

STRATEGY FOR WEEK 22 JANUARY 2024 – There's has been a rocky start to the year for the market, which is being hit by troubling inflation figures – consumer price index (CPI) inflation for the year to December is at a higher than expected 4 per cent – and concern over earnings misses. Which sectors have grabbed the headlines so far this year! US stocks rallied on Friday, as the S&P 500 closed at all time high of 4,839 adding 1.2%, the Dow Jones surged 395 points and the Nasdaq advanced 1.7%. The technology sector led the session's gains as has seen since the beginning of the year, with chip makers extended their rally, Existing home sales in the US dropped by 1% from a month earlier to a seasonally adjusted rate of 3.78 million units in December 2023, reaching the lowest level since August 2010 and falling below market's anticipated 3.82 million units. Sales of single family I the US- family homes decreased by 0.3% to 3.40 million, and sales of condominiums and co-ops sunk 7.3% to 0.38 million In a landmark decision that marks a new era for cryptocurrency investments, The U.S. Securities and Exchange Commission (SEC) has approved 11 spot bitcoin exchange-traded fund applications. Yet last week's performance of the newly created EFT funds shows that volatility is still the name of the game with risk high on the agenda. It will be an important week in the US, with investors closely monitoring the advance estimate of Q4 GDP growth rate, price indexes and personal income and spending. Additionally manufacturing and services PMI's and new and pending homes sales. The year-ahead inflation expectations in the United States compiled by the University of Michigan fell to 2.9% in January of 2024 from 3.1% in the previous month, the lowest in three years. In the US taking January and December together, consumer sentiment has climbed a cumulative 29%, the largest two-month increase since 1991 Over in the UK the FTSE 100 closed flat last Friday (19 January), signalling its third weekly decline and largest in three months. Recent data showed a significant decrease in sales for British retailers in December, heightening concerns of a potential recession in Q4. Retail sales plummeted by 3.2% in December, surpassing the estimated 0.5% decrease and marking the biggest drop in almost three years. News last week that Tata Steel plans to shut down two unprofitable furnaces in the UK, utilizing government financing to convert the site into a hub for recycled steel suggests another nail in the coffin for regional unemployment with anticipated jobs losses in the thousands in Port Talbot. The shift towards a technologically driven society was further enhanced with Google's intended investment in setting up regional HQ hubs. The rise of the Robots and AI as predicted in the feature film the terminator continues unbounded in reality with technology taking centre stage as 2024 being the sector that has seemed to capture the investor imagination for growth. The portfolio has started the year in slow gear as the dismal resource stocks (EQT, DVN, NFE, TGA) continue to inflict pain and hurt. Disposing of these laggards is my primary goal for 2024. Liquidating heavy losses on these stocks may be the only way to enable the portfolio to start afresh. Although commodities are affected by seasonal performance micro managing these poor performing stocks will be by portfolio aim. Reliance on Modine Manufacturing as the foundation for my portfolio is something that I must currently rely upon which is far from satisfactory. January has so far disappointed but as always must be optimistic for better times ahead. as a recession ended. For the second

STRATEGY FOR WEEK 1 JANUARY 2024 – The elusive Santa rally which has been absent in recent years came to fruition in 2023 with December 2023 proving to be a most promising month for share performance. It ended the year off satisfactorily on a high so to speak. In reviewing the highs and lows of 2023 where the trough of March finishing with the peak of December suggesting that global markets are now at a pivotal point of equilibrium. As the old adage as the first week of January goes the end of year will follow one must consider what catalyst changes which could disturb market sentiment in 2024. In 1976 an academic paper found that equally weighted indices of all the stocks on the NYSE had significantly higher returns in January than in the other 11 months of the year. The January effect can often be a predictor for the rest of the year, Putting it plainly If January market returns are positive then the returns for the whole year will be positive (and vice versa). In 1908, W.D. Gann reportedly constructed a financial timetable providing a general road map for the direction of economic conditions and US stock prices. A recent updated version had stipulated that 2024 is due to display conditions with lower stock market prices coming to an end with the beginning of a bull run with 2024 leading to strong equity market prices for several years. Astrology hogwash or wishful thinking! 2024 will certainly be a year of unpredictability. But undeniably geopolitical events will prove decisive in 2024 outcomes. The US president election with tweedle dum and tweedle dee as the voters chose there metaphorical electoral leader together with UK election probably due in October 2024 where a change of Government almost a certainty, one could resonate with Bob Dylan in those times they are a changing. Inflation may well have peaked and now on a downward trajectory. My humble assessment is that the FED will begin to lessen its grip on interest rates (March 2024) for the economy to grow in time for the election carousel of political hyperbole. In looking at the year ahead one could surmise possible directions; Stocks take a breather and rally subsequently/ Fixed Income makes a comeback/Lithium and Clean Energy returns as a contrarian trade/ 2004 will see AI continue its influence with a new AI hardware arms race emerging in terminator fashion and a resurgence in blue chips shares back where they belong (Beatles!). When looking at possible catalysts in 2024 one must always consider the global backdrop. Arguably China is slowing which may have ramification in resource requirements. Climate change looks here to stay so a switch towards energy alternatives will see less reliant on fossil fuels such as coal with more emphasis on wind, sun and hydrogen power sources. Emerging countries such as India may replace the old guard as population growth may require changing views on where to invest. The fact that The London Stock Market is struggling to find applicants to list may be a sign on the diminishing influence of London as the centre of Financial magnetism. The portfolio ended the year in the ascendancy with yearly capital growth of 4.6% and Income growth of 12.4%. The portfolio saw a total yearly increase of +17%. Given the March 2023 drawdown of -14.5% this I suggest is an astounding recovery from the depth of March. Careful micro management of the portfolio with the adoption of a dividend income strategy and focus on strategic share selection helped me whether the storm of 2023. The star performer of 2023 undoubtedly Modine Manufacturing which has seen a +158% increase in 2023. On the other side of the equation oil producer DVN seeing -30% fall with Coal Miner Thungela Resources -53% emphasising that my loyalty to resource stocks has resulted in miserable performance. Throughout 2023 my focus had been on dividend income shares, which has proved to be successful. Achieving a profitable final position for 2023 has meant that I go into 2024 with confidence but conscious of the fact that the badly performers laggards have been and are still a drain. I will look at the new kids on the block such as AI and may even see what magical mysteries of chat GBT might have to offer. I wish all my followers a prosperous 2024 and hope you've enjoyed the show. Final word God Bless Dr David Paul (died 2023) master guru Technical Analyst who died in 2023 a man whose legacy will always be with me. Until next time.