MARCH

2022

FINANCIAL

INSIGHTS

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CONTENTS

FINANCIAL NEWS DIGEST-MARCH 2022

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IN THE BEGINNING OF MARCH

Stocks slide as Ukraine conflict escalates

Stock markets experienced another week of heavy losses as the conflict in Ukraine escalated.

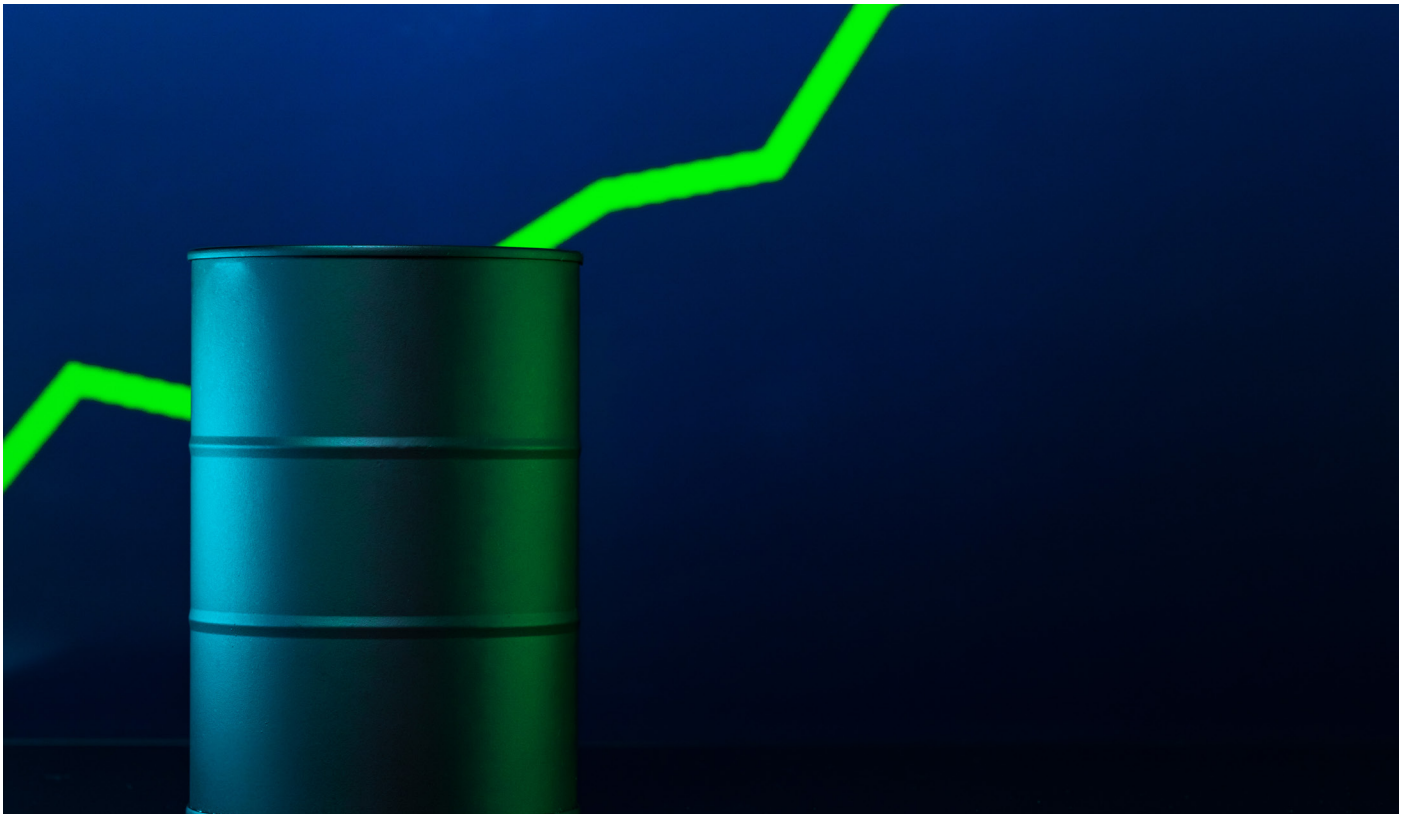
The pan-European STOXX 600 and the FTSE 100 both lost around seven percentage points, while Germany's Dax and France's CAC 40 plunged by more than 10%. Losses were particularly heavy as ceasefire talks failed and Russia seized control of a nuclear power plant.

US indices also ended lower. The S&P 500 declined 1.3%, dragged down by the technology, financials, consumer discretionary and communication services sectors. Energy stocks performed well as oil prices surged.

Over in Asia, Japan's Nikkei 225 slipped 1.9%, with concerns about tightening monetary policy in the US also weighing on investor sentiment.

Oil prices soar to near all-time high

Oil prices soared at the start of trading on Monday (7 March) as the US and Europe mulled a ban on imports of Russian oil. In the first few minutes of trading, the price of Brent crude oil surged to $139 a barrel, the highest since July 2008.



Eurozone inflation hits record 5.8%

In economic news, figures released at the beginning of March showed inflation in the eurozone surged by a record 5.8% year-on-year in February, up from 5.1% in January and above the 5.4% forecast by economists. Energy prices soared by 31.7%, while unprocessed food prices increased by 6.1%, according to Eurostat.

