





the horrible fatwa down on the author. I bought *Midnight's Children* because the Reading Circle for English Language Literature recently read *The Enchantress of Florence*, finding it a lush examination of that city's rich history, and the group discussed putting another Rushdie title on the roster for 2010, *Midnight's Children* being a prime candidate. Alas, when I got home, I found I already have a copy. Did I double my fun?

The third title, which might have to wait until August, or late autumn, is John Kennedy O'Toole's *A Confederacy of Dunces*, written in the early 1960s and set in New Orleans. In 1969 O'Toole committed suicide, despondent that the novel had still not been published. Through the efforts of other writers

and the author's mother, the book emerged in 1980, and John Kennedy O'Toole received a Pulitzer Prize posthumously in 1981. A contrast to Rushdie's case of fame.

I will do my best to give these texts the attention they deserve, but will nonetheless try to take advantage of the weather during the next few months, lest October and early winter arrive too swiftly. Not being much of an armchair person, maybe I'll try a hike. Gross Mythen? Gee whiz, that's next weekend already, 13/14 June. Better contact Joe Dow, [jjdow@hotmail.com](mailto:jjdow@hotmail.com). Here's hoping you make time for the summer pleasures that suit you.

**Andrew DeBoo**  
IMCZ Vice President and Newsletter Editor



## Midsummer's Night Party!

Put your dancing shoes on and come and join us at the Chollerhalle in Zug in June for a night of music, dancing, cocktails and frivolity. Relive the youthful, colourful era of the 70's and 80's and dance the night away. All ZIWC, IMCZ members and their partners are welcome, as are guests.

- Date:** Friday, June 26, 2009
- Time:** 19.00 h
- Venue:** Chollerhalle Zug; between Zug and Cham at Chamerstrasse 177. See [www.chollerhalle.ch](http://www.chollerhalle.ch) for further infos. You can reach it easily with public transport – just take the S1 to the tram stop "Chollerhalle" and you are there.
- Cost:** CHF 55.- for members, CHF 65.- for non-members and guests
- Contact:** Linda Stäger, [party@ziwc.ch](mailto:party@ziwc.ch) to sign up and reserve your places. Tel: 041 750 0892 or 079 869 9100

**Booking deadline:** Friday, June 19, 2009.  
Normal ZIWC cancellation policy applies.

There will be a wonderful DJ to create some hot sounds, a welcome cocktail, a dance floor, a scrumptious dinner buffet, and a fabulous dance show from some young dancers and lots more.

We are looking forward to seeing all you dancing queens and kings there. And for those who don't wish to dance – the Chollerhalle has a great bar and there is ample space to have a chat and just simply catch up with friends and enjoy the evening.

The Party Committee 2009 is looking forward to being your hosts for the night – Nicole, Alexandra, Anita and Linda. Bis bald!



## ZIWC IMCZ TGIF AND DINING OUT THANK GOD IT'S FRIDAY!

*(The gentlemen whistle and clap.)*

After a long week, let's us all get together to have some fun! Celebrate the end of the week by the lake with a drink at the Schiff Bar in Zug. Enjoy a lakeside atmosphere, pleasant company and drinks at this popular meeting place.

Open to all ZIWC, IMCZ members and partners.

- Date:** Friday, 19 June 2009
- Time:** 19.00 h
- Venue:** Schiff Bar Zug (directly in front of the Zugersee)
- Cost:** Members cover their own drinks and meals.
- Contact:** Gerie Servi at [lets-go@ziwc.ch](mailto:lets-go@ziwc.ch)
- Booking Deadline:** Contact Gerie by Wednesday 17th June if you wish to attend.



## IMCZ Introducing...new members

THE IMCZ WELCOMES:

**Giuseppe Bevilacqua** was also referred to us by Ermanno. He speaks English, German and Italian and enjoys jogging and tennis. He is active in real estate.

**Hein Knuvers** is Dutch and speaks English and Dutch. His interests include cycling, running, field hockey, boating, and waterskiing.

**Hans Erik Engelbrekts** is Swedish and Swiss and speaks English in addition to Swedish and German. He likes to ski, jog, study history, farm, and read.

**Andrew Leighton Chamberlain** hails from Britain. He enjoys sailing, fishing,

Formula 1, photography, drama and golf. He was introduced to IMCZ by the Zug website.

**Alexander Nobile** heard about us from CH-uckles. He speaks English and German. He likes sport and fun stuff – as opposed to stuff that is not fun.

**Torben Thölix** found the IMCZ at the expat expo. His interests include HiFi, martial arts, wine, electronics, and music. He speaks English, Swedish and "pidgin" German.

**Jakob Barandun** is employed with Global Financial Partners in Thalwil and lives in Männedorf.



<b>PRESIDENT</b> <b>David LeBow</b> 041 727 1986 <a href="mailto:President@IMCZ.com">President@IMCZ.com</a>	<b>VICE PRESIDENT / NEWSLETTER</b> <b>Andrew DeBoo</b> 041 760 1180 <a href="mailto:Vice-President@IMCZ.com">Vice-President@IMCZ.com</a>	<b>SECRETARY</b> <b>Muthana Kubba</b> 041 748 0080 <a href="mailto:Secretary@IMCZ.com">Secretary@IMCZ.com</a>	<b>TREASURER</b> <b>John Henry Smith</b> 041 781 3601 <a href="mailto:Treasurer@IMCZ.com">Treasurer@IMCZ.com</a>
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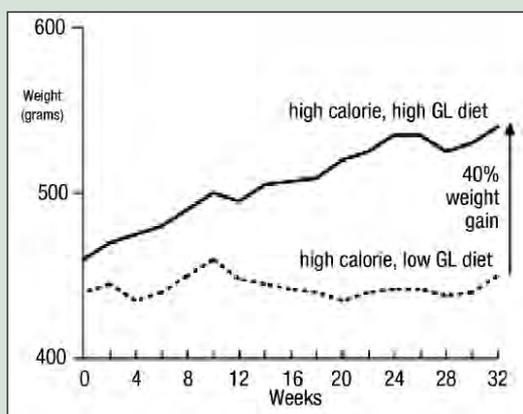
## Low glycemic index food: the holy grail of a healthy diet?

