



Investmentmatters Extra

May 2022

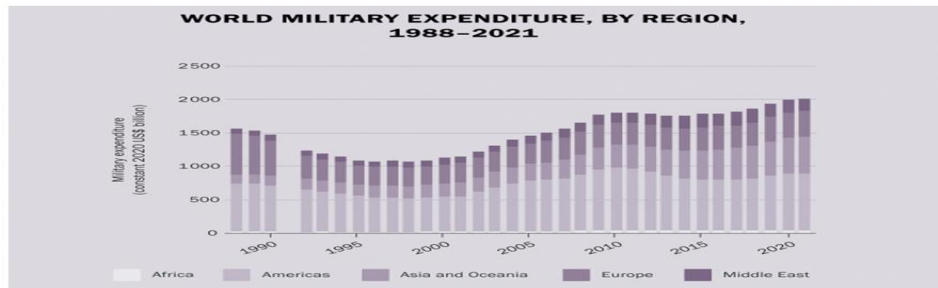
Content

- A chart of the month section includes a topical view, often contrarian in nature and intended to provide some lateral thinking, be it stock, bond, currency, commodity, property or an economic statistic.
- Comment on the main economic data of the month, such as the latest GDP, CPI inflation and housing data, supported by an interesting chart of it.
- There is also a collectives corner section, which provides performance statistics for 25 major mutual fund sectors covering the year to date performance returns plus those for 1,3 and 5-year periods and since January 2000, the date on which many markets topped in **real terms**. An investment timing chart for the month's winning sector is also included.

Subscribers will also receive complimentary editions of our "**knowledge sharing**" features on a whole range of investment, geo-political and socio-economic issues.

Chart of the month

The cost of servicing the UK's **£2.34 trillion** public sector debt jumped by 77% to £69.9BN over the past year due to rising interest rates, or about a £1BN per million of the Nation's population. *In March alone, the interest bill was £2.9BN versus £1.9BN a year ago*, crowding out tangible assistance towards desperately required infrastructure improvements or the cost of living crisis:



\$US2,100,000,000,000 record high, with the US spending 38% of total global military spending in 2021, at \$801BN and more than the next nine nations combined: China spent \$293BN, India \$76.6BN, the United Kingdom \$68.4BN, with Russia at \$65.9BN. France spent \$56.6BN, Germany \$56BN, with Saudi Arabia \$55.6BN, Japan \$54.1BN and South Korea's \$50.2 BN bringing up the rear.

Meanwhile, new data published by **The Stockholm International Peace Research Institute** this week, confirms that global military expenditures surpassed \$2 trillion for the first time ever last year, including the UK's \$68BN. It was a 0.7% increase on 2020 levels and the seventh consecutive year of increased expenditures. The consumer advocacy group, Public Citizen, has stated that the U.S. has spent 7.5 times more money on nuclear weapons than on global Covid-19 vaccine donations. **Do you feel safer and richer?**

Economic snapshot of the month

The March trade deficit soared by 17.8% in March to a record-breaking - **\$125.3BN**, the main reason for the big miss on Q122 GDP, which **contracted** by -1.4% versus the market forecasts of a 1.1% expansion and Q42's 6.9% growth:



Not helping were the March new home sales, which crashed by -8.6% and by -12.6% annualised, whilst personal incomes and spending for the same month saw spending out-pace the rise in incomes for a 3rd straight month, pushing the savings rate to its lowest level since Dec 2013.