UK services activity hits eight-month high

In the UK, growth in the services sector accelerated sharply in February as the Omicron wave of Covid-19 subsided. The headline seasonally adjusted IHS Markit/CIPS UK Services PMI Business Activity Index rose to 60.5 from 54.1 in January, the fastest rise in output since June last year. Respondents said market demand and client confidence improved alongside the reduction in pandemic-related disruption, thereby supporting the growth of activity.

US jobs growth accelerates

In the US, meanwhile, figures from the Labor Department showed non-farm payrolls rose by 687,000 in February, far greater than the 400,000 increase expected by economists. This was led by hiring in leisure and hospitality, education, and health services. The unemployment rate fell from 4.0% to 3.8%, whereas the annual rate of growth in average hourly earnings slowed from 5.7% to 5.1%.

AROUND THE MIDDLE OF MARCH

Nasdaq enters bear market as gas prices soar

Stock markets gave a mixed performance as investors assessed the economic ramifications of the Russia-Ukraine war.

In the US, the Nasdaq moved into bear market territory, falling to a level that was more than 20% below its recent peak. The S&P 500 remained in correction territory at roughly 14% below its recent high. The indices were down 3.5% and 2.9%, respectively. It came after President Joe Biden said the US was banning imports of Russian oil and gas, and that Americans should be prepared for higher gas prices.

Ongoing uncertainty about the conflict also weighed on stock markets in Asia, where Japan's Nikkei 225 declined 3.2%. China's Shanghai Composite slumped 4.0%, with a surge in Covid-19 cases also denting risk appetite.

In contrast, stock markets in Europe rebounded as Russian President Vladimir Putin said there had been "certain positive shifts" in talks with Ukrainian negotiators. The pan-European STOXX 600 rose 2.2%, Germany's Dax added 4.1% and the UK's FTSE 100 gained 2.4%.

US inflation at highest level in 40 years

The consumer price index (CPI) soared by 7.9% year-on-year in February, the highest since January 1982. On a monthly basis, prices rose by 0.8%. The gains were driven by rising costs for energy, food and shelter.

ECB to scale back asset purchases

The European Central Bank (ECB) surprised investors by announcing it could end its asset purchasing programme in the third quarter, rather than at the end of the year. The ECB said Russia's invasion of Ukraine was a "watershed for Europe" and that it would take whatever action is needed "to pursue price stability and to safeguard financial stability". Inflation in the eurozone is expected to reach 5.1% by the end of this year, up from the ECB's previous forecast of 3.2%.

UK GDP growth beats expectations

In the UK, figures released by the ONS showed the economy bounced back in January after the hit from Omicron at the end of last year. Gross domestic product (GDP) grew by 0.8% month-on-month, following a 0.2% decline in December. This was ahead of economists' expectations of 0.2% growth. Services output grew by 0.8% following a 0.5% fall in December and is now 1.3% above its pre-pandemic level. Production expanded by 0.7% and construction by 1.1%.

TOWARDS THE END OF MARCH

Stocks soar on Russia-Ukraine peace talks

Stock markets surged in hopes of a positive outcome from Russia-Ukraine peace negotiations.

The pan-European STOXX 600 rose 5.4%, Germany's Dax added 5.8% and the UK's FTSE 100 gained 3.5%. Fighting continued throughout the third week of March, but ongoing talk to end the conflict boosted investor sentiment. Stock markets in the US ended their two-week losing streak as oil prices declined and the Federal Reserve increased interest rates in line with expectations. The S&P 500 rose 6.2% and the Nasdaq soared 8.2%.

The positive sentiment fed through to Japan, where the Nikkei 225 added 6.6% after the government said it would lift all remaining domestic coronavirus restrictions from 21 March. Hong Kong's Hang Seng also rose 4.2%, whereas the Shanghai Composite eased 1.8%.

Key port of Mariupol under siege

Stocks started on a more subdued note amid news Ukraine's key port, Mariupol, was under siege by the Russian military.

The STOXX 600 was flat on Monday (21 March), whereas the Dax and CAC 40 both lost 0.6% on concerns the conflict might not end as soon as hoped.

The commodity-heavy FTSE 100 managed a 0.5% gain, boosted by a rise in oil and metal prices, while the Dow shed 0.6% to end its four-day rally.

In economic news, asking prices for UK homes rose by 1.7% in March, the biggest monthly rise for this time of year in 18 years. Rightmove said the jump was partly driven by a mismatch between supply and demand, with more than twice as many buyers as sellers. On an annual basis, asking prices were up 10.4% and have topped £350,000 for the first time.

UK and European indices started Tuesday in the green, with the FTSE 100 and STOXX 600 both up 0.5% at the start of trading.

Fed approves first rate hike in three years

Federal Reserve approves its first interest rate hike in more than three years. After keeping the benchmark interest rate at near-zero during the pandemic, the US central bank said it would raise rates by 25 basis points. It also pencilled in increases at each of the six remaining meetings this year, pointing to a rate of 1.9% by the end of 2022 – a whole percentage point higher than indicated in December.

The Fed increased its inflation estimates, forecasting a 4.1% increase in the core personal consumption expenditures (PCE) price index this year, up from the previous projection of 2.7% in December. Core PCE is expected to ease to 2.7% and 2.3% in 2023 and 2024, respectively. The Fed reduced its gross domestic product (GDP) growth forecast for 2022 from 4.0% to 2.8%, citing the potential implications of the Ukraine war.

