

STRATEGY FOR week commencing 28 December –

Brinkmanship was in full fettle pre-xmas as an apparent long awaited trade deal got the thumbs up from the UK and EU. ([Brexit Agreement in Bullet Points](#)) Relief and reminiscence from the Beatles song ‘the long and winding road’ comes to mind after a free trade agreement was finally struck which still requires ratification from respective executives both side of the channel. So 2021 looks brighter, one could argue as a new president to replace a predecessor that still refuses to accept defeat. Expect temporary euphoria in UK stocks and currency as a result of the deal with uplift in the FTSE. Time to take profits an inopportune time one could argue. As the year 2020 begins to be consigned to history, few would shed a tear at its passing as the world still faces the aftermath of the deadly pandemic that has affected so many. Talk of a vaccine that assumes to be the answer is short sighted as societies grapple with the logistic conundrum of protection. Trade ideas can originate from the most unexpected. Big Pharma, alternative energy has become the sector winners of 2020. Conversely transportation (airlines), commercial property, hospitality has all been decimated through 2020. So where next for 2021? I have been emphatic in specific sector investing which I suggest is the way forward in 2021. Picking ones sectors where society changes adapt to the new environment may be the answer. Hot to trot sectors provide the key. As society changes so one needs to adapt. Technology has become a key sector for the strange times we live in. Isolation and living with enforced restrictions has become the new norm. So trade ideas can sprout from the new norm. Cloud computing, mobile app technology, online learning and computer games come to mind. The unusual may come into the fore such as the acceptance of leisure drugs currently in vogue and legalised in Canadian stocks. The new US administration may relax rules relating to leisure drug adoption with a new accepted norm of relaxation a possible outcome. [CLICK HERE – MORE Act Legalising Cannabis in the US](#) 2021 will initially be focused on pharmaceutical, vaccines and the need to restart the world’s economy. The economic, societal, and human cost has been immense as authorities begin to grapple with the fallout from the pandemic with continued impetus. 2021 will see a new economic realisation with possible realignment on wealth transference with the rich paying for the consequences of the pandemic. Expect the new president to raise rich revenue from extra taxation. In the UK around budget time (March 2021) expect a hard hitting revenue raising budget. [A-Wealth-Tax-For-The-UK](#). The effect of such measures may have an unintended consequence such as the effect on the UK property market. [CLICK HERE possible-house-price-falls-in-2021-halifax](#). As the transition arrangements now become consigned to history with Brexit a past lexicon word, expect plenty of undoubted confusion with trade arrangements. For sure UK sterling will see volatility as a consequence in adjusting to its new norm. The portfolio saw a +4.81% increase last week following on from a prior week +5.98%. Santa looks like it has obliged so far. The forthcoming week is normally one for the profit taker and given trade agreement news and the continuing vibrancy of the US market then I may be looking to take profits on UK shares which may bounce up on temporary optimism before reality strikes. Last week’s surprise performer was Lithium Americas which showed a +30% weekly increase with Canadian Solar + 16% and recent acquisition First Solar +8%, UK housing stocks Bellway +4% and Redrow +8% providing welcome Christmas cheer. I may look to disposal of Lithium based primarily on taking a profit which has been eluded for 2020. Spirent Communications saw a +2% but has been consolidating as of late and one for possible reassessment in the portfolio. I end this difficult year still able to hold my head up high despite the traumas of last year’s significant declines. Keeping your head while others around them is a mantra that has served me well and I hope will continue to do so as we enter the unpredictable world of 2021. Happy New Year to all and sundry. Until Next Time

[STRATEGY FOR week commencing 21 December](#) [14 Dec](#) [9 Nov](#) [2 Nov](#) [26 Oct](#) [19 October](#) [12 October](#) [5 October](#) [28 September](#) [21 September](#) [14 Sept](#) [7 Sept](#) [31 Aug](#) [24 Aug](#) [17-10 Aug](#) [3 Aug](#) [27 July](#) [20 July](#)