

# MARKET UPDATE

OCTOBER 2020

This will be one of our briefest market updates for some time and the principal reason is the chaotic backdrop to risk assets. At the time of writing (08.00 5th October) President Trump and many of his team have COVID-19, but the validity of any information from the White House and even his doctors is now questionable.



Earlier last week there was a farcical Presidential debate which, according to new polls, Biden appeared to win. At the end of said debate we were no wiser on policy from either candidate. Since then, there has been the suggestion that the other two debates are to be scrapped entirely. Indeed, if the debate follows in the same footsteps, then the cancellation could be a blessing as it must be up there as being the most cringeworthy telly since Clive Anderson interviewed the Bee Gees.

Moving closer to home, and away from the States, and Brexit is forefront in investors' minds. Every week seems to be a decisive week in Brexit negotiation land, and whilst none have yet been ultimately decisive, commentators will eventually be correct. This morning the sticking point is the French government's reluctance to make concessions on fishing rights. We would have been more surprised if this particularly thorny issue (which has been ongoing for decades) had not come to the fore as we get nearer to the apparent deadline. In the meantime, the Pound, which tends to reflect the outlook for negotiations, is where it was three months ago against the Euro, and has been strengthening against an under US pressure Dollar.

Chinese data continues to positively reflect its emergence from the economic realities of lockdowns and contrasts with the US and Europe. Much of Asia is now performing better economically than its peers and, alongside emerging markets, remains an overweight position for us. There has been some positive, and less reported, COVID news that India and much of South America have thankfully seen falling case counts and deaths. This trend goes some way to explain the fall in deaths globally.

Given the expectation of significant news events in the coming weeks, which we expect to increase risk asset volatility, we will be issuing periodic investment updates and, as ever, we welcome any feedback.

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