US retail sales disappoint

US retail sales rose by just 0.3% month-on-month in February, less than the 0.4% increase forecast by economists in a Reuters poll. The figures were held back by a 3.7% drop in receipts at online retailers. Sales at furniture stores and health and personal care stores also declined by 1.0% and 1.8%, respectively, according to the Commerce Department.

UK base rate lifted for the third month in a row

In the UK, the Bank of England (BoE) announced an increase in the base interest rate for the third month in a row. The BoE's monetary policy committee voted 8-1 in favour of an additional 0.25% increase in the main bank rate, taking it to 0.75%.

China pledges support for the economy

Over in China, the country's vice premier Lui He said last week that Beijing would roll out support for the Chinese economy and introduce more market-friendly policies. The announcement last Wednesday helped Hong Kong's Hang Seng record its best trading session in over 13 years, closing 9.1% higher.

RETHINKING THE CONCEPT OF MONEY

For centuries, our perception of money was exclusively limited to physical currency – the cash and coins used to facilitate exchange and allow goods and services to be given and received in return for payment.

However, various financial systems have existed throughout history. Historically, currency typically depended on the value of the material it was made from. Until the 20th century, it was either a commodity in itself, such as a precious metal or was backed by such a commodity.

In the 1700s, physical currency in Europe was tied to the value of gold, only to become a fiat currency in the 1970s – a.k.a. it stopped being backed by gold or any other commodity.

Today is no different; there are numerous currencies in existence, many of which we're familiar with yet perhaps don't realise their status as currency – such as store loyalty points and air miles. These are called 'cooperative' or 'complementary' currencies, which operate alongside the central financial infrastructure.

In some communities, local currencies have even been created to operate in a specific area, allowing residents to obtain goods and services in exchange for this local currency. Likewise, business transactions have been made using specialised business currencies, such as the Swiss WIR system.

However, the advancement in technology and digitisation aspect of society, including the financial system alternative currency systems such as cryptocurrencies, have skyrocketed in poignancy due to the interconnectivity of the internet and the opportunities provided by technological advancements.

SO, WHAT IS MONEY?

The economist Bernard Lietaer defines money as "an agreement to use something standardised as a medium of exchange" within a community".

The currency we use on a day-to-day basis can only perform as a medium of exchange because our human community has agreed as such – that's what stops physical currency from being simply paper or metal, as it would revert to being in – for example – an apocalypse scenario.

No matter how much physical currency you had in possession, it would lose its value, as it is a human construct designed to work in our society as is. If our societal, economic and financial systems vanished, $1 million wouldn't be worth as much as a can of beans (unless you needed to start a fire).

A further explanation of the concept of money can be derived from Schumpeter – Austrian finance minister and political economist – who described money as a 'claim ticket' to goods or commodities, rather than being a commodity itself.

When we look at money in this way, our limited views of what money is – and can be – expands.

HOW DIGITAL ADVANCES ARE REDESIGNING THE CONCEPT OF MONEY.

Since the dawn of the internet – and more recently still, the development of mobile and app payment technologies such as mobile banking and apps such as ApplePay – our narrow view of what money is has widened.

An event that mainly shattered society's illusion about the stability of the current financial infrastructure was the 2008/09 financial crisis. It's no coincidence that, following this crisis, Bitcoin was established.

Unlike physical currency distributed by banks, Bitcoin and other cryptocurrencies are decentralised currencies that facilitate transactions online using blockchain technology. Transactions are recorded via the adding of 'blocks' to a distributed ledger.
These blocks are validated by various nodes in the ledger system, recording the history of transactions across the entire system so they cannot be changed once the transaction has been recorded.

Bitcoin and similar cryptocurrencies, such as Ether, have faced criticism for not being actual 'money' and is considered by many to be a speculative investment destined to crash in value since it is a form of 'fiat' money, not backed by any particular commodity, though so is the physical currency we use day-to-day.

Despite this, in September 2021, it was adopted by El Salvador as legal tender.

This means it can be used to legally settle debts and can be used to acquire goods and services – one of the key roles of what we consider traditional 'money'. It was also briefly accepted by Tesla before the decision was revoked due to blockchain technology's massive carbon footprint.

Considering that the defining feature of 'money' is that a community agrees to be a means of exchange, El Salvador's legislation must define Bitcoin as a form of money, at least in that country.

More than decentralised currencies such as Bitcoin, distributed ledger technology has the potential to support centralised currencies, meaning it would be regulated by a central authority, such as currency distributed by banks.

Indeed, due to the quickly developing financial technologies, even mainstream banks are looking at creating their own digital money, known as central bank digital currencies (CBDCs).

El Salvador's validation of Bitcoin as currency by making it legal tender paves the way for new competing currencies – such as but not limited to cryptocurrencies – to enter the market and establish themselves as 'money'.

In the future, we may well see multiple competing currencies operating at once within mainstream society, or – as social theorist Friedrich Hayek proposed – a new currency may outcompete the one we have in place if it suits the needs of society better.

The deciding factor determining whether we will see this future with different – or multiple – manifestations of 'money' is whether these currencies will achieve great enough acceptance by society so that economic policies can be established to standardise them as mediums of exchange.

WHAT A RUSSIAN INVASION OF UKRAINE COULD MEAN FOR INVESTORS

The moment markets have been fearing...

