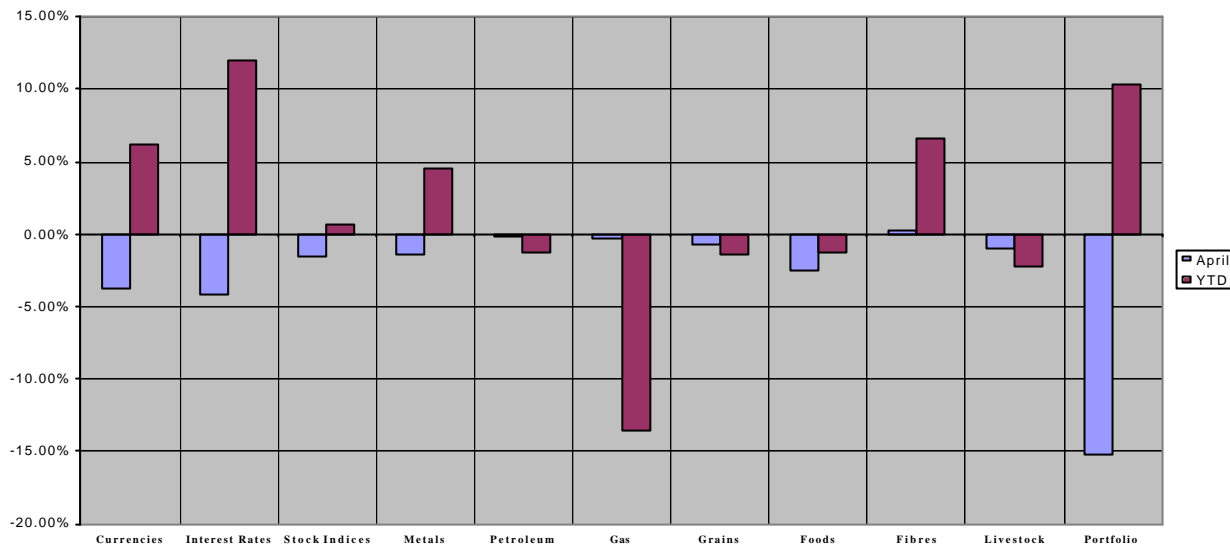


Mulvaney Capital Management Ltd - Gross Returns By Market Sector - April 2001



Apr 2001 %	-3.69	-4.22	-1.54	-1.38	-0.15	-0.28	-0.71	-2.49	0.21	-1.00	-15.25
Ytd 2001 %	6.26	12.03	0.68	4.51	-1.26	-13.6	-1.45	-1.22	6.61	-2.19	10.39

In April major reversals in financial markets were triggered by a wave of optimism that the US economy might already be recovering. With established trends in metals, agri-commodities and livestock also unravelling somewhat, the total portfolio loss was 15.25%. No profits of significance were recorded in any sector. Given the low level of inter-sector correlation outside the financial bloc, this has to be regarded as a low probability outcome, albeit a painful one.

#### Financials:

- In currency markets the Yen, Australian Dollar and Canadian Dollar were the major beneficiaries of reflationary sentiment. Our short positions lost 3.35% while further small losses were taken in the Euro and Pound
- World bond markets were hit hard as expectations for future rate cuts were dampened by the ECB decision to keep rates on hold. A surprise US rate cut one week later gave little respite. The total loss in bonds was around 3% while the short rate portfolio gave up over 1%
- G7 stock markets recovered sharply, with the Nasdaq, for example, posting its biggest one month gain in ten years. With this in mind, the overall portfolio loss of around 1.5% in equities was far from disastrous.

#### Tangible Commodities:

- Cocoa has had a great run in 2001, rallying over 55% from trough to peak, but in April prices softened as the W. African wet season started with a vengeance: portfolio loss around 2%
- Metals: Copper, silver and, in particular, gold, all rallied, but without breaching key resistance levels: portfolio loss -1.38%
- Livestock: US cattle and hog prices eased as the European foot & mouth crisis subsided: attributable loss -1%

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