

CLIENT UPDATE

23rd March 2021

Dear all,

It has been exactly a year since the UK entered its first lockdown. Some 12 months later, we are still here (obviously with a few breaks here and there), however it is now starting to feel as if there is some light at the end of the very long tunnel. The vaccine program is well underway, and with it we hope comes a brighter sense of normality in the coming months.

On 23rd March 2020, the stock markets hit their lowest point, with the FTSE 100 falling 35% from the 1st January 2020 value, and the US S&P 500 falling 30%. Since this point, we have seen the markets rebound. US markets have been hitting all-time highs and are now 20% higher than they were at the start of last year. However, in the UK we are still lower than we were 15 months ago, with FTSE 100 still down 12%. I do believe there is cautious optimism around that UK, that things will start to move forward in a positive manner in the second half of the year and maybe the UK could be a place to invest in the future.

Over the last year, we have also seen currencies around the world drop dramatically. The pound fell to as low as \$1.15 before bouncing back to its current \$1.38 positioning. Oil prices also dropped to record lows; Brent Crude falling to \$13 a barrel in April 2020 before a rebound to its starting point by the end of the year. Forecasting the rest of the year from an investment perspective seems an



Countries around the world are in huge debt, but whilst interest rates remain incredibly low. This is easily serviceable so not a major problem; the battle will be to keep interest rates low.

We have seen in recent weeks that the cost of borrowing through US Treasuries or UK Government Gilts has increased which is something no Government will want to see at this stage. If inflation kicks in during this year, there is a chance of an increase in interest rates, and it seems this should be something to be considered going forward.

The stock market's outlook is relatively positive, although volatility in prices is bound to linger for a little while following the pandemic. Most investment experts believe that positive returns from the equity markets around the world will come this year, despite countries battling the debts left in the pandemic's wake.

Despite the obvious difficulties of us not being in the same place, I would like to think that the service provided over the last year has continued to meet your expectations. I hope that we have also managed to keep you well informed and updated about matters concerning not only your investments, but also the wider world.

On 23rd March 2020, Price Bailey's office doors were closed, and they remain so today. Until roadmap dates are met, and confirmation is put in place that we are safe to venture back, we will continue working from home.

As a final note, I would like to thank those of you who have completed the ESG survey that was sent round. If you haven't been able to complete the questionnaire, please do follow the link below to do so, it will only take a few minutes of your time. By completing this, you will be providing me with a clear idea of how we can progress in the future, with your key needs in mind. <https://docs.google.com/forms/d/1MrK3uzdkgA7cGluAz0QRLZ0bgSNtEP7g14FqolHqOgk/edit>

As I sign off, I consider my turning 50 on Saturday. At least there will be one positive of reaching this milestone; I get to have my Covid jab a bit quicker! (I am booked in for Wednesday). You see, there is always a silver lining!

James

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