Global equity markets were already quite anxious going into 2022. A rapidly spreading Omicron COVID-19 variant and decades-high inflation figures were giving investors sleepless nights. To tame inflation, most central banks around the world were signalling the end of monetary policy easing cycles, meaning that ultra-low interest rates were now set to rise. To add to the angst, news began to emerge that Russia was amassing troops along the Ukraine border. Threats of severe sanctions by the US, UK and the EU (among others) soon followed.

For almost a decade, tensions have been simmering between Russia and Ukraine. When the pro-Russian Ukrainian President Viktor Yanukovych was ousted in 2014, a deep and genuine political crisis was created. Shortly afterwards, Russia invaded and annexed the Crimean Peninsula from Ukraine in February to March 2014.

Then, this morning, Russian President Vladimir Putin announced a 'military operation' in Ukraine.

How have markets reacted?

- Brent Oil has jumped over 5% and breaks through the $100/brl mark for the first time since 2014.
- Aluminium hits a record high, surpassing the 2008 peak.
- The Russian Ruble has fallen to a record low against the US Dollar.
- Wheat, corn and natural gas prices began soaring.
- Gold and Treasuries have jumped.
- Russia's MOEX stock index plummets more than 30%.

What has the geopolitical response been?

Simply said: Condemnation.

US President **Joe Biden** said: "The prayers of the entire world are with the people of Ukraine tonight as they suffer an unprovoked and unjustified attack by Russian military forces. President Putin has chosen a premeditated war that will bring a catastrophic loss of life and human suffering."

UK Prime **Minister Boris Johnson** didn't mince his words: "I am appalled by the horrific events in Ukraine, and I have spoken to President Zelenskyy to discuss next steps. President Putin has chosen a path of bloodshed and destruction by launching this unprovoked attack on Ukraine. The UK and our allies will respond decisively."

NATO Secretary **General Jens Stoltenberg** commented: "This is a grave breach of international law, and a serious threat to Euro-Atlantic security. I call on Russia to cease its military action immediately and respect Ukraine's sovereignty and territorial integrity. NATO Allies will meet to address the consequences of Russia's aggressive actions. We stand with the people of Ukraine at this terrible time. NATO will do all it takes to protect and defend all Allies."

Russia must have anticipated such a response. For weeks now, there has been much 'sabre-rattling' between Putin and many world leaders. There was a clear consensus that any action taken by Putin to invade a sovereign state would be met with severe castigation. Regardless, and despite the threat of enhanced sanctions, he proceeded to ostensibly bring war back to Europe.

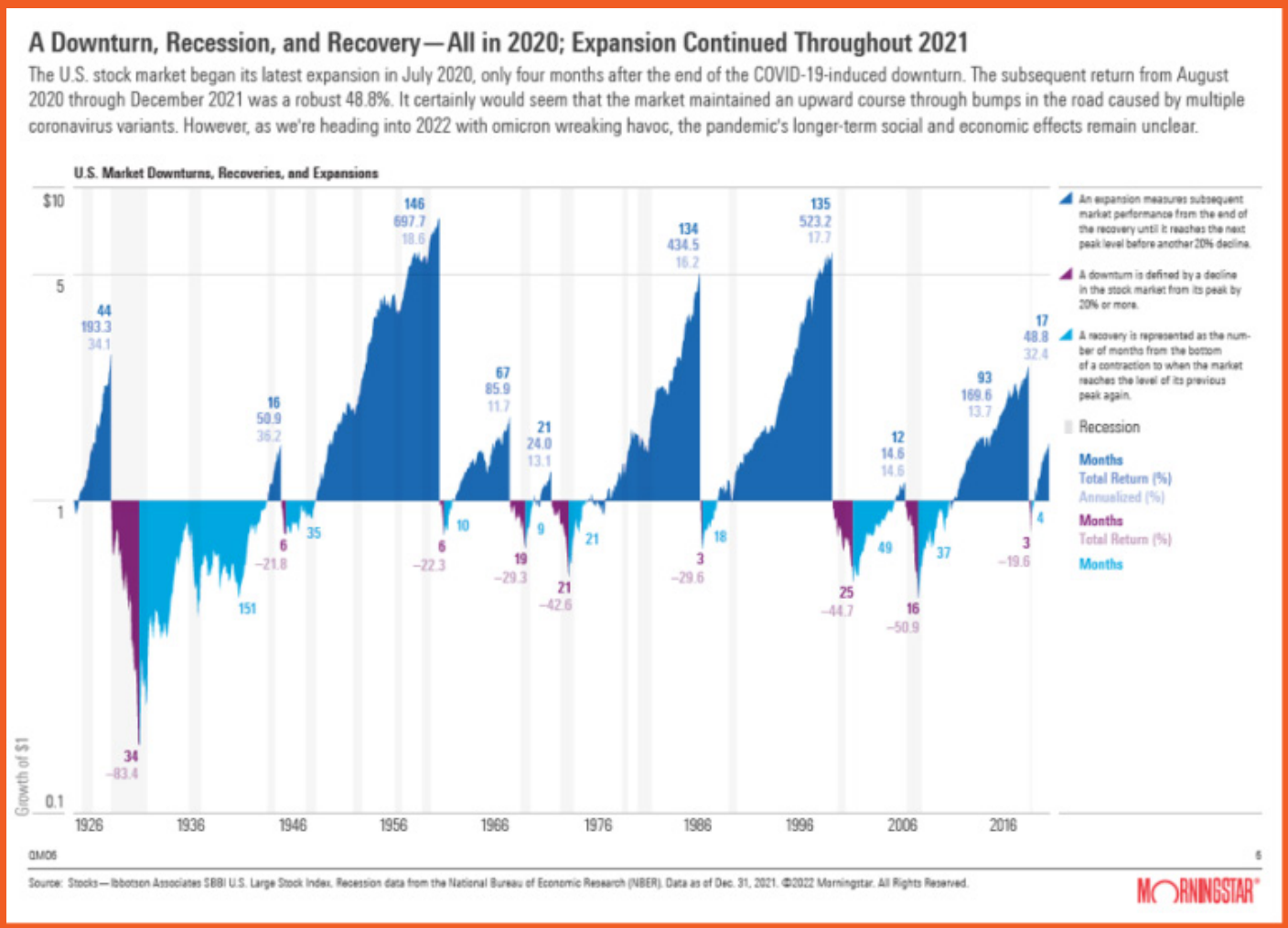
How do we respond to this?

