STRATEGY FOR week commencing 19 October.

News that Moody's, the ratings agency, has downgraded the United Kingdom's debt rating to "Aa3" from "Aa2," [putting Britain on the same level as Belgium and the Czech Republic] should come as no surprise as the huge economic hit from the coronavirus crisis, Brexit and the lack of clear budget plans from the government. This may provide ammunition from the mandarins from Oxford University to originate new economic theory for one to get out of the mushrooming public sector debt. [Eh. Just print some more money is likely to be the answer] Britain is far from alone as unaffordable sovereign debt will become the next elephant in the room. For a stark reminder of the crippling levels of rolling national debt owed by nations **CLICK HERE – World Debt Clocks.** A new D day [Default Day] will become the fashion as economies try to stumble and prevent them from renegading on their debts. **CLICK HERE why markets aren't worried over the US Governments Mountain of debt.**

De-industrialisation a term not recently used as been unfashionable, emphasises that there has been a distinct shift from manufacturing base to service industries. Like a see saw, the danger in an uneven distribution towards service industries over manufacturing, highlights the danger when reliance on snail like service sector growth becomes the norm. Britain whose has the world's sixth-biggest economy shrank by the most among Group of Seven nations in the second quarter and its public debt has topped £2 trillion ($2.6 trillion), surpassing 100% of gross domestic product. New terminology [lockdowns, curfews, circuit breakers] has been introduced into the mind set to confuse all and sundry with the new reality offering enforced restrictions for many. Enforced changes to societies will lead to a rethink in investment choices. Leisure. Hospitality, Airlines, energy (fossil) are sectors that have taken the brunt in recent months whereas Pharmaceutical, Cyber security, Cloud computing and Alternative energy being the winners. Siphoning trade ideas from sectors that will prosper from these uncertain times allows one to be objective and not a flight of fancy to the unprofitable sectors. Analysing where one is in the business cycle can help one to decide profitable opportunities. **CLICK HERE on How to trade the US 2020 election**

US indices continue to defy gravity but the market may well be factoring in the distinct possibility of a change of the head poncho in the US with all the policy changes that are about to be released. Again looking at these in detail provide a helpful approach to the direction of favourable sectors likely to benefit. Last week the portfolio retreated by -2.31% after prior week's positive performances. Performance of US shares were net neutral with Canadian solar -8% and Nano One materials +8%. UK share Learning Tech group saw a +1.3% increase despite its weeks fall to the negative and is one for possible disposal after falling into stop loss territory. UK housebuilders Bellway [-1%] and Redrow [-6%] continues to fluctuate in weekly share price changes. Bango plc the mobile payments provider continues to be a non-performer and an alternative is on the cards. Omega -8% and Spirent communications -2% saw last week declines as plateauing of share prices continue to be the trend. The possibility of a non-agreement between UK and EU leads me to retain Segro plc as a Brexit trade despite last week's decline of -2%. BATM saw a +2% increase last week as I will be looking at disposable if the share starts to regain its former price glory, Until Next Time.

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