Contributed by IMCZ member

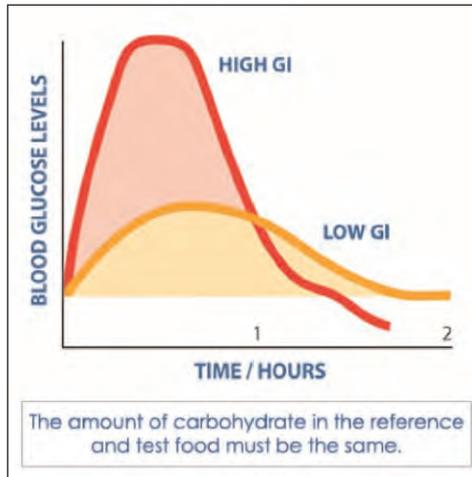
Remo P. Jutzeler van Wijlen, Head R&D  
Sponser Sports Food Ing. Appl Food  
Sciences, MAS Nutrition & Health ETHZ

All of us know the omnipresent recommendation to choose whole-meal over white bread. There is good evidence that whole-grain consumption lowers the risk of heart failure and can decrease abdominal fat compared to consumption of refined grains. Foods containing carbohydrates can be classified as producing either a high, moderate or low glycemic response. The glycemic index of a food is a measure of the food's ability to raise blood glucose (blood sugar). Refined grains have a high glycemic index (GI), meaning they cause a fast and high blood glucose increase and concomitant insulin response after intake in order to lower glucose again to fasting levels. A continual up and down is unfavorable, since it leads to decreased insulin sensitivity and provokes excessive output of insulin to counteract high glucose levels, finally causing insulin resistance and diabetes. Furthermore, there is also a clear association between diabetes and obesity.

Therefore, nutritionists emphasize loaves of whole-meal bread rather than just slices in an effort to reduce the GI of our diet. However, in the general enthusiasm about low GI foods it is completely overseen that a steady supply of carbohydrates in our diet sums up to a high glycemic load (GL) at the end of our day! In this context a new study stated that 57% of the blood glucose response in a mixed diet is due to total carbohydrate load, and only about 37% to mean GI. Furthermore, a steady flow of carbs into our system keeps our insulin levels elevated during the day and hinders fat metabolism, which functions best at fasting insulin levels.



Another difficulty of the topic is that the glycemic index can vary dramatically. In fact,



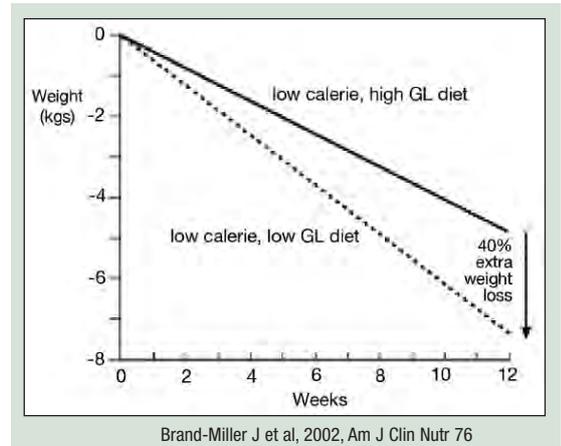
some complex carbohydrates can be digested, absorbed and utilized as quickly as simple sugars, meaning that they have similar glycemic responses, i.e. GI. That is e.g. true for pure starch, the exemplary complex carbohydrate.

However, more important than a single ingredient is the particular composition of a meal. Complete foods like e.g. sandwiches consist not just of high or low GI bread rolls, but also spread, cheese, ham, meat slices, salads, and other goodies. The GI of a food is defined by the whole matrix of all ingredients. Some proteins have gelling properties in our gastro-intestinal tract and fat may delay gastric emptying, both of which slow down carbohydrate digestion and consequent glucose and insulin response.

To turn the wheel further, GI only can have an impact only when presuming a high-carb diet consistent with contemporary dietary recommendations. But the recommended energy ratio of about 55%, 30%, and 15% from carbs, fat, and protein respectively, is increasingly disputed diversely among the scientific community. Newer studies suggest health advantages regarding body mass and metabolic parameters of diets higher in (wisely chosen) fats and proteins. A so-called low-carb, low GL diet resulted in a more than double weight loss compared to a traditionally recommended whole-grain, low GI (and consequently high-carb) diet within 3 months in diabetic and non-diabetic people. Interestingly, in spite of an energy contribution from fat of 39-46%, the absolute amount of fat intake in the experimental diet decreased from 93 g to 70 g per day!

At the same time protein-derived energy rose from 18% to 31%, but the absolute intake stayed at about the same amount of 95-97 g/d. Noteworthy, all this was achieved on an ad libitum diet, meaning no calorie restriction. But it was seen that ad libitum food intake was remarkably reduced of more than 1000 kcal in the low carb, low GL group (with subsequent high fat, high protein intake). Especially protein satiates much better and requires the body to burn more calories in order to digest it than the other two macronutrients fat and carbs. This topic will be extended on another occasion.

Moreover, a lot of new studies are emerging showing clear advantages regarding blood lipid profile when reducing total carbohydrate content in the diet. High carbohydrate diets, particularly from high GI foods, have also been stated to directly induce atherosclerosis, the inflammation of arterial walls leading to the loss of flexibility and constriction of the



blood vessels, which is commonly known to cause stroke and heart attacks at the respective location.

The conclusion? First of all, following a low-GI and low-GL diet does not mean that sticking to whole-meal croissants instead of baguette along with a fresh orange juice is enough, but rather ensuring plenty of vegetables and whole fruits in your diet as the main carbohydrate sources. A misunderstanding or misinterpretation of nutritionists' holistic advice by consumers can be exacerbated by reading lay press or consumer magazines. Second, increasing one's intake of protein and "good" fat from fish, nuts, and plant oils of rapeseeds, olives or linseeds will normally cut down total energy intake and prevent overeating. Additionally, it automatically results in a low-GI, low-GL diet, keeping insulin levels down and thereby favoring fat metabolism.

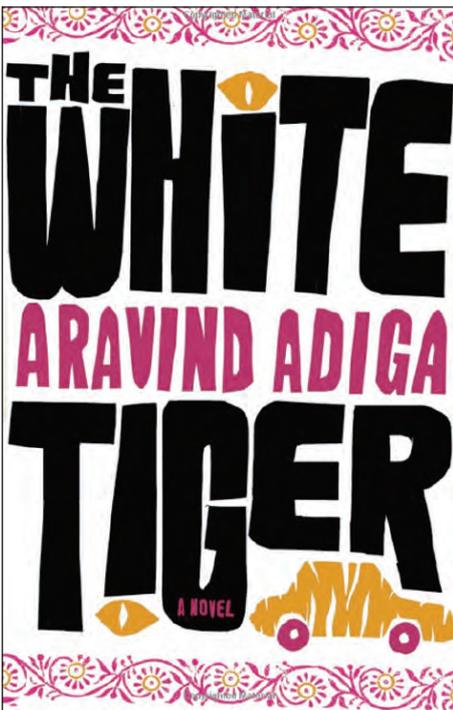
by IMCZ Vice President/Newsletter Editor Andrew DeBoo

## *The White Tiger;* by Aravind Adiga

The Reading Circle for English Language Literature Zug will convene on 18 June to debate Aravind Adiga's first novel and 2008 Man Booker Prize Winner, *The White Tiger*.

