STRATEGY FOR week commencing 12 October

Market sentiment is often influenced by the perception of optimism or pessimism. As the clock winds down both on the US election and UK/EU trade negotiations, expect heightened tensions to begin to show and be reflected in market turbulence. I have in previous commentaries emphasised every cause will have an effect. The trick is to be able to make a judgement call on ones perception on the probable outcome.

The fluidity of the US election continues to affect market sentiment with the two main mature contenders sizing each other up, not unlike Ali and Frasier with the rumble in the jungle. Volatility is a trader's friend and often has the ability to enable the brave to benefit from uncertainty. In the UK, the point of no return is about to lapse as the road runs out for trade agreement with the EU. These examples point to the fact that probability theory helps one to decide possible outcomes. One would need to place probabilities on outcomes to provide expected return. In the US elections, evidence [Swing states to Biden, Trumps health and talk of the 25th Amendment] is supporting the view that a probable change is now in the pipeline. But nothing will come easy as the prospects for a disputed transition indicate a high probability. Similarly, with UK/EU trade negotiations now at a crossroads, probability theory and expected outcomes suggest, irrespective of actual events Volatility will be the winner over the next four weeks.

Pinning down various outcomes from uncertain events is a skill which one can learn given the right information. Focusing on potential winning scenarios with specific reference to sectors is, in my opinion, the way to go. For an intuitive glance of how to trade the upcoming 2020 presidential election with the candidates preferred policy choices for industries can be found in this report. **CLICK HERE- How to trade the 2020 US election**. Dynamically opposing policy choices allows one to make one's own decision on the probability of the winning candidate. **Are you ready for a Joe Biden Victory? CLICK HERE to View.** The sporadic nature of volatility was in clear evidence last week with one of the portfolio shares. Omega Diagnostics. A prior week's presentation by the CEO initially had a negative effect on the share price with the price falling from 97p to 77p. Suddenly news began to filter through that Omega Diagnostics had won a Government contract for testing and the price shot up to $1.27 with profit taking see the price again retreating to 97p. Last Friday the price ended on £1.07. I declined to be persuaded to trade this on the rationale that one should always ignore noise without foundation. Being influenced by others perceptions is something that one's needs to be wary of. Similarly, ones needs to always consider one's own prejudicial bias. Negativity bias is the name for a psychological phenomenon by which humans pay more attention to and give more weight to negative rather than positive experiences or other kinds of information. Negative financial bias or loss aversion in times of crisis causes twice as much pain as the pleasure one gets from a financial gain. Last week the portfolio saw another +4.78% gain. The recent acquisition of Canadian Solar Inc. saw another impressive weekly increase of +15%. UK housebuilder's were again back in favour with Bellway +9% and Redrow +15%. Spirent communications also gained with a +6% increase. At my time of choosing I am looking to sell Canadian solar to achieve a 30% profit and recycle this into other US shares which have bypassed the experts. This is part of a grand plan of sustained exponential growth which I hope will materialise in the short and medium term. Conscious of the fact that societal changes now been imposed by authorities mean in essence for **INDIVIDUALS TO TAKE OWNERSHIP OF THEIR OWN FINANCIAL DESTINY** and not be reliant on anybody else! Until Next Time.

STRATEGY FOR 5 October 28 September 21 September 14 Sept 7 Sept 31 Aug 24 Aug 17-10 Aug 3 Aug 27 July 20 July