



Regular Investment Account Manager Comments

Currently the largest stock holdings within the Regular Account are Baker Hughes and Tesco. Baker Hughes was acquired on the back of the merger announcement with Halliburton in November. Subsequently an announcement from OPEC on 27th November stated that oil supply should be maintained at 30million barrels per day, essentially flooding the market and driving the price of oil and thus oil stocks down.

Baker Hughes stock subsequently lost approximately 10.5% for the period and although it was hit hard, there is still a good level of interest being shown due to a possible merger. Looking forward I am positive on the potential upside of this stock longer term - late 2015 early 2016, especially if Halliburton makes an official confirmation that the merger is to go ahead or indeed we see a positive move in the price of oil.

Tesco shares which were acquired in November have also seen volatility lately, but the in depth analysis compiled before purchasing shows that this is perhaps an undervalued stock with a very positive upside. During December I also sold and repositioned a number of other stocks within the Account in order to limit any further losses.

We have already seen positive movement in Tesco during January and expect coming months to record reasonable profit.

William Gray
Account Manager