*The White Tiger* certainly has spunk; and no shortage of ironic wit. He presumes to address a personal letter to Wen Jia Bao, the prime minister of the freedom-loving nation of China, purporting himself to be a thinking man and entrepreneur. Apparently, as relayed by All India Radio, the Chinese Prime Minister wishes to learn more of India's entrepreneurial culture. In fact, he wishes to visit Bangalore, the hotbed par excellence, and the *White Tiger* promotes himself as an expert prepared to give advice. What a f-----g joke, as the *Tiger* himself has learned to say, though English is not his native tongue.

Thus Aravind Adiga snares the reader, because what kind of a person — and personality — can this be? Surely this character cannot be an entire humbug. The *White Tiger* 'leverages the relative strength of



his position,' to appropriate a bit of entrepreneur-speak, offers the Prime Minister the truth about Bangalore in the form of his life story, thereby suspending early dismissal and instead setting the stage for a patient, if eager, read.

Though he never completed formal schooling, our entrepreneur is now proudly outfitted with a sleek Macintosh laptop, purchased in Singapore, storing within it the scanned-in police fugitive poster circulated in the days following his great crime, when he crisscrossed the country by train with no luggage other than a certain heavy red bag.

At the time he was fleeing the violent end of his life as a servant. He rose to this life from the Darkness, the sprawling, nameless backwater of India inhabited by so much of the population. He saw his mother burned on a pyre at a young age. His father was a rickshaw-puller, and the family, fully under the control of the wily grandmother, who grasped its downtrodden position and exercised it in negotiating who should receive schooling or might one day be eligible for marriage, considered itself lucky to possess a water buffalo.

The boy, called simply 'boy' until his schoolteacher named him 'Balram,' was also christened *The White Tiger* by this same man, who praised his attentiveness and reading ability. Soon thereafter he was sent to work in a teashop to earn money. The work is drudgery, but there he overhears a conversation of miners lamenting not having become drivers instead of coal-diggers. Balram pleads with his older brother Kishan to help pay the training course fee of 300 rupees, to which the grandmother approves on the condition that Balram will send his salary home when he finally gets a job.

This he does in applying at the gate of a known bigshot who originated from the same village, but of course from a different caste. Eventually Balram ends up driving for Mr. Ashok and his American wife, Pinky Madam, starting as the second driver, but graduating to the leading role after he discovers the first driver has been hoodwinking the masters and threatens to expose him.

While he may have moved up in his position as driver, it remains clear to Balram how low he is as a servant. He knows the stories of how Mr. Ashok's uncles' henchmen eradicated a servant's family, despite the servant's blamelessness in a kidnapping. The exact location of Balram's family is known, and that knowledge alone compels the driver's boundless obedience and loyalty. Indeed, in a drunken escapade one evening, Pinky Madam takes the wheel. Mr. Ashok forces the driver to sit where the couple usually does: in the back.

Of course the worst occurs; Pinky Madam hits someone, and Balram must then drive the pair home immediately, before the car is recognized. Ashok's family arrange with their lawyer and a corrupt judge how the case will be handled should complaint ever be made to the police, and Balram is presented with a *fait accompli*: the driver will take the blame.

This episode rivets the abjectness of Balram's situation in his mind. It grows darker still. Mr. Ashok and Pinky Madam gradually fall out and eventually she leaves. Mr. Ashok's behavior becomes despondent

and dissolute: drinking bouts, pursuit of women. His driver must offer comfort, wipe vomit from his face, get him upstairs to bed: this is the man who would have let him be sold out to the police.

The quagmire becomes more inextricable as Balram chauffeurs his master repeatedly to various bank outlets and then to government ministries, where he delivers enormous bribes so that the family's coal business is not called to account for tax evasion. His grandmother hounds him for money, calling an ungrateful boy, telling him she will arrange a marriage. He realizes he is trapped in India's proverbial Rooster Coop, and understands the consequences of breaking out. A kernel of anger swells and the impulse to risk-taking in pursuit of self-empowerment grows.

Adiga's protagonist continues in spinning out his story to China's Prime Minister, a political leader in another, in some regards rival, emerging economy. To free himself from the fetters of the servant class, the horde of India's Darkness, he — after much soul-searching on the consequences to his family — commits a crime. Thereupon, as he recounts to the Prime Minister, he became a risk-taker, a forger of his own destiny, a free man and an entrepreneur. What a f-----g joke.

Amidst the anonymity of Bangalore, where he then settles, Adiga's main character changes his name. He starts a business based on his skill as a driver, the contents of the tell-tale red bag and what he learned from his former master about dealing with bureaucracy. He attains a level of comfort.

*The White Tiger's* achievement is to recount not simply a single man's struggle against adversity in his rise to glory, but to present entire nations' pursuits of economic buoyancy through the spinning of a yarn from one man to another. The entrepreneur first emerges as a personality when he takes his great risk, yet for all that he has achieved his story still bears the character of a plea to a person of high rank to account for, justify, his endeavors, even if he speaks to the Prime Minister as an equal. It is unmistakable that Adiga's protagonist has brought himself through a metamorphosis, has had to shed much to arrive in his new position, becoming something of truly questionable value. Perhaps he is warning the Prime Minister of what fostering entrepreneurship in his own country may also bring.

For further information on the Reading Circle please contact Andrew DeBoo. The group's next text — after a break in July — will be Andre Dubus III's *The Garden of Last Day*, to be debated on Thursday, 27 August 2009 at 19.30 h at the Stadt- und Kantonsbibliothek Zug.

## A Trip to BAGHDAD

by IMCZ Secretary Muthana Kubba



The material of the presentation at a special edition of the weekly *Stammtisch* on 5 March will be presented in three IMCZ News issues in installments.

### Third Installment

#### The Three Day Itch

The last time I was in Baghdad, 14 years ago, I got the third day itch. Only after three days of itching did it suddenly dawn on me what was different here. There was something unique about Baghdad. No, it was not the air, nor the water nor food. I found out then as I did now, that of all places in the world, this is the only place where I can talk without any effort. I don't have to think when speaking and am in the comfortable position of concentrating on what I want to say rather on how to say it. It is easy to understand why I had such a tough time competing against those who were lucky to have English as their mother tongue at Toastmasters.