In a recent article entitled 'What does the Ukraine crisis mean for investors', Brewin Dolphins' Chief Strategist **Guy Forster** writes:

"Stock markets don't just react to news; they try to anticipate it, and are often juggling multiple possible considerations. This can lead to a rather curious phenomenon in which stock markets perform well at seemingly the most inappropriate times. Global stocks lurched higher during the combat phase of both the first and second Gulf Wars. UK stocks performed well during the Falklands War. During the 13 days of the Cuban Missile Crisis, when the world came closest to the widespread deployment of weapons of mass destruction, stocks hardly moved"

Indeed, this does seem counter intuitive. A quote that is often attributed to Nathan Rothschild captures this perplexing proposition: "Buy on the sounds of gunfire". Basically, it suggests that the onset of hostilities creates a great deal of uncertainty, roiling markets, and creating opportunities for the level-headed investor.

Below is a graph from global research giant Morningstar depicting market downturns, recessions, and subsequent recoveries:



In times of heightened anxiety, investors worldwide tend to panic, and they quickly forsake the bedrock principles of sound investing. Ignoring emotion is difficult at the best of times, but it's near impossible during periods like these. However, panic has never been, nor will it ever be, an investment strategy.

At Austen Morris Associates, we subscribe to the adage: **'Time in the market'** is more important that trying to **'time the market'**. Trying to accurately time markets is often a fool's errand, and almost always leads to disorientation and loss crystallisation. Instead, we construct robust portfolios using best-of-breed global fund managers who are skilled at navigating times of uncertainty in their respective asset classes. These managers primarily focus on the fundamentals, and if these have changed. Or, as is often the case, are market movements being driven purely by sentiment? Short term noise and volatility are unsettling and uncomfortable. But we don't overly concern ourselves with such. We focus on the fundamentals and plan for the long term.

Our Investment Committee continues to engage with our global investment and research partners to closely monitor the situation.

ONE OF US

In 'One of Us', we share intimate conversations with colleagues, thought leaders, and financial experts to educate, enlighten, and entertain you.

This month we caught up with our Africa Regional Manager- **Kirk McArdle.**

Q: Thank you so much, Kirk, for taking the time to do this interview and congratulations on your new position. Can we start by letting our audience know about your background and your role with AMA?

A: Hello, and it is great to be the focus in this month edition. I left the U.K. with my young family for an opportunity of a lifetime back in 2009 to start my AMA career in our Shanghai Head Office. After two years in Shanghai, we moved north and was located in the AMA Beijing branch for another two years. Then I was asked to move a little further afield and assist in the opening of the first AMA Africa office in 2013 and have been based in Johannesburg, South Africa ever since. My core focus is on sourcing new business and servicing my current clients reach their investment objectives, but I have also recently taken over the day to day running of all African based consultants within the AMA Group of Companies.

Q: Can you tell us about your day to day work? How do you manage your team in a 24-hour, client-driven environment?

A: Great question but the simple answer is, every day is different! First and foremost are our clients and to make sure important requests are responded to. I have a great team of consultants that I would like to think can all leverage on my considerable experience that I have built up over the last 13 years. Some of our consultants have been in the financial services industry for a long time and some are just starting out, and some fall in between. The most important thing to always take on board is you never stop learning!

Q: You may have multiple clients that ask for last-minute projects and tasks. Or that one person who always seems to change their mind after you've already agreed on a direction. How do you manage that without losing your mind?

A: No two clients are the same and each has to be treated as individuals, whilst ensuring that the quality levels of servicing and administration which AMA is known for is kept to the highest standards. One always has to remember that ultimately this is the client's money and if they wish to change strategies or go in a different direction, then they are free to do so. AMA can undertake further research and present any new information to the client so they come to a fully informed decision. We have to be with the client every step of the way and over the course of the last 28 years, we have also learnt to adapt to the individual client!

Q: We've seen evidence that people from all over the world are placing more trust in financial advisors versus other sources of financial advice. Why are more people turning to advisors to help them achieve financial security?

A: There are untold sources of various types of advice. You can read articles, listen to podcasts and even watch channels dedicated to financial advice now-a-days. The main driver is the internet and not all information is correct and more importantly, up to date. If you are an investor and thinking about doing all this yourself then not only is it going to be a daunting task deciphering this myriad of available content, you also have to find the time in a hectic day to be able to do this. Most financial advisory companies have a set management fee and AMA is no different but this small charge means that our clients can rely on the enhanced information that we as a professional company have access to. Whether this is investment management or asset portfolio advice, then this time-consuming aspect is not something that someone on their own always has the ability to do successfully. The key element of working with a professional financial consultant who has the experience, resources and up to date information to hand is something that every individual should look towards.

