

STRATEGY FOR WEEK 25 September – September continues to perform to its historical norm as last week markets were in retrograde. All three major US stocks indexed finished last week in negative territory, as the Dow Jones slid 110 points, while S&P 500 lost and the Nasdaq closed lower by 0.2% and 0.1%, respectively. Last week, the Dow Jones lost 1.7% lower, while the S&P 500 and the Nasdaq declined 2.8% and 3.6%, respectively. In an average month of September the market tends to gently drift lower for the three weeks before rebounding slightly in the final week. Whilst in the UK the FTSE 100 closed a choppy session below the flat line at 7,670 last Friday, dropping 0.5% on the week as markets assessed the latest economic data and their potential impact on the BoE's future decisions. The BoE held its Bank Rate unchanged for the first time in nearly two years, opting to favour mounting growth concerns. Fresh data showed that the UK's private-sector activity contracted more than expected as higher borrowing costs are having a growing impact on service providers. Additionally, retail sales growth missed expectations in August, adding to bets that the BoE may prefer to refrain from raising rates again to attend a slowing economy. In the commodities arena WTI crude futures rose above \$91 per barrel last Friday, hovering close to ten-month highs amid concerns that a Russian ban on fuel exports could tighten global oil supply further. Wheat futures in the US fell below \$5.8 per bushel in September, the lowest in nearly three years, amid increasing supply from the world's top producers. Such info can be used as a basis for trade decision projections. By further analysing the US yield curve provides a means of economic projection. When the 30-year to 10-year bond yield curve is steepening, it means that the yield (interest rate) on the 30-year bond is increasing at a faster rate than the yield on the 10-year bond, or the yield on the 10-year bond is decreasing faster than the yield on the 30-year bond. Consequences of a steepening curve often indicate that investors expect stronger economic growth in the future with the knock on effect on inflation as demand for a higher yield for longer-term bonds needed to compensate for eroding purchasing power. Therefore readers should start to look at what risk one is prepared to accept in the forthcoming month of October. For the conservative, a risk averse approach normally adopted as opposed to the risk on approach by the hawkish investor. Risk on or Risk off is an individual's own assessment. One must be aware that October in the past has seen some wide volatility. Yet for the Risk on among you it may be the month where returns compensate for the dowdy September. The portfolio mimicked September historical norms with a -3.07% decline. Profits from August have all been eradicated as September frustrates August's previous good performance. Last week long standing US shipping share SFL was discarded in favour of IG Group holdings a financial services company. Previous commentary has mentioned holding period of return. Yes SFL had been a dividend payer but with a negative holding period of return over a year, I decided myself to restructure in favour of IGG that went ex divi last week. Other shares in the portfolio showed muted performance. Once ABR reaches the target price of \$16.10/\$16.15 I will look to reallocate as well as monitoring the performance of recent purchasers of Amphaster and Technoglass. Modine manufacturing has taken a back seat as of late. I have been using the TTM squeeze [The power of the TTM Squeeze - CLICK HERE](#) - , alligator, Awesome indicators as a valuable tool in technical assessment as it provides a useful way of providing an early warning system of potential future changes. The last week of September may yet prove the catalyst for the forthcoming month of October. Many of the biggest crashes have happened in October so keep on one's toes for expected volatility. There's always the impending US court cases on co-conspirators to keep us entertained if the stock market doesn't bear fruit. Until Next Time.