#### The Status of Women

I spent one whole day at the campus of the University of Baghdad. It was a pleasantly nostalgic trip along memory lane. Many of my old colleagues on the staff had passed away, others had retired and most have left. Many of the new faculty were ex-students of mine who were thrilled and a bit shocked to see their old professor again 31 years older. The picture had stayed static whereas their professor got older.

I was told that girls do invariably much better than boys at the university. This is reflected in the numbers of students and staff: the number of admissions in the College of Engineering for the academic year 2008/2009 was 610, out of which 331 were women and 279 men. Among the technical staff there are 213 women and 63 men. In fact women are running most government departments. I was at the bank and 80% of the staff were women. At the land registry office and the nationality office where I needed to renew my birth certificate, the proportion of women to men was the same.



No, not all the women were wearing Islamic dress. Some were and many were not. Not even a headscarf. Apparently there is complete freedom; the ladies can wear what they like. There are no formal dress rules.

#### Standard of Living

The salary scales of government employees have been radically adjusted upwards. University staff get monthly salaries of ID 3.0 million (USD 2700), and policemen about half this sum. There is a lot of money in circulation and the exchange rate to the USD is mostly steady (ID 1200 to 1 US\$). During the whole stay, I saw only one beggar. I am told that virtually everyone gets sufficient free rations to survive. The roads are full of cars, mostly fairly new. Their large numbers cause virtually permanent traffic jams, in spite of restricting the number of vehicles on the road, with even or odd registration numbers on even and odd dates. The chaos is exacerbated by the endless checkpoints manned by soldiers armed to the teeth.

#### American Presence

There is little American presence in town. Helicopter traffic gets heavy at times. I saw once a convoy of armored vehicles in our district at about midday. No one seemed to be taking any notice of them. They travel, by the way, with a rod of about 2.5 meters long sticking in front of each vehicle, with a big rectangular box fixed at its end. People say its function is to disable the mobile networks in order to disrupt communication of potential attackers, others say its function is to detect any IED's (Improvised Explosive Devices). The general attitude towards them is that if you keep out of their way, they normally don't bother you. I didn't discern any bitterness towards them. Universally, however, there was great bitterness and anger towards

our large eastern neighbor, Iran. Everyone blames Iran for arming, financing, training and infiltrating terrorists and suicide bombers into Iraq. Irrespective whether I talk to Sunnis or Shias, they all blame Iran for the violence in the country. They seem to think that Iran is doing that to exercise pressure on the US to ease the sanctions against it, as well as to cement its claim of being the dominant power in the gulf.

#### A Brush with the Law

On my last day, I took the liberty of a couple of hours to stroll down memory lane. Baghdad had changed a lot, but the main landmarks remained, in particular the famous Tigris corniche 'Abu Nawas Street'. This is a 4 km riverside road on the eastern bank of the river. It is full of luscious gardens, pathways, sitting banks and several 'Masgouf,' restaurants. These are fish restaurants, usually serving fresh fish from the river, grilled on an open fire. It is one of the most sought after specialties of Baghdad.



I was walking down the gardens along the street, enjoying both the scenery and the cool breeze. There were very few people at around 12:30. I noticed a few couples around, one walking hand in hand, and the other sitting on a bank in the shade of a huge eucalyptus tree staring in each other's eyes. I was fascinated at such liberty, unheard of when I was there last. I made as many photos as I could, trying to be as discrete as I can. But, as I was walking away a soldier caught up with me and asked me to accompany him to see his officer. On further questioning it emerged that my being stopped had something to do with having taken photos. There was definitely nothing of any strategic or security relevance around. By the time I finally got to the officer, he greeted me politely and asked me why I had taken a photo of a young man with his female companion. I explained that I was happy to see such liberty and was going to tell the world about it. Apparently the young man had complained to the officer that I had taken a photo of him and his fiancé. I offered to delete the photo and the problem was solved.

#### Reflections

Sitting here and looking through my notes, I can't help pondering the contrast between the two worlds. The one I left behind when I left my home country 31 years ago and the one I have seen a few days ago. The two worlds couldn't be more different in almost every way. When I left, Iraq was changing its status from a developing country to a developed one. Wars, sanctions, invasion and insurgency have pushed it back decades. Now it is on the path of recovery, but it is a very long way from catching up. If somehow there would be no unrest or upheaval for the next five years, then I am sure it will join the league of normal [developing] countries, and who knows? Even you may decide to visit the land of Haroon Al Rasheed with its legends of 1001 nights and magic carpets.





## Reading the Stock Market's Tea Leaves, or How Volume Speaks Volumes!

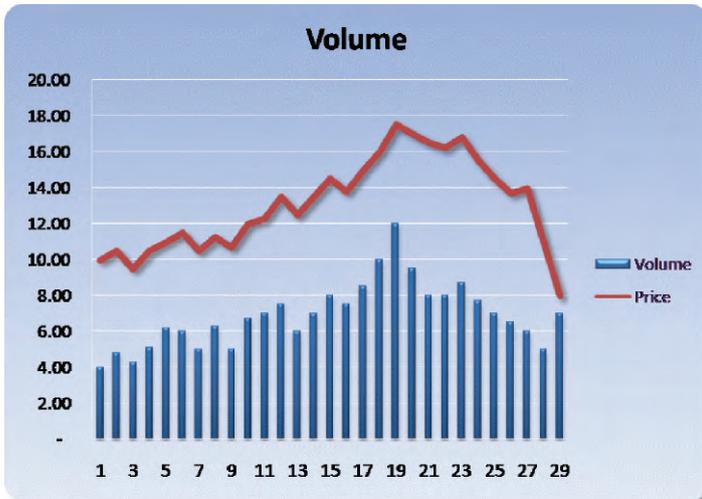
by IMCZ Treasurer  
John Henry Smith

To succeed in the stock market, an investor not only needs to be in the right stocks, but he also needs to get his timing right! Clearly, the latter has everything to do with analyzing economic and market conditions. As of May 22, the S&P 500 rallied from its March 6 low by 31%, mainly on the mysterious sightings of 'little green shoots'<sup>1</sup>. However today the stock market is awash with pundits forecasting a correction! Whether mild or severe is anyone's guess, but at least we know from five decades of analysis that if a correction does materialize 75% of stocks are likely to decline. While one should take into account a growing body of market sentiment, can investors themselves read the market's tea leaves in order to respond in good time to a fall in the stock market? The answer is clearly yes and lies in the daily interplay between volume patterns and stock prices.

### The Interplay of Price and Volume

The biggest drivers of stock prices are the institutional investors, such as the mutual, hedge, pension and electronic traded funds. When they are on the move they tend to generate high volume bursts that significantly affect the market. Therefore, the best way to gauge the market's health and direction is to monitor the daily price and volume actions of leading indexes, such as the Dow Jones Industrials, the S&P 500 and the NASDAQ if not your own stocks.

