

STRATEGY FOR WEEK 18 December – Last week saw Central Bank hold interest rates at their current levels spurring optimism that potential pivots with no further increases at the moment with future decisions on their direction being data dependent on whether inflation will behave itself as 2024 approaches. Major Wall Street indexes finished in positive territory on Friday 15th, on the last 2023 triple witching day. The Dow Jones added 60 points and the Nasdaq gained 0.3% while the S&P 500 finished slightly in the red. Stocks experienced a choppy session volatility that was linked to the triple witching expiration event. In the UK the FTSE 100 index erased early gains and dropped 1% to close at 7,576 on Friday, underperforming its European counterparts and trimming the week's rally as markets assessed the latest data and how it may impact the BoE's hawkish stance unveiled in last week's meeting. The latest PMI figures pointed to a marked expansion in the British services sector, offsetting persistent sluggishness in manufacturing and adding room for the BoE to hold its terminal rate for a prolonged period depending on how stubborn inflation pressures develop. Many fixed rate mortgage deals will need to be renegotiated in 2024 putting pressure on domestic finances. This may well filter through to subdued housing activity. The forthcoming two weeks is traditionally the busiest period where share opportunities will appear on the back of the so called Santa rally. Market timing will come into its influence during this period as one decides whether to exploit opportunities with risks associated. Last week the portfolio saw a +3.78% week on week increase assisted by positive market sentiment following the interest rate staid decision. Recovery of share prices was welcome on Virgin Money +6.34%, Tecnoglass +7.15%, and Modine Manufacturing +5.15%. Modine manufacturing is and has been the star performer with the portfolio alas relying on this cash cow to offset the poor performers. The adoption of a dividend income strategy has more than made up for the poor performers in the portfolio. I look to this coming month of December being the best performing month of the year as the catalyst for this 2023 to finish in the ascendancy. Modine Continues to prove resilient and assist in diversification given laggards of Thungela, EQT and Dvn. Brent crude oil has seen a 25% decline in price. Despite these miserable share performers continue to micro manage the portfolio into a profitable yearly close. Last week arbor realty was disposed of allowing myself the opportunity to possibility reselect another share. I will be avoiding the resources sector like the plague as it has been so damaging in 2024. So a return to technology share a possibility. Let see if Santa will turn out this week. Its about time after the absence in the last two years. Seasons greetings and peace on Earth my new year wish. Until next time.

STRATEGY FOR WEEK 11 December

All the three major averages closed 0.4% higher on Friday 8 December, with the S&P 500 hitting new 2023 high, fueled by optimistic economic data that raised hopes for an economic soft landing. Fresh data showed that the nonfarm payrolls in the US rose by a more-than-expected 199K in November and the unemployment rate fell to a 4-month low of 3.7%, dampening bets that the Fed will cut interest rates as early as spring 2024. The upcoming week in the United States will be incredibly active, placing emphasis on the Fed's interest rate decision, inflation data, and retail sales. Investors will look ahead to the Fed's policy meeting on Wednesday, as well as key inflation data and retail sales figures. The University of Michigan's consumer sentiment for the US surged to 69.4 in December with the gauge of inflation expectations in the year ahead dipping to 3.1%, the lowest level since March 2021. The British pound extended losses below the \$1.26 mark, with investors eagerly anticipating the Bank of England's upcoming policy meeting due on Thursday. Expectations lean toward the UK central bank keeping interest rates steady at a 15-year high, while traders are

particularly focused on policymakers' perspectives regarding growth and inflation, seeking cues about the potential timing for the first rate cut. Market projections suggest the first anticipated cut by the BoE might occur in June, differing from the forecasts of March for the ECB and May for the Federal Reserve. Despite these expectations, BoE officials have maintained a hawkish stance, with Governor Andrew Bailey emphasizing the likelihood of prolonged interest rates at current levels to consistently steer inflation back toward its targeted range. 2024 will see both sides of the pond fixated by possible mainstream elections. First-term incumbent president typically provides an advantage — unless there's a recession during or just before the election. When there's no recession, the incumbent has always in the past won in the post-World War II era. The fact that US incumbent presidents typically win elections outside recessions shows the importance of the business cycle. Upbeat market sentiment may well be a deciding factor for election outcomes. In the UK, unstable Government and leadership has been reflected in election polls asking the question whether anybody is actually listening to an installed PM and incumbent Government. Like any life cycle nothing lasts forever and one needs to prepare for the inevitable Governmental change. Last week the portfolio finished in neutral mood, sustaining December as a currently positive month. December continues to show promise despite the fragility of resource stocks. EQT Corporation has been faltering as of late offset by Modine Manufacturing which continues to assist in proving the portfolio with spirited recovery. In reviewing the portfolio over the last year, last March saw a harsh retrenchment with a -15% drawdown in one month. With careful management the portfolio has recovered from the depths of March gaining +12% since then. As a reminder December is the best month for share performance and my aspiration is to at least finish the year in the ascendancy which currently is on track to do so. Market sentiment definite guided by the FED and BOE. This week will provide a glimpse whether that santa rally is on the cards or a disappointed as had occurred in previous years. By the end of this week we'll get a clearer view. Another week of recovery since my targets seem as far away as the mirage in an oasis in the Until Next Time.