Collectives Corner

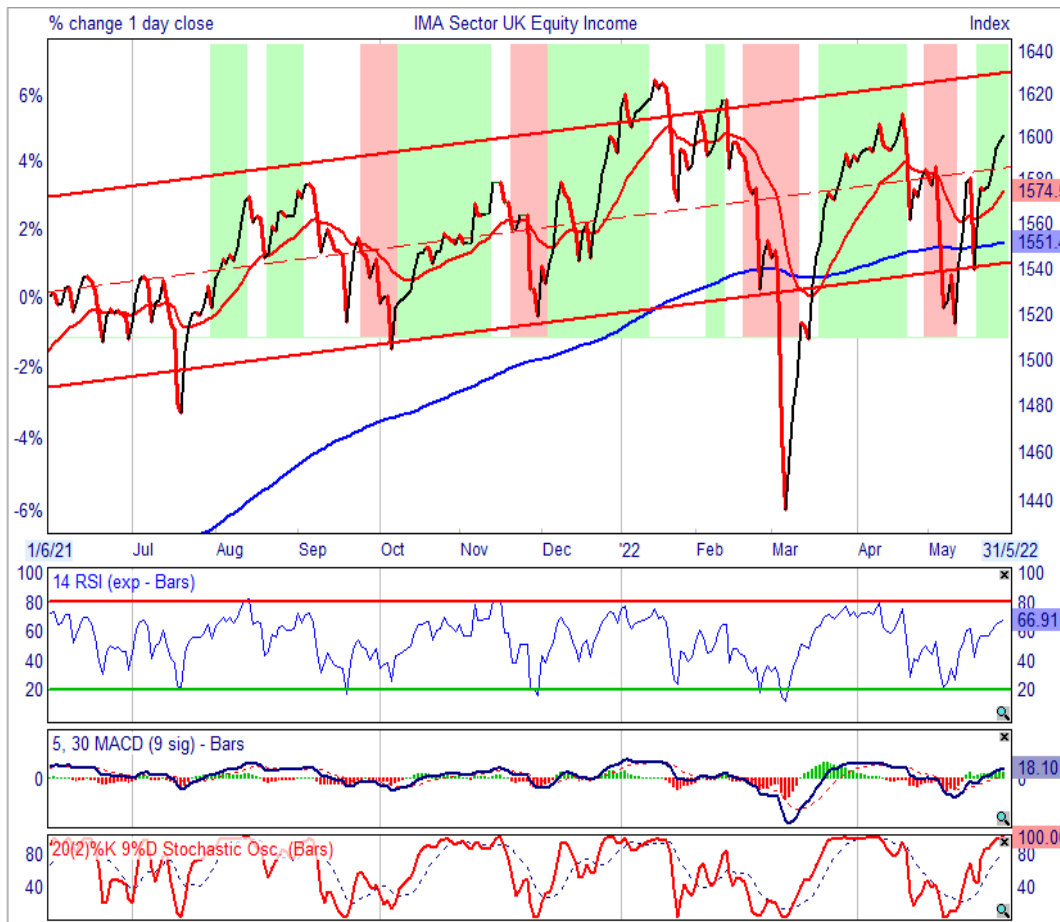
The investment return from the main investment areas, courtesy of the UK based Investment Management Association and ShareScope are as follows:

