SEPTEMBER: HOLIDAY IS OVER, BACK TO REALITY

Autumn will officially begin at the end of the month.
Only few are ready for the arrival of the cold season, especially this year.
Good news is scarce, skepticism and uncertainty prevail.
The more you read the newspapers from around the world, the worse you feel.
It would take a spell to open our eyes already in April 2023, without viruses, without war, a growing economy, a drop in inflation and without heating need.
At present, it remains a dream.

These are exceptional times with multiple shocks

The war waged by Russia in Ukraine continues as well as the sanctions packages promoted by the EU and the US.
Europe intends to introduce the price cap on Russian gas. Vladimir Putin reacts by saying that the answer will be the total stop of supplies.
In Moscow, Gazprom realized a TV commercial which shows cities shrouded in snow and cold.
They are supposed to be European capitals, although images of Russian cities were used.
For the moment, the Kremlin does not intend to reopen the Nord Stream 1 gas pipeline.
Moreover, for December, the definitive EU embargo on Russian oil is expected.

The stock exchanges react badly to these constant jolts.
Inflation remains high, at record levels, even if the Fed and the BCE try to do everything possible to stem it.
Historically, September is known to be the worst month of the year for stocks.
The last two years both the Dow and the S&P 500 indexes were in decline, but the same cannot be said of the three years that preceded the pandemic, times when September nevertheless gave investors a lot of satisfaction.

What should we expect from September 2022?

Opinions differ, but they converge on one point: volatility will continue to play a leading role.

Some analysts think that the recession is around the corner and that we will see the worst in 2023, although everyone seems to agree that it will never be as dramatic as it was in the early ‘80s.
On the other hand, other voices lean towards a slow recovery.
They are certainly worried about inflation, but already reassured by its recent, even if minimal, decline (below 9% in July).

All eyes are on the Fed meeting scheduled for later this month.
Many are betting that Jerome Powell will announce just a half percentage point increase in interest rates, instead of a three-quarters.

The most optimistic analysts lean towards an economic slowdown or a "mild recession", given that consumer and corporate spending remain strong. Furthermore, especially in the United States, unemployment remains low and job vacancies high.
The American economy is growing, although not as fast as prices.

The markets

Investors want to see some improvement in economic data after a miserable first half of the year.
They will therefore be reassured by a more moderate Fed policy.
On the markets, some small signs of recovery were observed during the summer, and we hope that the trend will continue.

It is recommended once again to manage a diversified portfolio and not to be afraid to invest, even in the short term.
At the same time, it is advisable to have extra cash availability to look at the money market where it will be possible to earn a yield.

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