

The background of the top section is a dark blue world map centered on the Atlantic Ocean. Overlaid on the map are various financial data points, including numbers like '149', '50', '76', and '49', and time stamps like '17:30:00'. There are also some 'OCX' labels and a line graph showing an upward trend. The overall aesthetic is high-tech and financial.

# CLIENT UPDATE

25th March 2020

Good Afternoon,

I'd like to start this email with a welcome to all my clients, and also use this opportunity to give you an update on King Financial Planning. What a time to start a new business!

The whole team are now working from home, fully set up to access everything as we could in the office. We can still make portfolio changes, still get valuations and still receive all communications, so if you need anything, do feel free to email or call 07775 911036.

In accordance with Government Guidelines, our Price Bailey office has temporarily closed, so unfortunately anything sent in the post will not be picked up.

In this unprecedented time, those investing are bound to feel uneasy. I feel it is our job to try and reassure, or at least provide the information we can to ensure you we are dedicated to protecting your assets as best we can. No-one can say what will happen next, however after meeting with our Investment Team, I believe that from an investment perspective, there is light at the end of the tunnel.

Countries all around the world have been affected by this pandemic, and at this stage, are all feeling the effects. Europe appears to be currently going through the worst of it, with Italy and Spain leading the way in this struggle.



**The UK are currently a few weeks behind Europe, so it seems things are likely to get worse before they get better.**

**Reassuringly, China and South Korea, who were a few weeks ahead, now appear to be climbing their way out of the crash. The changes we're now implementing in the UK will hopefully get us closer to their position.**

Governments all across the globe have been forced to take unparalleled actions to handle these troublesome times. The Fed have essentially written a blank cheque to keep people in jobs, prevent companies crashing, and to keep liquid markets operational. We saw the S&P rise 9%, and world markets make similar gains. This euphoria could disappear if the virus continues, but currently world governments are communicating and establishing exit strategies from this catastrophe.

**In my last email I discussed oil price. It seems to have been overlooked but the price of oil has, in the last month alone, halved. Economies such as Saudi Arabia, UAE, Brazil, Mexico, USA rely on selling oil, and with profits slashed this does not spell good news. It's also a massive loss for those invested in shale gas.**

However, for the majority of the world, especially countries like China, the oil price fall is a big boost to their economies. This won't really filter through in the markets at present, but when things start to settle, this should be a boost to many markets around the world.

I wanted to discuss sterling, and a point I recently learnt. You will have seen the pound fall a huge amount against the dollar moving from \$1.31 to as low as \$1.15. Companies around the world simply need dollars, so have been pushed to find them to have cash available.

Therefore, we have seen big sell offs of anything that can be turned into dollars; equities, government bonds and currency.

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**Apparently, the easiest trade to make in the FX market is to switch from sterling to dollars, and that is what has been happening. The strength of the UK economy is not a factor here.**

We have also seen the oil price fall to unprecedented levels; great news if we could actually get out in our cars! Countries that import huge amounts of oil like China are benefiting from this. Your investments are spread around the world and into different asset classes to reduce the amounts of risk. Things will recover, we just all have to be a little patient.

From a team personal perspective; the whole team are currently working from home and can access everything just the same as we could in the office, and we are confident we can deal with any queries you have.

If you need anything or have any questions, please feel free to contact me or my team. Hopefully the next time I email you with an update, the UK will have turned the corner and that light at the end of the tunnel has got a bit closer.

*James*



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