STRATEGY FOR WEEK 4 December – (Shortened) Last Friday Dec saw markets finish in optimistic mood with heightened market sentiment to the positive. Yet there's always a spanner in the works and Chairman Powell continues to spook markets which dovish comments last weekend. The portfolio got a welcome +2.78% week on week increase with Amphaster and Tecnoglass again proving competent performers. Alas Thungela Resources is a complete lost cause and elimination of this stock will be a priority once it's feasible to do so. Thungela has been a miserable share and coal as a resource now firmly a relegated resource. The Cop 28 Summit will further see coal relegated as a mainstream energy source with alternative energy high on the agenda. Expect Hydrogen/solar recyclable related energy stocks to take precedence over traditional coal. The slow down in China with muted economic activity further evidence that the resource sector is probably on a cyclical downturn. Highwoods property was disposed of with a profit and assured dividend income and replaced on 4 December with Barings BDC pre ex-divi ensuring further passive income in December. I will be looking to discard Barings purchase with a longer term trade. Expect that the so called santa rally to be a mythical illusion as the stock market continues to show false dawns. Modine manufacturing and amphaster continue to recover and provides a welcome inclusion. This week I will carefully manage portfolio changes with the aim to see the portfolio in the ascendancy at year end. Until Next Time

STRATEGY FOR WEEK 27 November – US stocks closed mixed in a shortened session following the Thanksgiving break. The reading pointed to the biggest decline in operating

conditions at manufacturing firms in three months, and restarted the period of contraction seen for much of the past year. The S&P 500 closed flat while the Nasdaq 100 dropped 0.3%, pressured by losses in mega-cap tech giants as markets continued to assess the latest corporate developments and economic data. The Dow benefited from having less exposure to tech stocks and edged slightly above the flat line to advance 1.3% on the week, posting its fourth consecutive weekly gain, the longest streak since April. The S&P Global US Manufacturing PMI fell to 49.4 in November 2023 from 50 in October, below forecasts of 49.8, preliminary estimates showed. In the US, the week will be dominated by the releases of PCE prices, personal income and spending, the ISM Manufacturing PMI, along with speeches from several Fed officials, including Chair Powell. The FTSE 100 edged up to 7488 on Friday 24 November, led by an over 1% gain in auto stocks after Nissan announced a £2 billion investment in its Sunderland site. On the monetary policy front, BoE's Pill warned that inflation remains persistently high, cautioning against prematurely declaring victory and emphasizing the need for continued vigilance. As one approach the end of the year, shares tend to rise strongly and the final trading week of November normally ends on a high. With earnings season on the recede attention will start to be diverted to upcoming December with the month the most profitable. In years past the so called Santa rally has disappointed and one would need to consider the probability of another disappointing Santa season. Last weeks last chance saloon autumn statement was pure political theatre as tax cuts and stimulation being the main focus of the growth agenda. Yet I humbly suggest that too little too late. I have previously commented on policy lag implementation. Tax cuts planned for 2024 will conveniently coincide with the expected election. Yet the effects of such tax cuts will take time to filter through in any meaningful way to the economy so the expected benefits may not materialise as expected. The fact also that tax cuts have been made in preference to Government spending ignores the point that Government expenditure is committed where tax cuts rely on consumers actually spending the money suggesting that spending provides a greater multiplier effect. The full impact of the 2023 Autumn Statement can be found [HERE](#). The growth agenda seem to suggest that the UK economy will take time to recover and a new batch of austerity on the cards. So again sector choice on share selection an important ingredient. The portfolio saw a -1.78% last week for week decline. The worse culprit being Virgin Money -12% with recent dividend purchase Highwoods Property -5% Long standing holds Arbor Realty -4% and Thungela Resources -1.4% continue to underperform. I have been more than patient with resource stocks DVN and Gas supplier EQT holdings but patience is running thin. Modine manufacturing is and has been the star performer with the portfolio alas relying on this cash cow to offset the poor performers. The adoption of a dividend income strategy has more than made up for the poor performers in the portfolio. I look to this coming month of December being the best performing month of the year as the catalyst for this 2023 to finish in the ascendancy. This week will again be one of monitoring. Roll on December. Until Next Time.