



AFTER TWO YEARS OF PANDEMIC A WAR FOLLOWS

Three weeks have passed since the Russian invasion of Ukraine and it is still difficult to understand what is exactly happening, what are the real reasons for this attack.

The information that reaches us travels fast.

The war is experienced in real-time and nevertheless, the big picture remains very confusing.

Bombarded with news of destruction, atomic threats, sanctions, political reprimands which suggest so much a past that was best left to the history books, we have forgotten the Covid which, quietly, still circulates in an important way in much of the world.

From the pandemic, therefore, to the world divided by a new and almost science fictional Iron Curtain, with a cold war rhetoric that many find difficult to contextualize in the globalized reality of 2022.

Russia is becoming more and more despotic and aggressive. The state of Vladimir Putin restores censorship on a large scale, represses, pushes propaganda to the bitter end, even threatens to leave the internet to create a network of its own, as is done in China.

Biden's America and the European Union face compactly with sanctions that are unprecedented in history.

The Western world fears of recalling a nightmare buried for almost 80 years and feels today more threatened than ever by a country that apparently has never overcome the frustrations of the Soviet Union's collapse.

In the midst of all this and what should matter the most, there is the suffering of the Ukrainian people.

Destroyed cities, millions of refugees, death, and desolation are back in the heart of Europe.

China stands by, does not take sides, but already tastes the possible gains that each conflict brings to third parties.

The war impact and the energy crisis

What will happen in the coming months on the geopolitical front is very difficult to predict, considered that what we have seen in the last twenty days was unimaginable.

What is certain is that an energy and migration crisis will be inevitable.

The oil and gas junction is central to the future dynamics of this war.

The huge increases in fossil fuels are already evident, as well as a sharp rise in inflation, without forgetting the increase in the prices of many other commodities such as precious and industrial metals as well as agricultural products.

Most of them will tend to rise even more as the conflict and tensions between countries continue.

The financial markets

Situations of fear and uncertainty provide only one certain data on the markets: volatility.

After two years of pandemic, the stock markets were already used to the latter.

The permanent coexistence of volatility and inflation (at record levels in the last 40 years) makes investors irritable and the market, at times, hysterical.

The correction has taken place, but it might be self-defeating to be too influenced by the situation in the conflict in Ukraine, by the volatility and by the increase in inflation.



In this regard, it is better to diversify one's portfolio entirely, guaranteeing a good reserve of liquidity and overweighting for value stocks, compared to growth stocks with an approach oriented towards the American market, without forgetting international companies.

If you want to invest, we recommend stocks whose prices have dropped, as they could turn out to be long-term holdings.

It is also important not to panic in this highly uncertain moment by launching itself into a careless sale that could create regrets in the future.

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