

## STRATEGY FOR Week Commencing 6 July –

Last week, the Federal Reserve released the results of its annual stress test, designed to assess US banks' ability to weather dire scenarios, such as a double-dip recession. As the fall-out from the pandemic continues to impact major economies, one must be prepared for some ugly truths in a sign of the uncertainty facing major economies. The Fed is requiring banks to resubmit updated capital plans later this year to reflect current stresses. A number of economic paths could materialize from here, from a V-, U- or W-shaped recovery. Market and consumer sentiment will depend on what happens around the reopening of the economies and whether the Government propaganda machine will entice confidence that all buy into. Last week, clear signs of the impact of the pandemic on unemployment have been evidence as major employers begin to restructure their operations to cope with the declining consumer behaviour and demand. UK firms have announced thousands of job cuts last week as the impact of the pandemic on the economy continues. Airbus, Airframe, Virgin, Café rouge are just examples where job losses have become an inevitable consequence. **Consequence, cause and effect are a useful paradigm to use when analysing the potential for share selection.** Consequence, cause and effect on airlines, fewer travellers less fuel needed to run airlines more staff layoffs. Last week's notifications that footfall has adversely affected many retail outlets including High Street restaurant chains Café Rouge and Bella Italia has resulted into the companies going into administration with the effect of 91 Casual Dining Group outlets closing immediately with 1,900 of the firm's 6,000 staff losing their jobs equalling 31% reduction. Such knock on affects will have major consequences with supply chain ramifications. The likelihood of rise in unemployment will affect consumer spending in many areas of the economy including housing, hospitality. Deflection is a widely practiced technique by politicians diverting attention away from current dilemma as shown in last week's announcement of the billion pound infrastructure investment programme by the UK Government which provides an opportunity to see where future potential opportunities exist for the brave.

The portfolio saw a slight decline of -0.60% last week as the worse month of June was put behind us. There were winners and losers last week as I decided to reinvest liquidity in new shares and divest from existing ones. Omega Diagnostics continues to provide soap opera entertainment with the continued decline in its share price. The open offer of 40p in effect has resulted in a dilution of existing shareholders with the actual share price ending last Friday on 42p. News last week that their product seems likely to gain approval for the Indian market may just steady the ship. So one needs to wait and see. I decided to redirect funds and acquire shares in an unnoticed London listed share BATM Advanced Communications Ltd. an Israel-based company engaged in the development, production and marketing of medical products, as well as data communication products. A topical choice for the adventurous. I have been upping my stake ensure compliance with a diversifying strategy. Adopting the consequence cause and effect paradigm, I have seen a trend towards e-learning and with that in mind took a position in UK listed share Learning Technology Group Ltd. I also took a position in Saga plc is a provider of services for the customers aged 50 and over. The Company operates through three segments: Insurance, Travel, and Emerging Businesses. The share price has retreated to what looks like a support level of 16p so using a technical analysis ADVANCED TOOL OF ANDREW'S PITCHFORK [\[CLICK HERE\]](#) provided me with the possibility that in the medium term price consolidation with a potential price enhancement could be a possibility [although not guaranteed]. Spirent Communications saw a +9.3% increase and has seen improvement as of late with US Cetene Corp +9.9% increase holding its own. UK housebuilders continued to see muted performance with Bellway -2.3% and Redrow -7.6% following continuing declining mortgage approvals. This week I will be looking at how well these recent additions do with one eye on Omega to see if the share price starts to react favourably to recent news. The potential for Omega is huge but will the market agree? Only time will tell. Until Next Time.

[STRATEGY FOR Week Commencing 29 June](#)

[Week Commencing 22 June](#)

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