Q: In the testimonials about you on the AMA website, many clients have been working with you for almost 15 years; what's your secret to always keep them happy and make sure they reach their financial goals? How can you help me identify my financial goals?

A: For me it starts with being transparent and truthful. We would all love investment returns based upon equity markets going up double digits every year, but this doesn't always happen. For clients to understand that the perfect investing scenario doesn't continually exist is vitality important for them to acknowledge. Over the last six months we have seen a market pullback from the news that the US Federal Reserve will start to raise interest rates, inflation levels at the highest for over 40 years and then the Russian invasion of Ukraine. Investment growth expectations have to fall in line with how the markets are performing. Over this period of uncertainty most of my clients have held a balance between gold and cash whilst waiting for an equity market entry point again. If you clients are informed and various strategies are explained clearly, then they can not only look for gains, but most importantly protect any capital amassed over time.

The other aspect of working with clients over a long period of time also means that any investments they initially stated with me have adapted over time too. That client who was single at the time is now married and could even now have children. Additional dependants come with other considerations. Do I have enough life cover for my family in the event of untimely passing? Am I saving enough to send my children to university? What are my wife's long term financial goals and are we jointly on track and aligned? The ability to adapt and source additional investments to run alongside the initial investment recommendation has proven to be a key aspect of client development and retention.

Q: What's the secret to investing in a few words?

A: Investing is a long-term strategy. Don't make short term decisions.

Q: In your opinion, will Ukraine-Russia tensions slow down the global growth in the long term?

A: How long have I got! Yes, to a degree. As Russia is amongst the world's largest producers and exporters of natural gas and oil, then the financial and economic sanctions the international community has imposed on Russia has driven these hard commodity prices almost to record levels. These lofty prices are causing the post COVID global inflation figures even higher which has meant that monthly household budgets are not going as far as they did a few years ago. Higher oil prices also mean higher manufacturing costs and again this gets passed back to the consumer via higher price points. The long and short is that global consumers will buy less and this will lead to a slowdown in global growth prospects. Most readers will not consider how inter-connected various markets and sub-sectors are!

Q: Outside of AMA, what do you value most in life?

A: From such a large workload then it is important to also have a balance. I try to spend quality time with my family who are a great support. I am an avid football supporter (soccer to our American friends!) and try to watch as many Everton games as I can, but recently wish I hadn't bothered! Myself and my family are very fortunate to live in a country that has wonderful things and places to go out and about and see. Being out in the bush for a weekend to see beautiful animals in their natural environment is something which will stay with us forever.

THE METAVERSE IS THE NEXT BIG THING – BUT WHAT IS IT EXACTLY?

First conceptualised in Neal Stephenson's novel 'Snow Crash' in 1992, the term 'metaverse' back then referred to an alternate virtual reality in which all kinds of virtual spaces could be explored using a digital avatar.

Though the metaverse was simply a far-fetched, futuristic work of fiction at the time of its publication, we may now be on the brink of achieving that reality – at least within the next couple of decades.

SO, WHAT IS THE METAVERSE?

Because the idea of the metaverse is so new, there isn't a standardised definition that encapsulates what the metaverse is exactly, especially since it doesn't exist yet.

However, Facebook – now known as Meta, demonstrating the organisation's commitment to bringing the metaverse to life – defines the metaverse as "a set of virtual spaces where you can create and explore with other people who aren't in the same physical space as you".

Across the perspectives of different metaverse authorities, it's generally agreed that the metaverse will be centred on social connection and virtual experiences that can be achieved online.

HOW CLOSE ARE WE TO ACHIEVING A TRUE METAVERSE?

Right now, some entities have qualities of the metaverse.

If you own a form of cryptocurrency or if you've purchased an NFT, you're taking part in an exchange that will be standard practice in the metaverse – where you use a virtual currency to obtain a virtual possession in return.

For years, video games such as Fortnite and the gaming platform Roblox – whereby thousands of games created by different developers can be accessed in the same virtual world – have embodied metaverse attributes.

Indeed, virtual experiences have already been hosted in these virtual spaces – one example is the Travis Scott concert, held within the Fortnite space in April 2020.

Likewise, in a virtual world known as 'Decentraland', where users can purchase plots of virtual land and build places and experiences, fine arts broker Sotheby's created a replica of one of its galleries in London and hosted their first show virtually in the space.

In terms of the technology to support our progression into the metaverse, we're closer than we've ever been before, with Virtual Reality headsets and similar technologies making leaps and bounds in the last couple of years.

Currently, VR is mainly used for gaming, with VR headsets are capable of tricking the human eye into experiencing the world they observe through the headset in 3D.

Moreover, Meta – formerly Facebook – have been developing VR realities for purposes outside of gaming, with their Virtual Reality meetings app dubbed 'Workplace' and a similar development for socialising called 'Horizons', in addition to Oculus VR headsets and Augmented Reality glasses.

WHAT WILL WE BE ABLE TO DO IN THE METAVERSE IN THE FUTURE?

The possibilities of the metaverse are as limitless as the possibilities of our physical reality, maybe even more so.

Meta CEO Mark Zuckerberg stated that, in the metaverse, you should be able to "get together with friends and family, work, learn, play, shop, create – as well as completely new experiences that don't really fit how we think about computers or phones today".