STRATEGY FOR WEEK 18 September - The market, for the most part, weakened last week, with all four major indexes closing lower amidst a seasonally tough time with September being one of the worst market months of the year. Federal Reserve Chairman Jerome Powell and his mighty band of inflation fighters are set to meet this week for the sixth time this year. The Federal Reserve has a dual mandate to maintain price stability and to achieve maximum employment. In order to accomplish their mandate, one of the tools they can employ is increasing or decreasing interest rates, as they deem necessary. And, as of late, to tame the rampant inflation we've experienced, they have done that in spades since March 2022 by raising interest rates eleven consecutive times (as opposed to 14 by the BOE). It is widely believed that interest rates will be held steady at 5.25%-5.50% at the September meeting. The latest CPI in the US showed headline inflation increased 0.6% in August and is up 3.7% year-over-year, which is up from the 0.2% rise and 3.2% year-over-year increase in July. Rising crude oil prices drove much of the gain in US CPI in August, with energy prices soaring 5.6% in August and gasoline prices up 10.6%. In contrast the UK now has the highest inflation figure of the G7. Standing back and observing is often a powerful way of determining the future trajectory of economic and social changes. Last week's news that the UK economy had contracted by 0.5% provides a glimpse into the future. Alas my recent trips to the Midlands and general consensus on economic projections suggest that the UK is now likely on course for an upcoming recession normally associated with two quarters of negative growth. News also this week that Local Authorities are experiencing financial difficulties (going bust by publishing Section 114 notices) together with jobs cut backs on retailer Wilkinsons, Tata steel and general high street demise suggest the UK will be in a rough ride. Yet paradoxically a trip around Canary Wharf and Wembley suggest plenty of luxury apartments being built indicating a dichotomy between the wealthy south and the declining north. Levelling up is a word that's come into the lexicon of politician's hyperbole, so expect more verbosity being thrown at the unsuspecting public as election time approaches. Determining likely forward positive trends can often be assisted by looking at current year on year changes in varying sectors. The agriculture and AI sectors seem hot to trot as opposed to housing being heavily influenced by interest rate changes. As an interesting comparison between commodity year on year price movements for Orange Juice +91%, Cocoa +59% and sugar +50% and Oat +20% in contrast to Natural Gas -66%, Lithium -62% and wheat -30% provide useful analysis on what's in demand or not. The portfolio declined by -1.07% week on week offset by the UK stocks Thungela Resources +4.3% and Virgin Money +5.8% which were the best of the bunch last week. Amphaster has yet again failed to fulfil its initial optimism with a -5% week on week decline and future downward share price falls may lead to exclusion. Cutting disappointing losers and being brutal about amphaster liquidation is a decision that will be determined this week. I made the mistake of allowing Thungela to fall significantly. I do not intend to make the same mistake with Amphaster. Some shares just don't come up to expectation! Modine Manufacturing has yet to repeat its previous robust share performance so reviewing its performance this week will be on my agenda. Thungela goes ex-divi this week so expect price volatility post ex divi. My comment last week of disposing ABR Realty with a target price of \$16.15/ \$ 16.20 still holds true. All eyes will be set on the FED's interest rate decision. My humble guess will be no change in rates for now. With that in mind a bounce back in US markets may follow giving me the opportunity to dispose of ABR with a replacement US dividend stock. Until next time.

STRATEGY FOR Week 11 September –The first week of September saw unpredictability following August's promising performance. US stocks finished higher last Friday, as investors will be looking forward to the August inflation report this week that will provide further clues on the U.S. interest rate trajectory. Market sentiment will be influenced by such trajectory and by whether inflation is at last being controlled. My humble view is that the FED will leave interest rates unchanged allowing the market to be allowed to breathe. In contrast in the UK in my humble view, the Bank of England will however continue to raise interest by 25bps at the September meeting. It will be a busy week in the United States, with the inflation rate and retail sales data taking centre stage, followed by the University of Michigan consumer confidence index, industrial production figures, and export and import prices. Investors will also be eagerly awaiting the European Central Bank's interest rate decision and the ZEW Economic Sentiment Index for Germany. In the United Kingdom, the focus will be on the unemployment rate, earnings data, July's GDP growth figures, industrial production, and foreign trade data. Now that autumn is upon us the seasonal effects of energy costs will start to take effect. Oil and gas has in recent weeks being on an upward trajectory. WTI crude futures rebounded to trade higher around \$87.4 a barrel on Friday, the highest since early November, and booking a near 2% gain for the week due to expectations of tight supplies. Saudi Arabia announced it would extend its voluntary output cut of 1 million barrels per day through the end of December. Last week's notification that Apple lost 6.2% in market valuation or almost \$200 billion, amid news that Chinese government workers have been banned from using iPhones is a reminder that even the mighty can be hit. Keeping up to date on current and future developments provides essential foundation for trade idea development. I was able to visit the House of Lords in Westminster to listen to a topical debate on the future energy needs in the UK with emphasis on expansion of the use of nuclear energy. The £bn proposed investment at Hinkley and Sizewell for expanding nuclear facilities and the companies involved provide useful info on possible trade placements for the future. From the technical among you I have recently written a useful document on the TTM squeeze indicator [The power of the TTM Squeeze](#) which will assist in entry and exit positions. In an average month of September the market tends to gently drift lower for the three weeks before rebounding slightly in the final week. Historically September is the worse performing month of the year so one must on guard for a banana skin. Last week the portfolio saw a -2.7% reduction week on week with all shares experiencing downfalls in accordance with the market retrograde of last week. I am still awaiting for recent share purchases of Amphaster [-7.4%] and tecnoglass [-6.7] to begin to show potential. Ensuring strict risk management stop loss protection is something that should be in everybody's strategy. So no need to worry at present for these two shares. I will be actively looking at the progress of old retainers Devon Energy and EQT for possible upside potential given the jump in LNG and oil price activity that has been evident in the recent near term. Disposal of ABR Realty now an intended disposal once target price of \$16.15/ \$ 16.20 is achieved. This week I will be looking at compiling a watch list of upcoming US dividend payers for the replacement of ABR when it happens. The adoption of a watchlist for future possible share purchases is a useful strategy to adopt as it gives one a disciplined approach so one is ready to apply when one is ready to trade. September is normally a difficult month unlike August so my approach this week, will be to be an observer on the sidelines and pounce like a cheetah when the time is right. Until Next time.

