

**STRATEGY FOR week commencing 22nd March** Last week Federal Reserve Chair Jerome Powell and his colleagues continued to project near zero interest rates at least through 2023 despite upgrading their U.S. economic outlook and the mounting inflation worries in financial markets. The impact of this saw an instant positive bounce in US share prices last Wednesday. Yet what is given in one hand is taken away from the other. As last Thursday's concerns regarding inflation with the 10-year US Treasury yield surging to 14-month high of 1.75%, with the 30-year rate topping 2.5% suddenly saw markets wipe off the gains that had been made the previous day causing the Nasdaq to decline 1.5% with created volatility in the stock market. Last Friday the FED decided not to extend a Covid pandemic-era capital break for banks, stoking a bounce in bond yields and a sell off in financial stocks. It would seem that market expectations of continued stimulus seems to be an endemic theme with the American Rescue Plan Act of 2021 engineering a \$1.9 trillion stimulus package giving the majority of Americans a \$1,400 check. It's no different in the UK where £ billions of government support to keep the UK economy from collapsing has catapulted UK national debt to levels not seen since the Second World War. The point to all of this is that continued artificial stimulus will come at a price. Straight talking is needed with no sugar coating the facts. Financial Repression is now here and individuals that rely on continued Government support may well get a sharp awakening. The decimating effects of the pandemic have revealed winners and losers. [CLICK HERE UK furlough scheme pays out millions to foreign states and tax exiles.](#) There would seem to exist a parallel universe where fantasy economics is actual reality. News last week that a digital image was bought for \$69 million [\$69,000,000] with the Non Fungible Token system through the etherium block chain just shows how bonkers things are. What are NFT's I hear you say, another piece of jargon designed to confuse? [CLICK HERE -What they - NFTS.](#) News last week that the Indian Government is also passing a law with the outright banning any form of crypto trading making it illegal had an immediate effect on the price of Bitcoin albeit if only temporary. [CLICK HERE India cryptocurrency ban.](#) But one must realise that Central Governments manipulation of the monetary system will eventually have distorting effects. The growth in an alternative monetary Block chain system despite each central government's determination to discredit this will have wide ranging consequences. The wealthy may well look to conceal intangible future wealth out from mainstream finance. But one must always learn the lessons from the past as NFTs may well be the new tulips from Amsterdam! For connoisseurs of history the tulip mania of the seventeenth century may be a stark reminder that all that glitters is not always gold. Despite the extreme volatility that ensued last week, the portfolio again was in the ascendency with a +7.17% increase. Ultra Clean holdings was disposed of last week for a good profit prior to the ensuing volatility. Recycling of disposal proceeds was placed on a previous technology share Micron Technology prior to last week's pull back. The technology sector has fallen out of favour as of late affected by the concerns regarding long term treasury yields offering competitive persuasion against technology stocks. Invariably market sentiment is often a determining factor. Recent share purchases Ameresco and Digital Turbines were the performance retards last week, although digital would seem to have shone in the past. Crypto stock MARA continue to perform like sitting on a rollercoaster with a +7% increase week on week and +75% increase since first acquired in February. Riot stood firm despite a 1.28% decline. As previously stated anything crypto comes with a financial health warning and not for the meek and mild. Last week Fulton Genetics reached \$122 on positive approval news for Covid testing. Yet by end of the week it finished on \$106. Disposal on poor performers Akamei tech, Ameresco, Emergent Biosolutions, Teradyne continue to be on my mind once break even beckons in the future. Recent purchase D R Horton the US housebuilder is holding up well and inclines me to consider that despite the pandemic, US housing is bucking the trend as the sector has recently turned positive for related stocks. This week I may look at adding to a position but as always due consideration will be given on market sentiment. I may even look at something unconventional where the previous trades of MARA and RIOT prove that out of the box thinking sometimes can prove lucrative despite the risk involved. Until next time.

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