In bullish markets, as the graph shows, prices and volumes tend to rise and fall together with buying pressure characterized by greater volume on the upside. But as the stock market is never linear, even in the best of bull markets, there will be days when prices fall. Whether this is ominous or not rests with its accompanying volume. Lower volume would tend to indicate normal bullish behavior, since the majority of investors are still holding on to their stocks in the expectation that prices will continue to climb. Consequently, a short-term pattern of falling prices and volume within a period of optimism is not enough to turn a rallying market downward; thus it is no cause for alarm, since markets need to take periodic profits, and retest where they came from so that they can continue to build on firmer ground.



One cause for concern, however, that would certainly require investors to study their tea leaves more carefully is when the market shoots up to new highs on lighter volume, since it would indicate a lack of institutional buying interest, and may be signaling a key market decline.

Sounding a little contradictory, evidence shows that market cycles over the last 50 years have indicated that it takes as little as three to five heavy selling days over a period of up to four weeks to turn a market's uptrend towards more southerly climes. Every major market top in the past 100 years has revealed this negative price-and-volume correlation prior to the market's downtrend.



The normal patterns of bearish markets, as shown on the right side of the graph, are characterized by prolonged falling prices and volumes, interlaced with very short rallies with increased volumes as short-sellers cover their positions and optimists rush in where angels fear to tread.

One severe exception to this is when on singularly bad to catastrophic news, such as the bankruptcy of Lehman Brothers, between October 1 and October 10, 2008, the Dow fell 21.97%. On the last date, volume reached what is known as a 'selling climax', as illustrated on the far right of the graph, from which it began to recede to a normal bear market pattern of declining volumes and prices.

### An Example from History

Many people think of the great crash of 1929 as being a sudden, inexplicable event. This is not so. In late 1929, just before the Dow gave way to a selling avalanche, the index posted a flurry of down-days, each on ever heavier volume, all of them saying to investors: "Get out!" This activity pinpointed the mass exodus by institutional and professional investors—the heart and soul of the market. You might be asking how such an event 80 years ago can tell us anything about today's market. The answer is that in the stock market, as everywhere else, history continually repeats itself because human nature (hope, greed, and fear) doesn't change.

The NASDAQ flashed similar warning signs in the spring of 2000, although almost everyone missed it because they were caught up in the predictions and hysteria of the moment. By March 30, the market had logged a series of heavy selling days, a sign that a number of mutual funds, pensions or other big players were selling stock. The market column "The Big Picture" of the U.S. national newspaper Investor's Business Daily even warned people to get off margin, to begin raising cash and only remain invested with extreme caution. The article was not visionary, but only reflected what the market's price actions and volumes were clearly signaling to investors: to sell!

### And the Moral in the Cup is ....

That the first priority is to preserve your hard-earned capital! Without a proper understanding of the patterns of price and volume, as amoral as the market is, it will not hesitate to pour much of your wealth down the drain, leaving you with the stinging feeling that each day the market had left a warning in your tea cup to ponder over. However, if you would be responsive and turn your attention to market volume, you will be better able re-tune your assets to a higher level of safety, so that the next time you look at those tea leaves at the bottom of your cup you will certainly see a smiling face.

<sup>1</sup> Frequently discussed on CNBC by market analysts



## Investment Corner

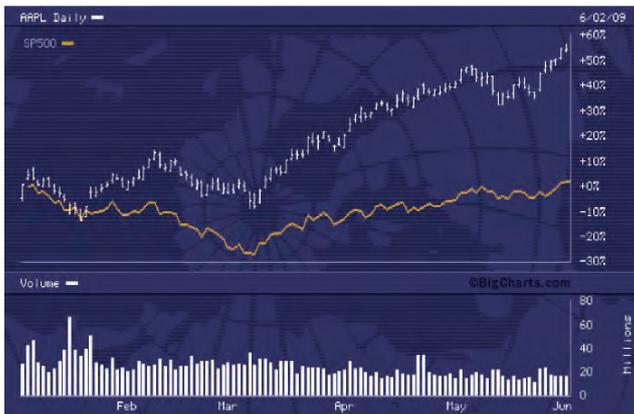
by IMCZ Treasurer John Henry Smith

As there are several categories of investment styles, each Grail stock will be analyzed in accordance with a stated style or strategy, i.e. Momentum Investor, Value Investor, etc.

Assessments and Analysis based on June 2, 2009 close price: \$139.49	
Analysis of:	Apple Inc.
Industry:	Personal Computers
Strategy:	Growth Investor
YTD Performance:	+63.4%
SP 500 YTD Performance:	+4.6%

### COMPANY DESCRIPTION

Apple Inc. designs, manufactures, and markets personal computers, portable digital music players, and mobile communication devices and sells a variety of related software, services, peripherals, and networking solutions. The Company sells its products worldwide through its online stores, its retail stores, its direct sales force, and third-party wholesalers, resellers, and value-added resellers. In addition, the Company sells a variety of third-party Macintosh (Mac), iPod and iPhone compatible products, including application software, printers, storage devices, speakers, headphones, and various other accessories and peripherals through its online and retail stores, and digital content through the iTunes Store. It sells to consumer, small and mid-sized business (SMB), education, enterprise, government, and creative customers.



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CATEGORY	CRITERIA OF A GROWTH INVESTOR	SCORE	REPORT CARD
P/E ratio:	Greater than 5, but not more than the 3 times the current market P/E.	P/E is 25.08, based on 12 months trailing earnings, while current P/E is 14.00	PASS
Revenue growth in relation to EPS growth:	Must not be substantially less than earnings growth	37.4%, while its earnings growth is 92.1%, based on 3, 4, and 5 year historical EPS growth rates.	PASS
Sales growth rate:	Change in sales growth from current quarter to a year ago must be positive, which is compared to the change in the previous quarter to a year ago, which must also be positive.	Current qtr: +8.7% Previous qtr: 5.8%	PASS
Current quarter earnings:	Positive EPS.	+\$1.33	PASS
Quarterly earnings one year ago:	Positive EPS.	+\$1.16	PASS
Positive earnings growth rate for current quarter:	Positive growth rate of current EPS compared to positive growth rate a year ago.	+14.7%	PASS
Earnings growth rate for the past several quarters:	Earning growth rate of the previous 3 quarters should at least be at least half of the long-term growth rate.	Half of the long-term EPS growth rate is 46.0%. This should be less than the growth rates for the 3 previous quarters, which are 29.3%, 24.7%, and 1.1%.	FAIL
EPS growth rate for current quarter must be greater than prior three quarters:	The current quarter earnings growth rate (which must be higher than same quarter a year) must be higher than the previous three quarters (which must be higher than the same quarters a year ago).	Current qtr EPS growth rate: 14.7% 3 prior qtrs EPS growth rate: 14.6%	PASS
EPS greater than the historical growth rate:	The current quarter EPS growth rate must be greater than or equal to the historical growth rate.	Current qtr EPS growth rate: 14.7% Historical EPS growth rate: 92.1%	FAIL
Earnings persistence:	Earning must increase each year for a 5 year period.	Annual EPS growths rates: \$0.34, \$1.55, \$2.27, \$3.93, \$5.36	PASS
Long-term EPS growth:	Long-term earnings growth rate must be at least 15% per year.	Long-term growth rate: 92.1%	PASS
Total debt/equity ratio:	The company must not have a high level debt.	Debt/Equity ratio: 0.0	PASS
Insider transactions:	Insider buy transactions must be 3 or more, while insider sell transactions must be zero.	Insider buys: 0 Insider sells: 0	PASS



