



Investment Manager Comments

This month the Regular Investment Account (GBP) fared well gaining 1.17% despite the market volatility and November added to the long list of positive months recorded to date. The FTSE lost ground as the stock market in London lacked direction for much of the month. The Sterling position began to brighten by Wednesday 28th, since the pound had managed to edge higher against both the Euro and the Dollar.

There will, however, still be volatility in the currency until a clearer position is portrayed on Brexit. There has been quite a flurry of different analysis producing a broad range of suggestions that, under all Brexit scenarios, the UK will be worse off from an economic standpoint. The worst case being a “no deal Brexit” leaving the UK with declines in GDP of 10.7% in 15 years’ time. Jeremy Corbyn has argued that any Brexit analysis is meaningless. I would add my comment that, in the past, treasury forecasts have almost never been right, and have more often been dramatically wrong!

As the end of November approached and as expected mining shares were mostly higher as hopes for a US-China trade deal buoyed the sector. A prominent White House advisor stated that the Trump administration has restarted talks with the Chinese government "at all levels" and that the upcoming Trump-Xi meeting offers an "opportunity to break through. "

Volatility can and often does produce investment opportunities. Looking ahead the account could produce a more than reasonable return in the next few months.

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