No.	Name	Close	Price% between 31/12/21 and 1 day ago	Price% between 1 year and 1 day ago	Price% between 3 years and 1 day ago	Price% between 5 years and 1 day ago	Price% between 10 years and 1 day ago	Price% between 3/1/00 and 1 day ago
1	I- IMA Sector UK Equity Income	1,599.63	▲ 0.3	▲ 5.3	▲ 17.5	▲ 15.7	▲ 118.39	▲ 224.9
2	I- IMA Sector Standard Money Market	258.3	▲ 0.1	▲ 0.1	▲ 0.9	▲ 1.7	▲ 3.15	▲ 38.4
3	I- IMA Sector Asia Pacific Excluding Japan	2,370.09	▼ -5.7	▼ -8.1	▲ 23.4	▲ 32.3	▲ 133.87	▲ 410.7
4	I- IMA Sector Mixed Investment 20-60% Shares	598.08	▼ -5.8	▼ -2.8	▲ 9.7	▲ 12.6	▲ 63.28	▲ 130.8
5	I- IMA Sector UK All Companies	1,375.33	▼ -6.1	▼ -1.7	▲ 14.5	▲ 16.4	▲ 116.95	▲ 168.4
6	I- IMA Sector Flexible Investment	1,040.19	▼ -6.9	▼ -1.6	▲ 19.6	▲ 24.9	▲ 103.66	▲ 155.4
7	I- IMA Sector Mixed Investment 40-85% Shares	1,035.13	▼ -6.9	▼ -1.2	▲ 17.2	▲ 23.0	▲ 99.87	▲ 156.3
8	I- IMA Sector £ Strategic Bond	1,360.02	▼ -7.0	▼ -6.1	▲ 4.0	▲ 7.8	▲ 45.98	▲ 157.8
9	I- IMA Sector £ High Yield	2,294.46	▼ -7.1	▼ -5.5	▲ 5.6	▲ 9.9	▲ 58.38	▲ 205.7
10	I- IMA Sector Europe Including UK	2,573.57	▼ -7.3	▼ -0.4	▲ 27.4	▲ 30.3	▲ 169.27	▲ 230.0
11	I- IMA Sector North America	2,351.13	▼ -8.2	▲ 6.2	▲ 47.2	▲ 75.6	▲ 292.95	▲ 275.3
12	I- IMA Sector £ Corporate Bond	697.28	▼ -8.7	▼ -8.3	▲ 0.8	▲ 4.7	▲ 47.13	▲ 146.7
13	I- IMA Sector Europe Excluding UK	1,687.51	▼ -8.8	▼ -2.7	▲ 27.9	▲ 26.9	▲ 180.91	▲ 232.3
14	I- IMA Sector Japan	350.4	▼ -8.9	▼ -5.6	▲ 16.7	▲ 21.5	▲ 147.33	▲ 46.3
15	I- IMA Sector Global	1,317.14	▼ -9.8	▼ -0.5	▲ 33.3	▲ 48.5	▲ 188.01	▲ 217.2
16	I- IMA Sector Global Emerging Markets	1,976.17	▼ -10.4	▼ -13.4	▲ 9.5	▲ 14.5	▲ 73.24	▲ 341.0
17	I- IMA Sector UK Gilts	601.41	▼ -11.1	▼ -9.6	▼ -6.6	▼ -2.5	▲ 22.16	▲ 118.4
18	I- IMA Sector Asia Pacific Including Japan	1,227.58	▼ -11.6	▼ -10.7	▲ 22.2	▲ 32.1	▲ 149.38	▲ 251.3
19	I- IMA Sector Japanese Smaller Companies	813.73	▼ -12.0	▼ -9.5	▲ 12.0	▲ 19.9	▲ 205.55	▲ 119.0
20	I- IMA Sector North American Smaller Companies	3,284.35	▼ -13.1	▼ -7.0	▲ 34.1	▲ 58.6	▲ 250.31	▲ 382.0
21	I- IMA Sector UK Index Linked Gilts	815.56	▼ -15.3	▼ -8.5	▼ -5.5	▲ 2.7	▲ 56.25	▲ 232.1
22	I- IMA Sector China/Greater China	666.89	▼ -15.8	▼ -25.1	▲ 12.4	▲ 23.6	▲ 130.60	▲ 757.8
23	I- IMA Sector European Smaller Companies	2,379.74	▼ -16.5	▼ -9.8	▲ 28.1	▲ 27.8	▲ 208.22	▲ 457.7
24	I- IMA Sector UK Smaller Companies	2,615.79	▼ -17.1	▼ -16.4	▲ 18.8	▲ 28.3	▲ 191.54	▲ 365.2
25	I- IMA Sector Technology and Technology Innovations	7,681.39	▼ -19.7	▼ -8.7	▲ 53.8	▲ 90.5	▲ 344.07	▲ 104.8

The table covers year to date, 1, 3 and 5 year returns plus the annualised returns since the start of 2000, when the secular bear market in many stock-indices' began in ***real terms***. The year to date winner is the **IMA UK Equity Income sector**, gaining 0.3% in May and by 5.3% over the past year.

When observing the 1 year daily chart we note the following:-

- The price changed to a **BUY** signal on 23rd May 2022.
- Price is above both MAs, bullish.
- The momentum indicators are moving higher, also bullish.



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