

STRATEGY FOR Week Commencing 31 August

Global equity markets rose to a new high last Friday as U.S. consumer spending in July suggested a strong economic rebound lies ahead, while the Japanese yen surged on safe-haven buying after Prime Minister Shinzo Abe resigned for health reasons. US stocks headed for the best August since 1986. By contrast approach September has historically been the worst performing month of the year. Normally in September the market tends to gently drift lower for the first weeks before re-bouncing slightly in the final week. Gold and silver normally have a strong September.

Last week the Federal Reserve **decided a new policy shift accepting that inflation was to be the new thesis [Click Here](#)**. Fed Chairman Jerome Powell emphasized the primacy of the labour market in its mandate, even if it means that inflation rises above an annual 2% target that the central bank has traditionally deemed as indicative of a healthy, well-functioning economy. Same to follow in the UK? What with all the Quantitative money, helicopter money, Government support to all and sundry, the UK's ballooning national debt one can only assume the Government willing to accept inflation as a natural remedy to reduce the mind boggling debt numbers [The highest since World War two.

As confirmations for the upcoming US presidency candidates have now been confirmed, expect plenty of volcanic hyperbole being the characteristic of the campaign. Facts not fiction should be the main criteria [Whatever happened to the promised wall it never materialised!] however recent events and the devastating effects of the pandemic may well hold the casting vote for a potential change in voter's decision. Irrational exuberance would seem to be the order of the day as market sentiment continually push markets to high levels. Wall Street bets for further gains are around their highest levels since the dot-com bubble as option activity confirm this trend. **[Click Here options bets that the stock market will continue to soar.](#)**

The portfolio saw a gain of +1.06% last week. BATM advanced communications returned with vigour with a +12.7% increase week on week. Similarly SDI group plc continues to provide welcome cheer with a +8.08% increase. The recent rise of SDI has become a welcome relief and disposal delayed. As well Spirent Communications saw a +1.04% increase. It was time to say good bye to a poor performer by liquidated my holdings in Cetene a US share. Last week I decided to take a position in speculative US company Nano One Materials which deals with lithium Batteries. September 22 is Battery Day when Tesla owner will publically announce a tie into the firm that will supply the longer lasting battery for Tesla cars. Being overweight in pharmaceutical companies, I decided to shift emphasis to new technology and hence Nano one Materials. This week is one for review conscious of the fact that further liquidations may well be on the cards. Until Next Time.

[STRATEGY Week Commencing 24 August](#) [STRATEGY 17-10 Aug](#) [Week Com 3 Aug](#) [Wk - 27 July](#) [WC20 July](#)