

## **Financial Markets Commentary**

### **March 2023**

- Most markets are down over the last year, for example, the Nasdaq is down 15% however, European indices are faring well, this confirms investments markets are tilted towards value rather than growth. A lot of technology stocks are classified as growth hence the losses on the Nasdaq as referred to above.
- Last month I said there were comforting signs inflation may have peaked, I was wrong. Inflation rates globally are still stubbornly high and in some cases, i.e., Spain and France, inflation is on the rise, so pricing increases will slow much more slowly. The UK and Europe are not in recession, and recess was forecast.
- Interest rates will continue to rise it seems and stay higher for longer. This may cause problems globally and is not priced into the market according to many experts.
- The budget is due to be delivered on the 15<sup>th</sup> March, and the end of the tax year looms up ahead. There is a consensus there will be little to cheer us on the 15<sup>th</sup>.
- Foundation Financial Planning remain alert to corporate earnings and fundamentals. Most tech (growth) companies have had poor earnings and value companies, especially oil companies are exceeding earnings expectations.
- There were some doubts that China re-opening would be slow and intermittent and therefore the positive effects globally would take a while to transmit this. The forecast was wrong, the data coming out from China that measures economic activity is very strong. China has had a zero-covid policy for three years now and it's worth remembering it is the second largest economy.

**Please remember to respond to your annual review email.** In most cases, all that's required is for you to confirm if there are any changes to your circumstances and/or if you wish to have a review meeting. For us to execute the important portfolio changes we recommend, just email us back saying "please proceed". There is no accountability on you for confirming we can proceed - so please don't worry about the implications of giving your permission for this.

#### ***Please note that:***

- This information in isolation is not financial advice.
- Past Performance of investments is not to be relied on and the value and the income from investments can go up as well as down.
- It is advisable to regularly review your investments.
- Please let us know if you think that your attitude to risk (ATR) has changed.
- Please let us know whether your investment objectives and/or circumstances have changed.
- Foundation Financial Planning are not discretionary fund managers and therefore will inform you before any changes are made to your investments.
- *You must confirm receipt of your investment recommendations via email or in writing to allow us to proceed with changing them.*