contributed by  
IMCZ Secretary  
Muthana Kubba

## E=mc<sup>2</sup> in Leibstadt

On May 23, a sunny beautiful Saturday afternoon, 18 members and friends of IMCZ gathered at the information center of the other KKL: Kern Kraftwerk Leibstadt. Leibstadt is a small town on the Rhine opposite Waldshut, about 75 km away from Zug.

their career than the upper permissible limit of 1 sievert. We also learnt that radon gas radiation can reach dangerous levels in ordinary households, which is why thick foundations are called for in certain locations where radon gas is present.

### The Real Thing

The power station is a couple of hundred meters away from the information center. Before we could enter we had to present our identity cards and get badges with built in chips for the various gates to open. It was a bit more professional than in airports, all our metallic items, purses, mobile phones, keys etc had to be x-rayed and we had to go through a metal detector.



The high point of the tour was when we went upstairs and got a feel for the order of magnitudes of power and energy. Paulo volunteered to sit on a bicycle that simulated a generator. He turned the pedals hard for around 3 minutes, generating up to 280 watts of power. At the end of this experiment, the total energy he supplied was around 0.01 kWh. Compare this with 61,000 kWh generated by this power station in the same 3 minutes. Our guide went on to show us on a display a pellet of uranium only 20 gm in weight. The energy obtained by burning this amount of uranium (meaning the loss in weight of 20 gm of uranium in the reactor) is equivalent to the energy obtained from burning 5000 metric tons of oil or 10000 tons of coal. This is the average consumption of this power station in one week.

Inside the station, we had a look at an extensive explanation of a 5:1 model of the whole station. The primary heat cycle, the secondary cooling cycle, the high and the low pressure turbines, connected by one shaft to one alternator generating 1.2 gigawatts of power. The safety measures were dwelt on at length. Multiple safety systems are used to prevent a possible meltdown of the reactor's core. They include two separate water circuits, where water is kept constantly under pressure and can be released to cool down the reactor within milliseconds. Additionally they are five diesel electric generating sets, two underground and three above ground at 750 horsepower each to supply emergency power to run the essential equipment in case of an emergency. The power station itself needs 55 MW of power to run the pumps and all the electrically operated auxiliary apparatus.

**Virtual Journey.** The information center is a neat round building, a few hundred meters from the power station. The first sight which greets a visitor on entering the building is a cross section 2:1 model of the reactor: impressive and very informative.

As an exercise in figures, let us work out the energy 20 gm of uranium releases if converted into energy using the famous equation of Albert Einstein  $E=mc^2$ . The mass  $m$  in kg =  $20/1000=0.02$  kg, and  $c$  is the speed of light in meters per second = 300 000 000. Hence:

$$E = mc^2 = 0.02 \times 300'000'000 \times 300'000'000$$

**Joules or Watt-seconds**

To convert the above into kWh, we divide by 1000 (1 kW = 1000 Watt, and by 3600, since there are 3600 seconds in one hour). The result is:

$$E = 500'000'000 \text{ kWh}$$

The power needed to generate the above amount of energy in one week is

$$P = 500'000'000 / (24 \times 7) = 3'000'000 \text{ kW} = 3000 \text{ MW}$$

However, the thermal output of the station is 3500 MW. Our guide was pretty close, but not exact. We need to burn **23.3 gm** of uranium per week to generate the said amount of energy.

We then viewed the central command and control room of the station, albeit through thick glass plates. About a dozen men (not one woman) were inside the room with several computer screens, wall displays, gauges and indicators. Every conceivable function was measured and displayed in real time. The room and the people inside it were divided in five sections, from left to right. Each section had to monitor and continually adjust the parameters of that section: water circulation, reactor, thermal power, turbines and electric power output. We were informed that there is a simulation room for all functions, just like an airplane simulator. Operators train there extensively, simulating all imaginable emergencies.

The reactor itself is a boiling light water reactor. The reactor is immersed in water which is heated to 286 degrees Celsius producing steam at 73 bar pressure. The steam drives a turbine at a flow rate of 1815 kg per second, which drives one generator at 3000 revolutions per minute, generating 1220 MW of electric power. The thermal power of the reactor is 3600 MW. The control rods are inserted and adjusted from the bottom. All these details were clearly seen from the cross section of the reactor model and a 5:1 model of the complete power station.

Last but not least, we went to the 144 meter high cooling tower. An impressive sight at 120 meters diameter. 700 liters of water evaporate and 33000 liters are circulated every second. We actually went inside the tower, with its warm, saturated 42°C and 100% relative humidity. Truly, we were all very glad to exit the tower as soon as possible.

Spot on the set time of 14:00 hours, we were divided in two groups, each led by a competent guide. We were shown a short film and then taken through the motions. First we learned a lot about radiation! A pellet of uranium could be moved towards or away from a Geiger counter. We quickly learned that the level of detectable radiation drops very fast with distance. Double the distance and the level falls by four times. More impressive was the effect of different materials in blocking radiation. Plexiglas for example is a good radiation insulator. Of course lead is the best, but iron is quite good as well. Our guide went to great pains explaining how little radiation level the personnel is exposed to in the station. We saw how much radiation an airplane is exposed to at different heights. Jet pilots get higher doses of radiation during

Having had our fun with sums, we entered next into a [mock up] lift which took us 650 m deep into the ground. There we were shown on a huge flat screen inside the lift how the spent uranium which is secured inside heavy steel containers is transported underground into its final storage deep inside a mountain to stay there and decay over the next 10000 years. The steel containers cost CHF 5 million each. They have been extensively tested and even dropped from helicopters, to ensure that no uranium can get out of them under any circumstances.

