



THE END OF THE YEAR IS APPROACHING.

And perhaps it is the best news of this 2022, characterized by conflicts, economic and energy concerns and above all by uncertainty in the future

The geopolitical and macroeconomic situation remains almost unchanged.

Stubbornly, the Moscow army continues, albeit slowly and troubled with thousands of issues, its campaign in Ukraine.

The Federation's economy suffers. According to the Russian Ministry of Economic Development, the GDP dropped by 5% in September.

The United States and the EU actively continue to support Ukraine, both from an economic and military point of view, even if the discontent regarding rampant inflation, especially in Europe, grows.

In fact, inflation is the great theme that has characterized and continues to mark the economic year.

It has initially been considered by the financial markets and the real economy as a marginal subject, while today it has taken all the space in the discussions.

In Europe inflation has reached the record level of 10.7%. 19 eurozone countries now see double-digit peaks in consumer prices.

A year ago, in the old continent, inflation was recorded at 4.1%.

Both the ECB and the Fed, pursue their "Whatever it takes" policy, continuing to raise interest rates to bend the increase in prices.

The ECB did it in late October, with a further +0.75, while the Fed a few days ago.

With the fourth consecutive rise of 0.75%, the Federal Reserve lifted interest rates to the highest levels since 2008.

Financial markets

Financial markets remain tetchy and very sensitive.

The main concern is inflation (which apparently has not yet reached the peak), which provokes uncertainty as well as volatility.

In fact, stock markets recorded a further descent after Jerome Powell's recent statements.

Despite this, the month of November has always been considered a strong month for Wall Street and from the US are coming encouraging signs of recovered optimism among investors.

Moreover, many experts think that the bear market bottom has been finally touched and that only an upturn can be awaited.

Attention is also paid to the Earnings Season not yet completed.

The tech giants have not shown the expected results, but overall, the trend of the current Earnings Season can be considered good for stocks.

Oil companies, such as Chevron and Exxon Mobil, have reported solid earnings, as well as other sectors outside the technological world.

In addition to the war in Ukraine and inflation, the next outcome of the midterm elections in America will also have an impact on the financial markets as well as on the consumer spending.



Investing in November

Financial analysts advise to focus on dollar bonds, be they of short or long duration.

As for stocks, on the other hand, it is recommended to look at the cyclical ones, which tend to better perform during high inflation periods.

In addition, at current price levels, there seem to be opportunities in growth stocks such as Amazon and Google in a long - term perspective.

The "portfolio diversification" mantra that we have repeated for months remains such, staying invested in equity market, but with downside protection.

Quant & Partners Ltd

60 Halkett Place, St. Helier, Jersey JE2 4WG, +44 1534 734503
1 Knightsbridge Green, London SW1X 7NE, +44 20 3097 0280

info@quantandpartners.com
www.quantandpartners.com