



Economics Portfolio: Special Advisory

March 2020

- As previously communicated several weeks ago, the impact of the Coronavirus outbreak has resulted in a slowdown in consumer and service sectors with equity markets in February experiencing one of the sharpest weekly declines since 2008.
 - Additionally, in the past few days came abrupt moves in oil prices as Russia and Saudi Arabia began an oil price war that sent the price of crude to its biggest plunge in three decades and bond yields to the lowest levels since 2008. The double blow of Coronavirus and oil price plunge has caused financial markets worldwide to have one of the steepest single-day drops since 2008.
 - As the outbreak spreads globally, consumer sentiment will further weaken, investor anxiety will broaden and confidence in global businesses will be impacted. At times like this it is important that:
 - ❖ Each family is urged to maintain savings equal to 6-12 months of household expenses as a financial cushion against an unexpected job or business loss.
 - ❖ Financial investors should continue investing for the long-term rather than trying to time the market. It is best to remain calm, stay vigilant, and avoid making knee-jerk decisions or speculative investments, while seeking professional advice to ensure that you have a diversified portfolio.
 - ❖ Members involved in the travel, hotel, hospitality, retail, and restaurant industries should prepare for potentially reduced demand for their services.
 - ❖ Business owners should delay taking unnecessary debt or making large capital investments. Everyone should consider operating with lower expenses until conditions improve.
 - 2020 will be a period of significant uncertainty and volatility. In times like this, it is best to remain calm, stay vigilant and be prudent at all times.
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