

MZ Perspectives

February Performance Roundup - World Markets

Despite economic and political uncertainty related to the looming automatic spending cuts enacted by the U.S. Congress last year, the stock market managed to add to its strong January performance with positive returns for the month of February. Most U.S. companies reported decent results for the fourth quarter of 2012 and provided subdued guidance for 2013, with the majority of the growth expected to occur in the second half.

The outperformance by U.S. large and small cap stocks masked broad-based weakness across several markets. 36 of the 46 countries tracked by S&P Dow Jones had negative returns in February. Emerging market stocks in particular fared poorly, ending February down over 2% on average. Brazil, India, Russia, and China (BRICs) – considered the growth darlings by most investors – all posted negative returns on a 1-month and 12-month basis. Decelerating economic growth and an uncertain policy outlook are the primary culprits for the lagging performance in BRIC equity markets.

Index	1-Month (%)	3-Month (%)	12-Month (%)
S&P 500	+1.4%	+7.6%	+13.5%
S&P Small Cap 600	+1.4%	+10.8%	+14.7%
Global Equity Market Index	-0.1%	+7.1%	+7.2%
Global ex-U.S.	-1.0%	+6.7%	+4.0%
Developed Market Index	+0.2%	+7.3%	+8.5%
Emerging Market Index	-2.1%	+5.5%	-2.5%

*S&P Dow Jones Indices

From a sector perspective, consumer staples and healthcare generated the best performance in February while technology and materials were the laggards. A high profile M&A (HJ Heinz) and investors' increased appetite for growth and income drove the outperformance in consumer staples stocks. Continued weakness in Apple and disappointing Q1 guidance by several semiconductor companies dragged the tech sector down.

	2013 Consensus EPS Growth (%)	2013 Consensus P/E
S&P Small Cap 600	+34.7%	17.3x
S&P 600 Energy	+149.5%	20.2x
S&P 600 Financials	+24.1%	17.4x
S&P 600 Healthcare	+20.7%	19.2x
S&P 600 Technology	+87.9%	17.5x

The outlook for earnings growth remains healthy. Consensus EPS estimates for large and small cap stocks in the S&P remain high at 14.7% and 34.7%, respectively. Among small cap companies, technology and energy stocks are expected to lead the way, with operating EPS growth of 87.9% and 149.5%, respectively.

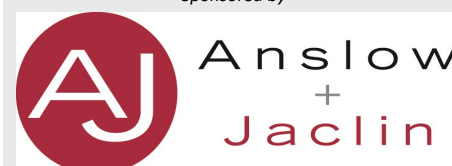
Some strategists have become concerned about the significant margin expansion that the 2013 earnings estimates imply given global GDP forecasts of 2% to 3%. The low absolute and relative valuations for stocks, trading at 13.6x consensus 2013 estimates for the S&P 500, incorporates some of that skepticism. Valuations appear even more favorable when considered in the backdrop of interest rates staying "lower for longer" across most markets.

March 2013

Thanks for reading the March edition of our MZ Newsletter, focusing on a review of the market in February, and some updates from the MZ team. Please be sure to visit us at the upcoming annual Roth Conference in Newport Beach, March 17-20. Also visit us at mzgroup.us to learn more about our complete set of investor relations products and services.

-The MZ Team

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MZ Client News

Miller Energy to Host Third Quarter 2013 Earnings Call 3/8/13

Fission Energy Enters into Definitive Agreement with Denison Mines 3/7/13

Peak Resources Beneficiation Success Enhances Ngualla Rare Earth Project Economics 3/6/13

International Stem Cell Corporation to Present at 65th American Academy of Neurology Annual Meeting 3/6/13

CRAiLAR Technologies Names Ted Sanders Chief Financial Officer 3/4/13

Shoreline Energy Announces Closing of the First Tranche of the Previously Announced Brokered Private Placement 2/28/13

BOFI to Present at Raymond James and Participate at Sandler O'Neill & Partners Investment Conferences in March 2/27/13

ENSERVCO Forecasts Swing to Full-Year 2012 Profitability on Strength of Record Fourth Quarter Earnings From Continuing Operations*; Fiscal 2013 Opens With Record Single-Month Revenue of \$7.1 Million* 2/27/13

A Word From Australia

Paul Kelly – Director of Development, MZ Australia

The ASX S&P index has risen by 8% versus the DJIA which has risen by 10%.

Will this underperformance by the Aussie market continue? In a word, yes!

The Australian market needs to consolidate in the next month or so but will still lag the American market.

The S&P ASX 200 is trading at 14.5 times forward earnings multiple versus the 12.5 times in USA.

The official RBA or Reserve Bank of Australia cash rate in Australia is 3% versus almost zero in the USA. Unemployment is around 5.4% and likely to rise further in the coming months as businesses come to grips with a continuing strong Australian dollar against the US. Certainly we don't expect the levels of unemployment to match the USA but my best guess is that unemployment will top out close to 6% later this year.

We have just finished earnings reporting season in Australia and my take on it is that analysts are beginning to raise their earnings estimates (albeit conservatively) and this has pushed our market up a little because the revisions are no longer all down! Industrials downgrades and upgrades are fairly matched but some resource upgrades have come through. The earnings recovery is really all just iron ore – and there is obvious skepticism about whether \$150/tonne is sustainable and once the seasonal restocking that takes place ahead of the Australian cyclone season is out of the way that prices will collapse in the second half. Either way, it pays to be cautious on this "earnings rally".

