



Reeves Market Outlook

September 2022

Reeves Invest Outlook

We are now fast approaching the end of the summer break and the third quarter of the year. Traditionally, a time to take stock and look out towards the fourth quarter and start making decisions about positioning portfolio for the New Year. However, that is not so easy given the political situation in the UK and ongoing economic background.

This month will be difficult to predict, as far as the UK is concerned, given the appointment of a new Prime Minister. Liz Truss will have a full in-tray on day one with energy costs at the top of the 'to do' list closely followed by curbing inflation and the inevitable rise in interest rates. The decisive action taken may point our own stock market in a downwards or upward trajectory.



If you have any questions or concerns about the current **Market Volatility**, click the link below to book a call with our **Investment Service Team**:

REEVES INVESTMENT SERVICES



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Sectorial challenges remain with Cineworld a prime example. It has recently reported that with \$5bn of debts it is considering filing for bankruptcy in the United States. Expect more consumer dependent news like this to appear in the weeks and months to come as the hangover from Covid plus recession on both sides of the Atlantic force consumers to make difficult choices.

As we have said in the past when one sector gets hit another thrives and recent number from the supermarkets, banks and energy sectors have all been positive. In the face of a challenging investment environment expect the shape of portfolios to change. An advantage of active fund managers, as opposed to passive, is the ability to switch a portfolios emphasis away from sectors that are lagging towards those that are likely to benefit from this sector rotation.

This year the travel industry was showing signs of recovery but lack of staff at airports plus industrial action caused a number of holiday cancellations. Recessionary pressures in the UK may have a knock-on effect for next year's bookings as travel operators make plans for next summer. Conversely, we may see people spend more on 'staycations' which, just as it did after the first Covid lockdown, acted as a boost for our own hard pressed tourist industry.

It is clear from comments coming out of the Jackson Hole symposium (a gathering of central bankers from around the world, academics, policy makers and journalists hosted by the Federal Reserve Bank of Kansas City since 1982) that errors from the 1970's made by the central bank will not be tolerated again. Yes, the outlook may be painful in the short term but as we move into the fourth quarter of this year and the first quarter of 2023 stock markets are expected to react positively if it sees that central banks are holding the line against inflation and their policy is working.

Watch this space!

Outlook by Asset Class/Region

Asset/Region	View
Cash	Neutral
Government Bonds	Neutral
Credit Fixed Income	Neutral
Property	Positive
UK Equity	Neutral
US	Neutral
Emerging	Negative
Asia	Negative
Commodities	Positive
Alternatives	Positive
Technology	Positive

Disclaimer

Pensions are a long term commitment, you may not be able to access your pension funds until the age of 55 (currently), investments can go down as well as up and you might not get back your initial capital. Pension and tax legislation does and can change in the future which could impact your pension.

The value of your investment and any income from it could fall or rise, and you may not get back the full amount you invest.

Past performance is not a reliable indicator of future results. We always recommend you talk to a qualified financial adviser before making any investment decisions.

The information in this newsletter is the opinion of Reeves Independent Limited only and should not be seen as advice or a recommendation to act. Please seek independent financial advice before taking any action in respect of your pensions or investments.



Reeves Independent Limited: 30 High Street, Gosforth, Newcastle Upon Tyne, NE3 1LX
Tel: 0800 989 0029
Email: info@reevesifa.com

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