



Reeves Market Outlook

May 2022

Reeves Invest Outlook

The war in the Ukraine continues, the implication for global growth remains a constant threat.

Until February, most people would have been hard pressed to name the number of commodities and minerals exported from that ravaged country or the consequences of disrupting the supply.

Only recently the world has woken up to the disruption of sunflower oil used in cooking and the potential issues this may cause to some restaurants across the country and to Indian restaurants who favour sunflower oil in vegetarian and vegan food.



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



Reeves Invest Outlook

Whilst oil prices are around \$20 per barrel lower than their recent peak, inflation continues to rear its ugly head, hence moves to increase interest rates on both sides of the Atlantic.

Given the lockdown in Shanghai and with the summer months fast approaching, the demand for oil may start to ease which could help both the Bank of England and the Federal Reserve as they battle inflation.

The move by the Bank of England to raise interest rates to 1%, is not likely to encourage people to save in the face of the Retail Price Index at 9% last month. In times of historically low interest rates, such as now, making small increases fails to achieve the Bank's objective.



If you look at our own main stock market (FTSE100 Share Index) it continues to trade in a narrow range and is at the time of writing this article is only 150 points below its recent peak prior to the war and remains within shouting distance of its five-year highs.

Currently the index is yielding comfortably over 3% and the dividend cover is almost two times. Given the pandemic and the war in the Ukraine these numbers are encouraging and give us optimism for the future.

7,246.90

Via Google

+3.68 (0.051%) ↑ today

11 May, 13:53 BST • Disclaimer

1D | 5D | 1M | 6M | YTD | 1Y | 5Y | Max



Open	7,243.22	Low	7,243.07	52-wk high	7,687.27
High	7,338.53	Prev close	7,243.22	52-wk low	6,787.98

Reported in previously, whilst some UK companies will find difficulty trading in this environment others such as Energy, Pharmaceutical and Medical providers should continue to do well and provide the backbone for dividend income. The first quarter record profits from both BP and Shell will please shareholders as they will see attractive dividends. As both these stocks are constituents of most pension funds this will be a welcome boost to pensioners income.

Looking out at the next quarter, expect those companies with US Dollar earnings to post some positive results. The US Dollar has continued to strengthen against Sterling over the past year from \$1.40 to its present level of \$1.23. This is also positive for those investors with exposure to funds in North America.

Outlook by Asset Class/Region

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

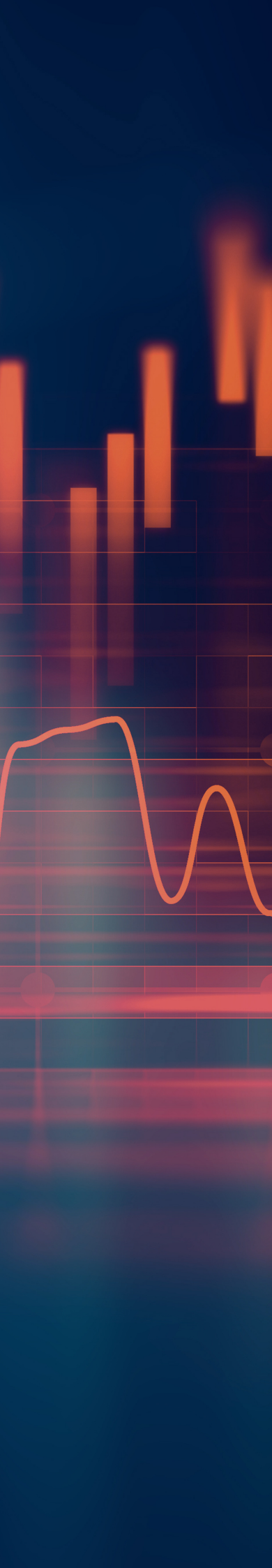
Disclaimer

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.



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