

STRATEGY FOR Week Commencing 20 July

It's earning reporting season in the US and markets may well react to reported earnings. One must however be conscious of the fact that rising Coronavirus Downside Risks Threatens US Economic Recovery. [CLICK HERE](#).

The continuance of liquidity infusion, a recent addition to the lexicon of financial terminology continues with pace. Harping back to history, such unrestrained printing of money in the 1920s led to economic pandemonium. The relentless pursuit of monetary expansion at all costs in Germany in 1923 saw escalated prices beyond the reach of many. As an example a loaf of bread cost 200 billion marks. The classical theory of money equation developed by Milton Friedman [$MV=PT$] saw monetary expansion as the cause of inflation. Moving on one hundred years is anything any different! Yes Low inflation but this time around its digital monetary expansion that is used by financial institutions on the pretence of starving off financial collapse. As country after country continue to support their ailing economies with magic dusk of debt creation, the actual value of money in societies will become even more meaningless.

News last week that the EU is looking to agree a 750 billion euro (\$856 billion) recovery fund and a new 1 trillion euro EU budget must ask the question, yes but where's the money coming from? Digital creation would seem to be the answer. In the UK, the Government continues to banish about billions of pounds as confetti to solve the current crisis. Any alternative one might ask! The relentless call to arms in additional government bonds for funding would now seem to be answer as UKs Debt position as the UK on track to sell £533bn of debt this year. An Extra £110bn in scheduled gilt issuance set to take total to more than double previous record as UKs debt to GDP explodes to the upside to over 100%. National Debt levels not seem since the Second World War would seem to be the consequence of current policy actions. For a stark reminder of the crippling levels of rolling national debt owed by nations [CLICK HERE – World Debt Clocks](#). Stemming the tide of job losses will seem to be the new elephant in the room as the UK government assistance programme starts to fade and economic realignment begins to reshape the future economic landscape.

Last week the portfolio began to put retrograde June behind us with +1.27% increases in the portfolio. The recent acquisition of BATM Advanced Communications saw a +10% increase and has become a light of optimism. Redirections resources to BATM has so far become a worthwhile strategy seeing a +30% increase sine purchase. Omega Diagnostics was in yoyo mood last week with this week's share price volatility assured given news that the consortium RTC involved in anti-body testing [which ODX is a part of] looks likely to be given the green light by the UK Government. [CLICK HERE](#). The recent resurgent of interest in Spirent Communications saw the share price at £2.64 last week with Spirent being advisor to the UK Government on 5G may take a prominent lead for possible price increase given the reversal of UK Government's interest in Huawei involvement on 5G. SDI Group has seen recovery in its share as of late with Iofina continuing to be price neutral. This week I will be looking at price reaction on Omega Diagnostics on game changing news concerning ODX with the view of possible price target achievement if possible. Disposal of CPRX for profit taking may be on the cards. Until Next Time.

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