	41.70

American or French **Way?**



Bank of America



Small and individual **shareholders** of Bank of America (BAC) **voted out CEO Ken Lewis** because they felt he misled them by acquiring Merrill Lynch and secretly agreed to pay exorbitant bonuses to the ML management while accepting government money. **Corporate Governance.**

Daniel Bouton, Société Générale's CEO **felt he had to resign** from his position, along with a €61,000/month life retirement, because he felt "pressure" from the French Government and the press to do so. Nothing from the shareholders. **N'importe quoi Governance.**

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QUOTE OF THE MONTH

"A business that makes nothing but money is a poor business"

HENRY FORD, INDUSTRIALIST

NUMBERS THAT STRIKE

- **17,000,000** of Co2 are produced by spam messages every year
- **\$4,000,000,000,000** is the cost of the crisis according to IFM
- **5,470,000** jobless in the USA, a 17-year high
- **19,000** UK citizens declared themselves bankrupt during the 1st quarter of 2009
- **0** spectator for a football match in a 110,000-seat stadium in Mexico City, welcome swine flu!

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Technicalities: *Time Deposit*



In theory a simple enough concept. Also called *Term* or *Fixed Deposit*, it is simply a contract with banks by which you agree to lend them your cash against a pre-agreed interest. Usually, the longer the term, the higher the interest. The interest may also vary according to the amount invested (more = more) or the rating of the

bank you are depositing with. A highly rated bank will usually pay less because your money is more secure. Certain circumstances may also affect the rates such as *cash shortage*: a bank in desperate search of cash is more likely to pay higher rates. This is what currently happens in the UAE where banks have

heavily lent for real estate and are now dying for cash to re-establish their ratios, and therefore pay high rates. One important thing is to distinguish between "branches" (you deal with the international bank) and "local entities" where the liability doesn't go beyond the border of the country. Finally do not forget that you are lending money

Back to *Dubai Real Estate*

Of course, it is in bad shape, or at least in worse shape than it was one year ago. But look at prices advertised by promoters, they are still holding rather high. Do they sell? No. But they don't dump either. The result: no business in the off-plans market. What about the secondary market then? Here, you find some action. You have the greedy (but let's not forget that they made the "Dubai market") speculators that have booked too many units and cannot afford to go on with the scheduled payments; you have the Russian punters who have just

disappeared; and you now have a new breed, the *genuine end-buyers* that are finally considering that buying at the level where the market is currently may prove to be a good bet. This is of course an improving factor for the market. Not one that will boost prices through the roof, but one that will create a more realistic market. We think now that potential buyers and investors can ask themselves the right question: should they buy in Dubai? The answer is definitely "yes" if they intend (a) to make a good bargain, (b) to hold long-term, (c) to choose an asset

class vs. another one. Business Bay, especially is



class vs. another one. *Business Bay*, especially is coming on the market with the Dubai Mall, Old Town n operation and many buildings ready for delivery. So our advice: watch the market and be ready.

Bugatti Veyron



Fantastic look, 0-100 km/h in 2.64 seconds, top speed 409 km/h

After last month's Tata Nano priced at \$2,200, the WF NewsLetter had to go back to its readers with a vehicle much closer to their aspirations. The Bugatti Veyron is the world's most expensive car with a price of \$1.5 million (or 542 Tata Nanos!).

300 units only will be built, five of them especially designed by Hermès.

With \$2.9 million, you can acquire the targa-top (convertible) version called Grand Sport.