He further hints at a future in which people can "teleport instantly as a hologram to be at the office" or visit "your parents' living room to catch up".

Likewise, metaverse authority Tim Sweeney – CEO of Epic Games, developed Fortnite, envisions a future where carmakers are "going to drop their car into the world in real-time, and you'll be able to drive it around" in a world where participants can explore different spaces, brands and experiences in one interconnected space.

Indeed, it seems that this interconnectivity is one of the only barriers left to overcome between now and a future where the metaverse exists.

Evo Heyning, the co-chair of the Metaverse Interoperability Group, states that her organisation is working on "bridging virtual worlds" so that users can hop from one virtual world or space to another.

WHY ARE INVESTORS GETTING EXCITED ABOUT THE METAVERSE?

Many at the top of social media, tech and gaming believe that the metaverse is more than just a possibility – it's the next inevitable step for our already digitally transformed world.

As such, many companies are making the metaverse their top priority in both development and where they're choosing to put their money.

With this in mind, many investors are directing their capital towards Meta, Epic Games. Companies such as Nvidia and Qualcomm, among many more whose technology is likely to support the creation, development and maintenance of the future metaverse. The growth of these companies since the metaverse buzz is already skyrocketing.

HOW AND WHY YOU SHOULD KEEP UP WITH FINANCIAL NEWS

With many different resources available to guide your continued financial education, it can be overwhelming to figure out the best course to stay up-to-date. Without spending hours and hours each day trawling through every piece of economic news, you come across.

Keeping yourself in the financial loop is essential to guide your investment decisions. It provides a 'big picture of the economy, allows you to keep an eye on the performance of different sectors and industries, and the social conditions that could influence aspects of the financial world.

The value of an investment is influenced by the release of news itself, as good news for one sector or company will raise demand – and the price – of that type of stock, while their value will decrease due to bad press.

With this in mind, you should always try to maintain a well-rounded knowledge of the events that could influence your investments.

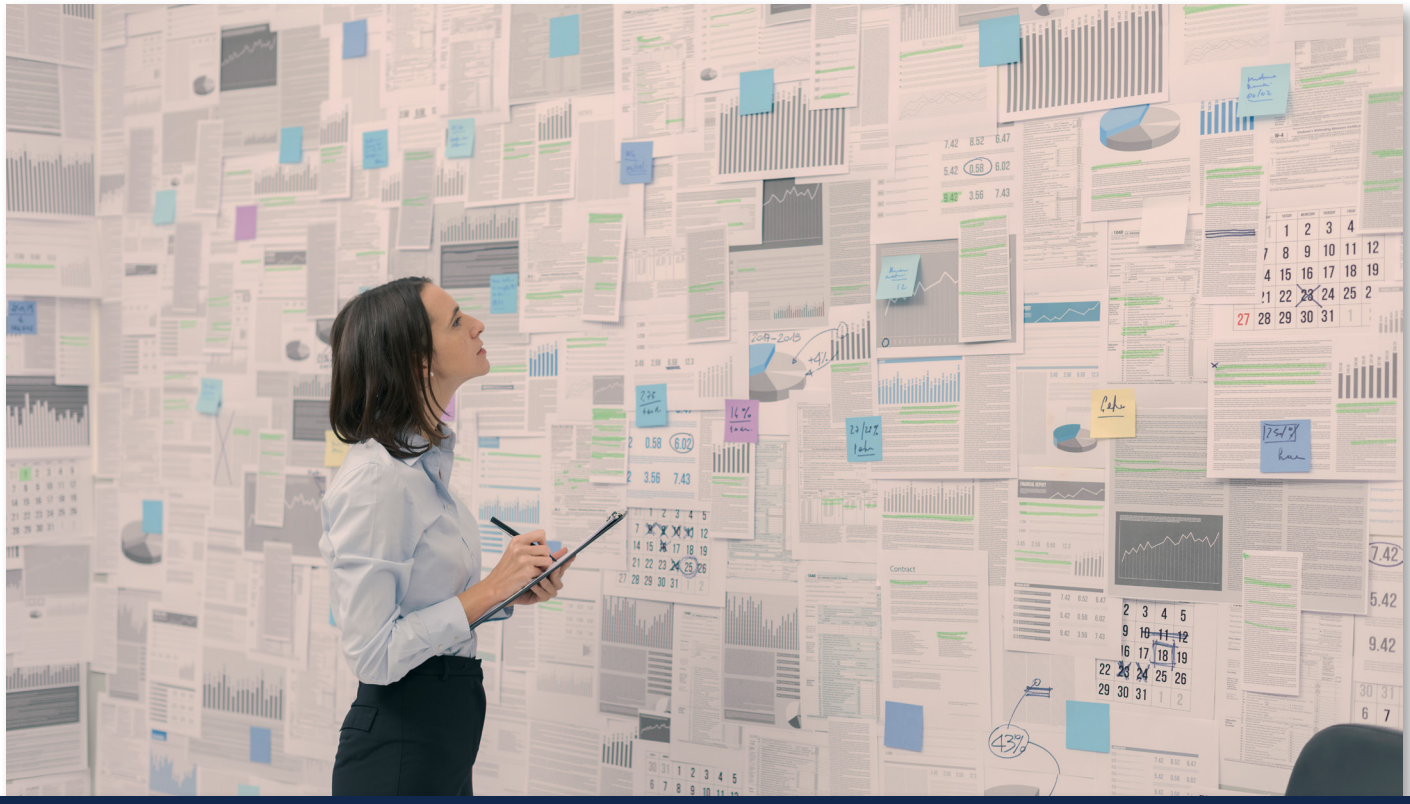
Here are five things you can do to achieve a knowledge of finance that will enable you to make the best possible investment – and other financial – decisions.