### Coffee Break.

With the end of the virtual journey we went back to the canteen and were served with refreshments and chocolates. Soon afterwards we left the information building and started our second part of the visit, namely the power station proper.

For the technically inclined the visit was a goldmine, for the laymen it was an eye opener and certainly put to rest any environmental reservations. For all of us, it was clear that this form of energy generation is the only viable form in the near future. Apart from hydroelectric power, alternative renewable energy sources, though great in theory, are insignificant compared with present day demand. At best they may be able to deliver 1 part in 1000 of the consumption. Many thanks are due to board member John Henry Smith for his efficient organization of this event.



contributed by  
IMCZ Secretary  
Muthana Kubba

## Socializing through the Internet

I've been asked by some members to invest some time and write about the innumerable ways in which the Internet is used nowadays to socialize: finding friends, exchanging photos, keeping in touch with far away family members, blogging etc. etc. are only a few of the available platforms.

This article is meant to introduce some of what the Internet can offer in this field to those members who are not familiar with that aspect. It is not meant for nerds who know a lot more about it than I do, but have no time to write about it.

To start with, and by way of introduction, let us have a look at a popular program, Skype. It can be downloaded and installed free of charge like almost all other platforms, from [www.skype.com](http://www.skype.com). It started as a program for making phone calls free of charge, and this is still its main function. Making phone calls to the other side of the globe free of charge for as long as one wants to speak, is great, but it presupposes that the party you want to call and speak to also has: (i) a computer, (ii) their computer switched on, (iii) Skype installed on that computer, and (iv) the Skype program running. This handicap has been recognized by some entrepreneurs who offer very cheap rates using the normal telephone in the normal way. All you have to do is to subscribe to one of them and then dial the desired number prefixed by their access number (e.g. [www.10787.ch](http://www.10787.ch), [www.10881.ch](http://www.10881.ch), [www.tieftarife.ch](http://www.tieftarife.ch)). These services use the Internet to connect hubs together and local lines at both ends. Phone calls to the United States for example can cost as little as 2 Rp per minute.

**Back to Skype.** Its main use now is for exchanging IM (Instant Messages). If a webcam is installed (cam is short for camera, a webcam is a TV camera which connects directly to the computer via USB) and many laptops have, in the meantime, integrated webcams, then you can see the other party you are communicating with as well. It has additionally a very powerful search function, which can help you find very old friends with whom you have lost contact for many years. Conference chats are possible, as well as sending SMS (Short Message System) to any mobile number. All activities are nicely archived and you can quickly retrieve what you wrote a year ago to Joe or David. If the party you want to communicate with is not on line, then you can leave a message for them which they shall see the minute they login.

**Facebook.** This is the most popular platform for the younger people to socialize, exchange photos, news, notes and videos. Once you accept a person as a 'friend' then you access his friends and their photos and notes as well. Have a go at [www.facebook.com](http://www.facebook.com) and see for yourself. Where Facebook has particular success is among relatives living far apart. A man working at a building site in Dubai,

having left his family in Bangladesh to try and give them a better life, can stay in touch via Facebook, with pictures, short messages, video clips etc. His son who might be in Tokyo can join in and so on.

There are many other similar sites on the Internet: Xing, Twitter, etc. For academic and professional people [www.linkedin.com](http://www.linkedin.com) has established itself effectively. All the above sites are similar in their basic structure, but vary in the details. You have to sign up, then log in and off you go. Most portals are free, except LinkedIn which demands a fee for full access. In all the above platforms, you can join a group and be available to all members of the group, where comments, photos, clips etc can be exchanged.

**German Keyboards.** One rather trivial issue, but of great practical use, is how to write German on a computer with an English keyboard. Many club members speak and write excellent German, but prefer to have English keyboards with English Windows installed for the simple reason that they write a lot more English than German texts. Writing German using an 'e' after the letter with Umlaut: ae for ä, ue for ü and oe for ö, is possible but not exactly elegant, and certainly makes the text less readable. Besides how would you write 'Krähbüel' ? Kraebueel looks weird. Not many members know that one can very easily 'generate' these letters. Press 'Alt' and whilst still pressing it, type on the numerical keyboard 129, let go then the letter ü is shown on the screen, etc. Here is a summary:

Alt+129 = ü, Alt+148 = ö, Alt+132= ä  
Alt+0220 = Ü, Alt+0214= Ö, Alt+0196=Ä

You will be surprised how quickly one gets the

hang of these straightforward combinations. I for one, have an English keyboard, but can write in German almost as quickly, in spite of the extra strokes.

**Blogging.** A new word in the English Dictionary, blogging simply means adding your comments and opinion to an article or a theme. It is a simple and straight forward way of airing your views and making them available. Blogging is very widely used, in almost every Internet activity. Go to the site of any newspaper, magazine or broadcasting service, choose an article to read and then scroll to the bottom and you will see a window where you can add your comments. Here are some examples:

1. The Economist. [www.economist.com](http://www.economist.com). Choose 1. Fighting the Pakistan Taliban or any other article of your interest. Scroll to the bottom and you will see a window where you can add your comments. Click there and a new window opens, "You must be logged in to post a comment. Please **log in** or **sign up** for a free account" Click on sign up and a new window opens where you have to fill in a name, gender, year of birth, email address, and a password. If you choose to remain anonymous, then you can fill in any name etc, and give a browser based email address, e.g. hotmail or yahoo. Then you can go in, air your views and join in the discussion on this topic.

2. The BBC News. <http://news.bbc.co.uk> repeat the above. Etc. There private blogs as well and you can have your own blog if you choose to, where you, for example, write down your daily observations as a sort of a diary available for anyone who signs in to read it and add his comments to it.





## From the LANES... **On Strike at the Cherry Bowl**

On 18 May 2009, twenty-three high rollers assembled at the Cherry Bowl to better their averages and shake hands with the pin boy. The lady strikers were represented with a contingent of six, with their top bowlers delivering higher scores than a number of the men.

Of the twenty-three bowlers, ten of them, or 43%, broke the century mark in every game, fifteen (65%) scored higher than 100 in at least two games and twenty-one — that's 91% — broke 100 at least once. The consolidated average on the evening was 112 pins per game.

Carol Gipson led the six ladies in the first game, setting a mark of 121, with Carole Heller and Anne Spittler each delivering 99.

Over on the men's side, Beat Züger downed 166 pins, nipping Serge Shtangey by one, with Andrew DeBoo delivering 161.

In the second game, Carol Gipson bettered herself by twenty-five pins to 146, and Cara Steger entered the leader board with 137, rolling for strikes in the eighth, ninth and tenth frames — five in a row. Anne Spittler rounded out the lady leaders with 121 pins downed. Among the gentlemen Beat Züger was again the leader with a score of 160, followed by Andrew DeBoo with 151 and Hal Trufan with 149.