The cash rate falling to relative low levels has seen the market switch from cyclical to yield paying stocks. This allocation of funds has seen the banking index outperform the market. The question therefore needs to be asked, do the fundamentals re: the banking index still stack up??

Another thematic doing the rounds a few weeks ago was short covering. We still calculate that there is about \$17 billion in short positions in the Australian Market – and this number has been going up as the market has risen in value – and that short sellers are sitting on what we estimate to be \$0.5 billion of losses since July 2010 on the ten largest positions which comprise about \$7b in shorts as at the 4th of Feb.

Australian retail investors have continued to chase dividend paying stocks with average dividend yields of around 4.7% plus the dividend franking on top. This is because there is an expectation that the official "cash rate" of 3% may be reduced in the near term as unemployment increases.

So in summation, steady as she goes with a continuation of the bull market after a period of consolidation.



MZ Announcements

MZ Expands Management Team with Key Hire Dustin Salem

With our continued growth, MZ has expanded our team to better serve our clients with the addition of Dustin C. Salem, Senior Vice President for the Western Region with over fifteen years of financial and investment experience.

Dustin has worked with a wide range of institutional clients and public companies in sales, trading, and corporate access capacities for both institutional investment and investment banking firms. Dustin began his career at Wells Capital Management in San Francisco as a buy-side equity trader working with several portfolio money managers implementing the execution of international trading strategies, banking deal participation, and distribution of timely market information. Dustin later transitioned into an institutional sales role covering several mutual fund and hedge fund companies across the Western region as a Senior Vice President for Roth Capital Partners in Newport Beach and more recently Imperial Capital in Los Angeles.

Before getting his start in finance, Dustin served as an officer in the United States Marine Corps specializing in public affairs. He was stationed in Quantico, Virginia and then served at Camp Pendleton as a media relations and press officer where he completed joint training exercises in Kuwait, managed the base newspaper and worked as the Marine Corps liaison to the entertainment industry. Dustin graduated from the University of California, Santa Barbara with a degree in International Relations and also played on the UCSB Men's Varsity Water Polo Team. More recently, Dustin completed the Investor Relations Certificate Program at the University of California, Irvine. Dustin currently holds the Series 7, 63, 55, and 24 securities licenses.

MZ Client Roster Grows with New Clients OxySure Systems, Envision Solar International and Bluechiip Limited

MZ is pleased to announce the addition of three new clients who have chosen to utilize MZ as their premier investor relations service provider:

OxySure Systems (OTCQB: OXYS) is a medical technology company that focuses on the design, manufacture and distribution of specialty respiratory and medical solutions. The company pioneered a safe and easy to use solution to produce medically pure (USP) oxygen from inert powders. The company owns numerous issued patents and patents pending on this technology which makes the provision of emergency oxygen safer, more accessible and easier to use than traditional oxygen provision systems. For information please visit: www.OxySure.com.



Envision Solar International (OTCQB: EVSI) designs, manufactures and deploys unique, proprietary and architecturally accretive renewable energy systems with a Drag & Drop Infrastructure™ product line. The company's flagship products include the patented Solar Tree® array and Solar Tree® Socket™ solar shaded parking solutions with EnvisionTrak™, a proprietary and patent pending solar tracking machine, and SunCharge™ Column Integrated Electric Vehicle Charging Stations. For more information: www.envisionsolar.com.



ENVISION SOLAR™

Bluechiip Limited (ASX: BCT) has developed a wireless tracking solution for the healthcare and life science, security, defense and manufacturing industries which represents a generational change from current methods such as labels (hand-written and pre-printed), barcodes (linear and 2D) and microelectronic integrated circuit (IC)-based RFID (Radio Frequency Identification). For more information: www.bluechiip.com.



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MZ Client Calendar

Date	Client	Event	Location
3/10	SBOTF	Poster Presentation at The Society of Toxicology (SOT) 52nd Annual Meeting	San Antonio, TX
3/12-14	HIMX	BoAML Taiwan Conference	Taiwan
3/14	FIS	Non Deal Roadshow	Southern California
3/14	CRLRF	YE2012 Financial Results and Operations Update CC @ 5pm EST	Online
3/18-20	FIS, MILL, CRLRF	ROTH 25th Annual Conference	Newport Beach, CA
3/18-22	FIS	Mines & Money Conference & Non Deal Roadshow	Hong Kong
3/20	ISCO	Parkinson's Disease Presentation at 65th American Academy of Neurology Annual Meeting	San Diego
3/21	ISCO	Virtual Roadshow Conference Call to present results of pre-clinical studies of Parkinson's disease from the AAN Meeting	Online
3/28	BOFI	Virtual Roadshow Conference Call	Online



Visit MZ at ROTH 2013

MZ will again be a sponsor at this year's ROTH 25th Annual conference that will feature presentations from hundreds of growth companies, Q&A sessions, expert panels and thousands of management one-on-one/small group meetings, one of the largest of its kind in the U.S. This event is designed to provide investors with a unique opportunity to gain insight into emerging growth companies across a variety of sectors, including Business Services, Consumer, Cleantech, Industrials & Resources, Healthcare, Metals & Mining and Technology & Media.

Date:

March 17-20, 2013

Location

The Ritz Carlton

1 Ritz Carlton Dr.

Dana Point, CA 92629

This conference is by invitation only. For more information, please contact conference@roth.com or your ROTH representative at (800) 933-6830.

[Visit the Conference Website](#)



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MZ serves as a premier informational resource for institutional investors, brokers, analysts, private investors, and the media which creates a dynamic audience and assists in diversifying our clients' shareholder base.

Visit our North American website at www.mzgroup.us

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