PRIORITISE DATA.

Anyone can have an opinion on financial events and publish these thoughts online – however, you should only consider taking these opinions seriously if data back's them. This will help you separate the useful and the not-so-useful coverage of financial topics to make decisions using only the best information.

It would help if you looked at government economic reports – which cover the economy's performance, specific industries and consumer behaviour – and the quarterly financial reports of businesses you're thinking of (or already have) invested in to ensure their growth justifies your investment.

Reading the primary sources supplying data for articles – such as academic papers and studies – can also help to ensure the financial conclusions you draw are based on hard facts.



CONSIDER USING AN RSS READER OR NEWS AGGREGATOR.

By using an RSS or news aggregator, you're able to save time and make your continuous financial education as efficient as possible by compiling the news sources you want to stay on top of into one place.

Suppose you choose to download an RSS reader. In that case, you can pick which RSS feeds you want to stay on top of, and these should include financial staples such as the Wall Street Journal, Bloomberg and Investor's Business Daily, as well as finance and investment blogs. So that all content from your preferred news sites, blogs and other internet locales are accumulated in one page, making it easy to see what's new across all your specified news sources.

Likewise, for those who prefer not to use an RSS reader, news aggregators act as a hub for many different news sites and publications, so you can quickly look through the latest headlines from numerous news sources at the same time. Check our mobile app here as well.

RESEARCH BOTH THE CONSENSUS AND THE OPPOSITION.

When you're reading up on the latest financial news, you'll often already have your own opinions before you start researching more deeply into the subject.

For this reason, you should make sure you have a good grasp of the common opinion – to see how and why it differentiates from yours if it does, and to enable you to confront the weaknesses in your financial theories.

Moreover, even if your views are aligned with the general consensus about a topic, you should research the opposition to bring to the forefront any variables you may not have considered, allowing you to gain greater perspective and make more fully-informed finance decisions.

USE SOCIAL MEDIA TO YOUR ADVANTAGE.

For the simple reason that it's a lot quicker to write a social media post than it is to write a full-length article, you can often get the most recent financial news via the social media of financial publications.

Moreover, businesses typically post about any new developments or products coming up on their social media first. Therefore, it's a good idea to follow the organisations you've invested in – or are considering investing in – being among the first to receive news that could influence the public's investing behaviour.

SET GOOGLE ALERTS AND EMPLOY A NEWS TICKER.

Much of the financial world is influenced by the public's release and consumption of news – often, as soon as that news is released.

For example, if a company releases an innovative new product, their stock prices are likely to increase, while news of disasters such as oil spills are likely to reduce the value of oil companies.

With this in mind – and to stay ahead of events that may affect the performance of your investments – you should set Google alerts for the financial topics most relevant to you and your investment choices.

Similarly, using a news ticker allows you to quickly glance at breaking news headlines as they come in – without having to manually check a news site – and stay aware of any events that could affect your financial health.

GROW FINANCIALLY WITH AMA

At Austen Morris Associates, we know how the right financial decisions can make all the difference to your long-term security, quality of life and the realisation of your dreams. We also understand the importance of working closely with you over the long-term to understand your unique needs and help to meet any challenges along the way.

Since 1994, we have been committed to the core values of trust, professionalism and partnership to the benefit of our International Clients around the world, resulting in the successful long-term relationships that are the foundation of Austen Morris Associates today. As Independent Financial Advisors, we provide unbiased advice and give you access to the world's top investment management groups.

Our Consultants offer a wealth of experience in providing a full spectrum of financial advice. Our commitment to ensuring your peace of mind reinforces our focus on trust and partnership. By focusing on your specific needs and situation, we tailor plans to reach your financial goals while maximising the benefits of international investing.

Austen Morris Associates is a truly international company with its global registered office in Seychelles and wholly-owned registered offices in China, South Africa, Hong Kong, Mauritius, the USA and the Philippines. To begin your journey towards total financial security, we invite you to meet with one of our Consultants to understand our financial planning approach and why our clients become loyal and long-term partners.

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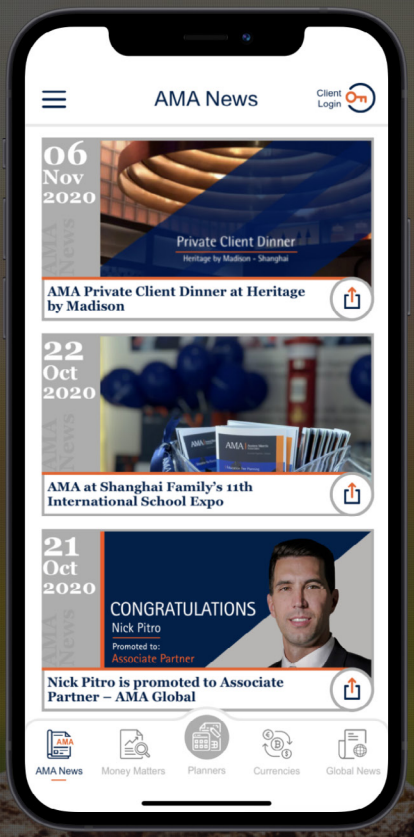

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