

STRATEGY FOR week commencing 26 October.

The calm before the storm would seem to be an apt statement regarding the upcoming event of Nov 3rd the US presidential election. Last week's final debate between the elder statesmen were more cordial in tone than before, thankfully, as polarised views on global subjects stimulated heated debated. It might be an understatement to say that this upcoming election is one of the most unique and controversial ones yet in American history. How stock markets have performed before, during and after elections and be viewed [HERE](#). Stock market performance leading up to an election has also been a major indicator of the outcome. An interesting fact is that in the last 100 years, every president who averted a recession during this period was re-elected. If a president avoids a recession in the 2 years leading up to an election, it is a key indicator of re-election. You make your own view on this.

But 2020 has been different in many ways as a global pandemic hitting many economies in retrograde motion, unemployment and plenty of domestic debt. Historically, U.S. stocks and bonds tend to perform better during an election year compared to the year after. For international equities, the opposite has been the case; returns the year after a U.S. presidential election far exceeded those during an election year. Volatility in whatever shape will be the winner with Nov 3rd being the day when Pandora's Box may open to increased international tensions with a possible change in the governor. The continuing destabilizing effects of the pandemic continue to affect major countries' economies as isolation and curfews are enforced on free citizens. Economic maelstrom has been the outcome with global indebtedness the now accepted norm.

The multiplier effect of closed economies will lead to a reinvention of new forms of business with technology becoming more prevalent in daily lives. Last week's news that global payment provider PayPal is to embrace crypto and will soon offer its U.S. customers the ability to buy, hold, sell, and use various virtual currencies, having obtained a New York license permitting it to do so [a move long anticipated by crypto enthusiasts], is a means of catapulting cryptocurrencies into mainstream use. One must be aware of societal changes to the demise of cash as a payment mechanism and that a world without physical cash is now a distinct reality. Like driverless cars, a world without cash now the new world order.

Last week the portfolio tread water with a -0.24% decline. The surprising uplift of online learning UK stock Learning Tech group saw a +10% weekly increase helped by the return to domestic learning online. UK house builder Redrow also saw an uplift with a +7% increase but despite Bellway's return to dividend acceptance saw a weekly decline of -2%. Last week Canadian Solar was in robust form hitting \$44 a share on investor positive sentiment. It ended the week on \$40 a 3.7% increase on the week. Solar is a pinpoint industry likely to gain through a Biden win. Nano One materials the all battery source US company saw another weekly retreat of -7%. Patience is beginning to wear thin on this share and I retain on potential rather current performance. On wed 28Oct Omega Diagnostics provides an investor and technical update so expect volatility to be in existence before, during and after the presentation. If price explodes to the upside for omega on favourable outlook, I may look at banking profits as a consideration so that other share selections can be made for possible acquisitions pre-election. A steady hand on the portfolio throttle may be the wise course for this week. Until next time.

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