

## STRATEGY FOR week commencing 26 April –

Last week saw markets in tempestuous mood as they reacted with predictable shock on Thursday following President Biden announcement on tax reform. U.S. stocks dived last Thursday following reports that President Joe Biden has indicated the planned doubling of capital gains tax and policy changes on climate changing. Biden is proposing to raise the marginal income tax rate to 39.6% from 37% and nearly double capital gains taxes to 39.6% for people earning more than \$1 million. This forthcoming week sees big tech's earnings so expect another volatile week on companies that fail or surpass their earnings estimates.

Corporate greed, mismanagement and selfishness were on show last week as the failed European Super League lasted a mere forty eight hours. So called saviour JP Morgan Chase who was looking to save football from impulsion by being the facilitator in destroying European Football with a new super league was on the wrong end of an own goal when. The European Super League (ESL) was touted as the only way for elite football clubs to “recover” from the coronavirus pandemic, and “make people dream” about the beautiful game again. The €3.25bn (£2.8bn) deal stood to make JP Morgan Chase, the US investment bank providing the funding, about £2m a week in interest payments for 23 years under the terms of the contract – making it probably one of the most lucrative sports financing deals in history. The Big money men who purport to be everybody’s friend were side tackled by the public relations disaster. Perhaps these money men should leave alone the precious game of football and look for other areas where their services could actually be used to benefit society in preference to destructing areas of society that help normal people from enjoying traditional sport. [CLICK HERE](#) .

Following on from last week’s comment regarding the increasing popularity of decentralised finance, which have now begun to threaten the establishment of central Governments and their banks and monetary supply, the Bank of England (BoE) is investigating the potential of a new, digital form of currency that would be similar to Bitcoin and other cryptocurrencies, except issued by the UK’s central bank. [CLICK HERE](#). The BoE has been keen to stress that a CBDC, if it ever came into being, would be fundamentally different from cryptocurrencies such as Bitcoin and other crypto assets. These combine new payment systems with new currencies that aren’t issued by a central bank. Crypto currencies were significantly affected on last week’s announcement that Turkey would be legislating the illegality of crypto currency trading and the acceptance as a payment mechanism. Following this announcement, the value of Bitcoin and co was severely impaired with declines across the board. Last week’s comment re white knuckle ride they certainly were as declines were commonplace for holders of Crypto related stocks. One needs to hold ones nerve and despite the significant retracements take objective reassessment when situations like this take hold. Lemmings often throw themselves off cliffs following other like reactions in herd like ehaviour. cont

As the end of April beckons and May is upon us one is reminded of the adage "Sell in May and go away" which is an investment adage warning investors to divest their stock holdings in May and wait to reinvest in November. [CLICK HERE - Podcast sell in May and go away just won't go away podcast/](#)

The month of April continues to frustrate as last weeks portfolio saw another negative decline of -4%. Significant retrograde price performance was seen week on week in Emergent Bio-solutions -20%, Marathon Digital -18%, RIOT block chain -15%, Micron -5%, Fulgent Genetic -4%. Crypto stocks MARA and RIOT affected by general market pullback. Last week I took several deep breaths to remain a holder of MARA and RIOT but events of this week may lead me to take flight if stocks continue to evaporate in price. Bio pharma stocks EBS and Fulgent continue to disappoint and lead me to the conclusion that they are proving an unwelcome inclusion in the portfolio. I retain these stocks until earnings reports due soon and will only be too pleased to see the back of them. Co diagnostics another poor non performer and the likelihood of a spring clean to the portfolio is a distinct possibility. Time is running out for these laggard shares that do not provide any solace or value to a healthy portfolio. Sector reassessment is to be my priority following on from stocks that will benefit as a result of alternative energy and environment lead stocks.

This week is again one of monitoring and review. I am reminded of the English nursery rhyme the grand old duke of York [CLICK HERE](#) 'Oh, the grand old Duke of York, He had ten thousand men; He marched them up to the top of the hill and he marched them down again' Sounds familiar to Crypto market doesn't it! Until next time.

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