STRATEGY FOR week commencing 8 March.

The market was again in gyratory mood last week as optimism early on soon petered out as markets pulled back leaving a dour note by the end of last week. Volatility was the clear winner last week as the bond market remained the source of anxiety for equity investors with the 10 US Year Treasury yield saw a new high just below 1.60%. Federal Reserve Chairman Jerome Powell did surprisingly little to soothe the bond market. In particular, though the broader market had seen losses with the major indices giving back gains following a decent start to the year. March is barely underway, yet the market is down month-to-date despite a +2.5% rally last Monday. Talk of the FED having to act may be presumptuous but the case for increasing interest rates again being a source of conversation.

In the UK the Budget was the main dominating feature of last week where the unbeloved term fiscal drag which effectively kicks the pain into later years was in full flow. The impact of stealth tax changes for the future is now open to full transparency. Yet one can not deny the uneasy fact of the substantial UK national debt that now has become a generational problem. It took many years for the UK to pay off debts from the Second World War and the years of austerity in the 2010 look certain to have paid off. The pandemic has thrown a spanner into the works on every nations public finances and the impact of the high levels of sovereign debt will have major economic effects both for future domestic fiscal and monetary policy for many countries. UK Public debt to GDP is now 110% and rising. [Like going up one step and coming down two on an escalator]. The fact that interest rates are at such historic low levels is a saving grace and perhaps a reason for the UK governments enthusiasm to do whatever it takes by supporting UK finances with billions borrowing at unpresented levels. **CLICK HERE for world debt.**

Policy choices and which ones that take precedence will take centre stage in the future on the limiting public finances available to nations. Absence of neglect in last week's budget was again shown to the digital online companies that continue to siphon off retail revenue from the high street, but the gradual increase in future corporation taxes may help to redress the balance. The ugly face of inflation may yet resurface as a result of the pump and pump of quantitative easing that central banks continue to promote.

Last week the portfolio declined by -4.71% last week. For equity participants like myself the wipe off of this year's gains in just two weeks shows how brutal the market can be to even seasoned participants. Significant fallers included, Ameresco -24%, Co diagnostics -19%, Riot Blockchain -11%, Teredayne -11%. Fulgent Diagnostics. Promising earnings reports from Fulgent Diagnostics alas fail to inspire real share price improvement yet finishing off last week on the upside. Last week purchase of Akamei Technologies and Digital turbines was undertaken with the best of intensions but affected by the market downside experienced by the later end of last week. The jury's out on my Crypto trades and continuance may well depend on this week's performance This week will be one of in depth monitoring to ensure that future damage to the portfolio is limited to the impetuous normal downside of mid March's performance. Until Next Time.

STRATEGY FOR week commencing 1 March 22nd February 15 Feb 8 Feb 1 Feb 25 Jan 18 Jan 11 Jan 4 Jan 28 Dec 21 Dec 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