STRATEGY FOR Week 4 September – Global Markets ended last month with robustness with late summer blues being washed away as enthusiasm filtered through in upside sentiment. In the US, the Dow Jones closed 116 points higher last Friday with the S&P 500 added almost 0.2% and while the Nasdaq finished marginally lower as the US economy added 187K jobs, exceeding market expectations of 170K. The FTSE 100 outperformed other European benchmarks to gain 1.6% on the week as markets assessed the latest data for hints on central banks' policy outlook this year. Gains in London were broad-based, as the decline in UK home prices signalled that tighter interest rates are already being transmitted to a greater extent, tempering hawkishness for the BoE. Home prices fell by 5.3% annually in August, the most since 2009. The month of September has always been regarded as a bogey month where economic history has not been kind to active participants. September is the month the mood changes, when reality sets back. From the South Sea Bubble to the undoing of Trussonomics, this month of the year keeps providing lessons. **[CLICK HERE](#)**. According to Hirsch and Mistal's Stock Trader's Almanac 2023, "Portfolio managers back after Labour Day tend to clean house." After the summer, the stock market tends to burst back into life in September. Unfortunately the renewed activity in shares tends to be on the downside. On average the market tends to gently drift lower for the first three weeks before rebounding slightly in the final week. On the long-term trend front, the S&P remains above its 100-day and 200-day moving averages... the 50-, 100-, and 200-day moving averages are all still sloping upward... and the monthly Coppock Curve on the S&P 500 is positive and moving higher. So readers must take heed that historically September is the worse performing month of the year. But hey for the dedicated risk taker September will provide the opportunity. To put it into context from last week commentary, in August the Coppock Curve jumped into positive territory for the first time since 2022. It marks the first bullish Coppock Curve crossover since early 2010 (when stocks were rebounding from 2008 financial crisis and Wall Street was entering a new bull market that lasted for a decade.) So for the contrarian, opportunity in September may be here now! The portfolio has over the summer months regained traction and as of late been in the ascendancy. With August seeing a +3.50% monthly increase and last week's +5.40% weekly increase has brought the portfolio back from disastrous March. Patience is a virtue and with careful portfolio management one can take the knocks and bounce back. One has to be strong in times of adversity and take the necessary brutal decisions on loss acceptance. Holding period of return is always a valuable metric for performance. After a period of holding if a share fails to perform put them on the transfer list or get rid. Last week I liquidated Diana Shipping. Although the share provided dividends it had just not performed with the holding period of return unacceptable. Alas a loss was incurred but lessons learnt i.e ensuring stop loss protection to be activated when hit. Reassigning the receipts from DSX, I acquired shares in US Pharmaceutical share Amphaster [AMPH] ensuring a better diversified portfolio of share sectors. All shares in the portfolio saw significant upside increase week on week. Tecnoglass my recent purchase seeing a +15% weekly increase. Modine Manufacturing +8%, EQT +5% and even Thungela Resources +6%. Conscious of September's volatile nature I may this week look at Arbor realty Inc for reassignment to a dividend stock. Don't be lulled by September's false initial honey trap. With interest rate decisions by the BOE later in the month, time for make hay while the sun shines an appropriate tact I would suggest. Until Next Time.