

WATHEEQA INVESTOR DIGEST

About WID


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Some of the world's renowned investors when asked what makes them great – the unusual but common answer is “We read and think”. The main goal of WID is to bring our clients the best interviews, articles, research and thought provoking material that we come across, read and thoroughly enjoy. Our collections are old, nevertheless timeless treasures while some are recent and highly recommended.

We thought; why not put these gems together each month and share the collective wisdom of what we read. WID is our contribution from that inspiring idea. We truly believe – what you read and how much of that you internalize; reflects who you are. We suggest you archive our premium collections; read them and re-read them.

Do an excellent job at a few things


Howard Marks, co-founder and Chairman of Oak Tree Capital talks about his firm's investment philosophy in this excellent interview. Marks emphasizes “I spend a lot of my time reading newspapers and magazines, because I think the most important thing is to try to figure out what is going on around us. When I was a kid in the early 1960s, there was something called, I think, the Johnson Inference Service. I always loved that title, because what we should do as an analyst is to try to infer what is going on. Everybody can see the headlines. The challenge is to infer what they mean. When you saw a headline in 2006 saying that there was a worldwide wall of liquidity coming toward us and it was going to raise the price of assets and lower risk forever, the most important thing was to infer from that that we were living in a world in which there wasn't enough worry and enough respect for risk.”

Source: *Investment Newsletter from Columbia Business School* 

Arnold Van Den Berg - Interview


Century Management's Arnold Van Den Berg has built a spectacular track record of performance over the past 40 years, by placing his bets based on the fair value of stocks, relative to bonds and historic valuation bands.

In this gripping interview to the Outlook Profit magazine, Berg shares his views on the markets today, some of the important valuation tools his firm uses, views on commodities and gold, approach to commodities companies, plus recommendations on books every investor should read.

Source: *Outlook Profit, 13 November 2009* 

The Value Investor – July 2009

The Century Management newsletter concludes “It is important to remember that the world is not ending, the majority of people will remain employed, most people will make their mortgage payments, and our country, with all of its global reaching products, services, and innovation, will continue to be an economic leader and force throughout the world. Successful investing over the long-run has always required patience and long-term perspective; this has never been more true than today.”

Source: www.centman.com 

The Value Investor – October 2009


In this must read newsletter on the US markets and the financial crisis – the authors conclude “we would like to leave you with a thought from Benjamin Graham (1894-1976), the “father of value investing”. “A final retrospective thought. When the young author entered Wall Street in June 1914 no one had any inkling of what the next half-century had in store...Yet if we confine our attention to American investment experience, there is some comfort to be gleaned from the last 57 years. Through all their vicissitudes and casualties, as earthshaking as they were unforeseen, it remained true that sound investment principles produced generally sound results. We must act on the assumption that they will continue to do so.”

One of the most profound lessons to be taken from Graham's writing is that no one could have predicted these events, just as no one can predict the major events of tomorrow. Economist John Maynard Keynes said, “The inevitable never happens. It is the unexpected always.”

Source: www.centman.com 

The 2008 Oil Price “Bubble”

Mohsin S. Khan, in this policy brief concludes “ The key question is whether another oil price bubble is likely in the future. Naturally, one cannot predict bubbles, as by definition we don't know what causes them in the first place. But it is clear that there will be upward pressure on oil prices in the next year or so as the world emerges from recession, demand for oil picks up again, and inventories fall back to their average or normal levels. Whether this will turn into a 2008-type bubble depends on the degree of speculation in the oil market. If, as argued in this policy brief, speculation played a significant role in the 2008 bubble, then something will need to be done to control it to prevent the emergence of another bubble in the future.”

Source: *Peterson Institute For International Economics, Policy Brief – August 2009* 

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Share the wealth

In this age of information bubble, reading materials that truly inspire and further our learning – are far and few. That's the reason we chose to identify the best and share the wisdom with our readers.

Please send us your feedback and any article, reports, links that you find are valuable keeping in mind the spirit of WID. This way we can learn together and much faster.

You may email us at: intelligentinvestors@watheeqa.com

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