



Reeves Market Outlook

June 2022

Reeves Invest Outlook

We have now reached the halfway point of the year and so much has happened in the UK and Overseas. So called 'Black Swan' events include the UK breaking its 'nil point' record at the Eurovision Song Contest and coming a very respectable second to this year's winner, Ukraine.

Rising inflation continues to take centre stage and the potential for further interest rate increases looks ominous.

House prices remain firm in the face of mortgage increases although this may in part be due to a continuing shortage of property. The exodus from the cities to rural locations looks to be slowing as more people return to work and living with Covid is becoming a reality, helping to reverse the decline in demand for flats in urban areas.



If you have any questions or concerns about the current **Market Volatility**, or you would like to find out more about our investment services, click the link below to book your free initial pension review.

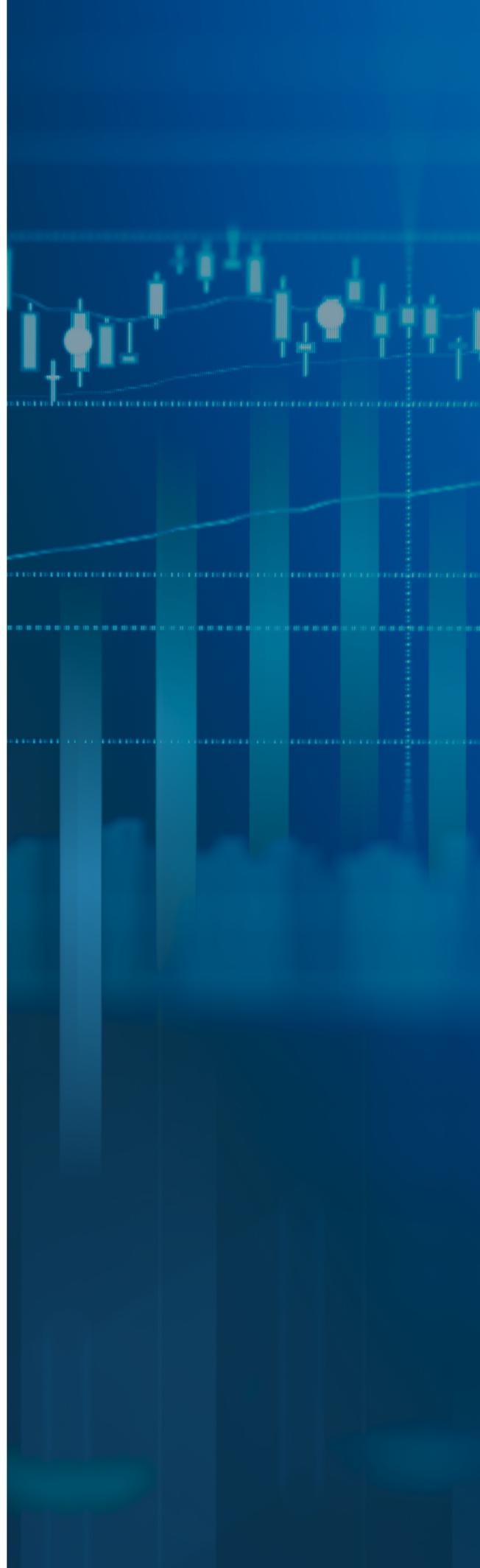
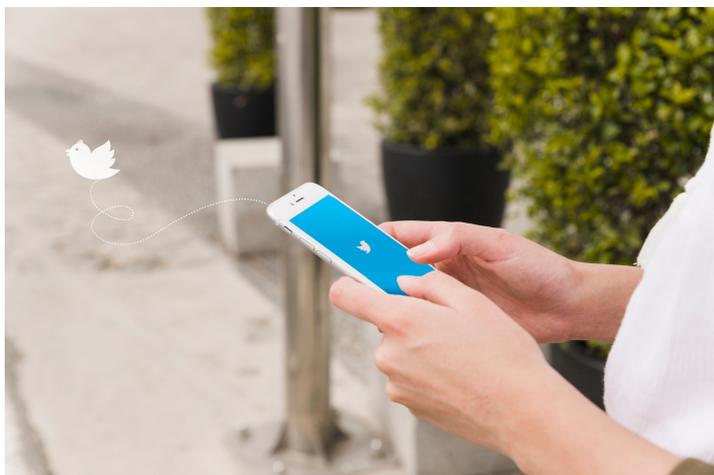
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China continues to maintain an isolationist approach to containing Covid around Shanghai although in recent days this has changed. The situation in China has exacerbated the distribution of goods worldwide as it remains a major centre of manufacturing and distribution and so this relaxation of the rules has been positive with equity stock markets across the globe rallying.

In North America, the sale of Twitter to Elon Musk grabbed the headlines with an eye-watering figure of U\$ 44bn. The deal started to unravel as he tweeted that the deal was on temporarily hold pending clarification of the number of fake accounts. The share price initially plummeted 20% in pre-market trading before rallying once he confirmed he is still committed to the deal.



On the currency front Sterling remains weak against both the US dollar and the €uro. This has had a beneficial impact on overseas portfolios helping to offset some of the losses sustained in equity markets over recent weeks.

Finally, the situation in the Ukraine continues to act as a catalyst for much of the global recession. The disruption of energy supplies, the reduction in basic goods such as sunflower oil and wheat plus a large number of minerals used in fertilisers has had a significant impact on basic food supplies such as the cost of potatoes. Coming on the back of world economies emerging from two years of Covid it is no wonder that we are living through an inflationary environment which has not been seen for decades.

It is at this point it is easy to fall into a doom and gloom scenario, but we would caution against this. Even in this environment opportunities exist to make money. At its simplest, UK equity Income Funds can still offer you a dividend far in excess of cash deposits. Dividend cover in the UK remains firm in a number of sectors and price earning ratios are not desperately demanding. As the Eurovision Song Contest proved, you never know what the next six months may bring.



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.

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