

# THE SECOND HALF OF 2022 & STICKING TO YOUR STRATEGY

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From an investment point of view, the first half of 2022 felt a bit like a Comrades runner exiting Pinetown and experiencing Fields Hill. Uncomfortable, tough, challenging, but we made it!

The second half of 2022 has got off to a much better start. If we look globally, and specifically at the US equity markets, they have recovered almost 20% from their lows in June 2022. Inflation has started to roll over in the US specifically, which could result in the central bank needing to be less aggressive from an interest rate increase point of view. The price of oil is currently well below US\$100, which also helps with inflation, interest rate increases, etc.

Looking at global economies, the outlook is not as positive. Europe is struggling, the UK is really struggling and China, the growth behemoth, is also slowing. At the moment, the US is holding up – there are cracks here and there but unemployment is at record lows, company earnings being reported are satisfactory, and consumer spending is solid. However, the storm has not passed.



Equity markets go up and they go down, but over time, they go up more than they go down. Diversification within your portfolio is key. You need to understand what you are seeking to achieve from a return point of view, and understand the recipe needed in order to achieve that return over time. Not one single individual on planet Earth can time markets perfectly.

The middle of this year once again highlighted the need to stay committed to one's investment strategy. There was so much noise, concern, angst in May/June of this year but markets, specifically the US, have rebounded significantly. Had you decided to switch out of the markets when you were feeling uncomfortable, uncertain and fearful in May, you would have locked in the losses and destroyed wealth.

I agree, investing can be tough! Especially in the world we live in. Negative news now results in clicks and not the sale of newspapers. These days, we are bombarded with negative news, which plays on our emotions as human beings. When you feel like you are running up Fields Hill, reach out to your financial planner, who will guide you across the finish line.

**Note:**

Please note that the information provided in this article was in line with the market performance information and statistical data available on the date of producing the article.