The final game saw Cara Steger extend her streak of strikes to six in a row. Carol Gipson remarked, "I've never seen anything like it; I've never seen anyone roll six strikes in a row!" On being asked what it's like to be a star after such a glorious string of frames, Cara Steger said, referring to the sign that appears automatically on the Cherry Bowl scoring screen after a strike, "I now have six crowns. I just wish they were real!"

Unfortunately the streak did not continue, and Carole Heller leapt forward with 133, followed by Carol Gipson with 125 and Anita Penkova with 93 pins. Leading lady for the evening was Carol Gipson once again with 392 pins, claiming the prize bottle of wine. Carole Heller with 339 pins took second place, and Cara Steger finished with 308 pins.

The men's third game brought 166 from Hans-Peter Schobert, 157 from Ralph Heller, and 141 pins from Hal Trufan. The men's leader and prize winner for the evening was Beat Züger with 452 pins in all, while Andrew DeBoo as runner-up collected 437 and Hal Trufan garnered 412.

The IMCZ's regular bowling event for Club members takes place on the 3rd Monday of every month. Other dates in 2009 are: **June 15th • July 20th • August 17th • September 21st • October 19th • November 16th • December 21st**



Members are encouraged to come out and cheer for the bowlers if they do not intend to bowl themselves.

The evening opens at **19:30, crush of strikes and thrill of spares starts at 20:00**, and the event is open to registered and prospective IMCZ and ZIWC members. Stephen Butterworth has negotiated a splendid 25% discount with the Cherry Bowl (just off the end of the freeway in Sihlbrugg). Early arrival to assure good shoes, a good ball and some liquid calisthenics is encouraged. **Reservations are required**, since the Cherry Bowl must be notified of how many bowlers to expect. Please **contact Steven Butterworth by the preceding Friday** via e-mail or phone, [butterworth.sp@gmail.com](mailto:butterworth.sp@gmail.com) or **041/790 4172**. If you register to bowl and can't attend, you must let him know by the preceding Friday. The **IMCZ No-Show policy** applies. The cost for a regular (not a Challenge) evening is CHF 20.00 for two hours of bowling and shoe rental — a bargain indeed — and concludes at 22:00.



## Sudoku

The May puzzle proved to be too difficult. Only one correct answer was received. The winner is Andrew DeBoo. Congratulations Andrew. Your drinks for the next Stammtisch are on the house.

This month's puzzle is considerably easier, and I hope more will have a go at it. This Sudoku has 24 'dues.' Have a go, the first correct answer shall be published next month, and shall have free drinks in the Stammtisch for one evening.

In every Sudoku every digit between 1 and 9 occurs exactly once in each **row, column and 3x3 square**.

Please send your answers to [muthana@trasco.ch](mailto:muthana@trasco.ch)

				4	5		9	
7	6			8				
		4				7		
					6	3	7	
2								6
	4	1	2					
		7				9		
				9			1	3
	9		5	6				

Solution to May's puzzle:

3	8	1	4	7	9	2	6	5
7	9	5	6	1	2	8	3	4
4	6	2	8	5	3	7	9	1
9	4	7	5	2	8	6	1	3
1	2	6	7	3	4	5	8	9
5	3	8	1	9	6	4	2	7
8	1	9	2	4	5	3	7	6
2	5	3	9	6	7	1	4	8
6	7	4	3	8	1	9	5	2

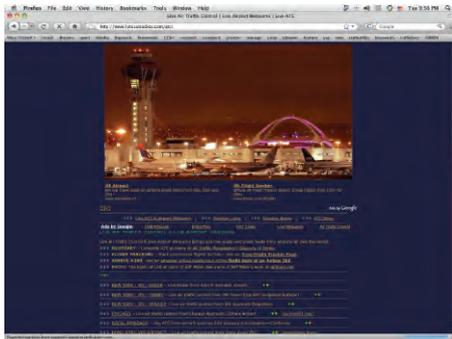


by IMCZ member David Harris

## Live Air Traffic Control NY JFK & LA LAX

[www.futurastudios.com/atc/](http://www.futurastudios.com/atc/)

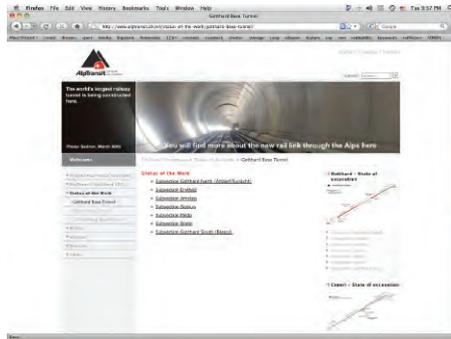
For live radar plots covering JFK and LAX airports USA this is the site, watch the comings and goings of these huge international airports. Click on 'Live Air Traffic Control' then 'ATC' and select either 'NY JFK radar' or 'LA LAX live radar'. We originally intended giving details of live air traffic control for Zürich Kloten, but that site is currently off line.



## Gotthard Alp Transit Tunnel

[www.alptransit.ch/en/status-of-the-work/gotthard-base-tunnel/](http://www.alptransit.ch/en/status-of-the-work/gotthard-base-tunnel/)

This is a massive project providing a flat link for future rail traffic through the Alps, thus permitting faster, heavier and more frequent passage of trains. When completed in 2017 it will be, at 57km, the longest rail tunnel in the world. Read about the development of this project and the millions of tons of earth and rock removed and recycled. If you want to visit the workings there are special Visitor Centers and conducted tours.



## Moths and Butterflies of Europe and North Africa

[www.leps.it/](http://www.leps.it/)

The aim of this work is to provide a large iconographic sample of European moths and butterflies and, for each species, information about food plants, breeding and life cycle. There are almost 7000 pictures of these fascinating and sometimes highly colorful creatures. New pictures and data are frequently added.



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## Looking for a translator

After years of research I have succeeded in establishing  
biographies of my ancestors back to 1730. It is an  
unusual story, written in German. With a view to my  
English speaking relatives I hope to find a person of  
English mother tongue who is experienced in translating  
from German, ideally a retired person, who could do it  
over a period of time as a leisure activity. I am myself  
retired and my family chronicle is not a commercial  
venture, thus professional translation tariffs are  
beyond my reach. I think nevertheless we can agree on  
a limited fee as an incentive.

Please contact me: [e.detrekoey@bluewin.ch](mailto:e.detrekoey@bluewin.ch).

## Farewell... adieu

The IMCZ wishes well to: **Klaus-Rainer Toedter**



**Photo of the Month**  
Solothurn • Ron Summers

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