

Economics and Wealth Management Update



HO! HO! HO!

On the surface all seems basically jolly well in the economy and finance. What about under the surface? Dig just a little and all is not at all well. This affects you, your retirement and your children's futures.

This month we explore

- Investment markets - no growth in FTSE for over a year and a half!
- Global DISinflation (falling inflation) potentially heading towards DEflation (falling prices)
- Oil - Did anyone say Deflation?
- Interest Rates - going up? Hardly!
- UK Economy Current Account Deficit - largest since 1955
- Liberalisations of pensions from April 2015

In terms of portfolio management, our philosophy has essentially two strands which informs our recommendations:

1. That the West is in an era of Disinflation (surely not disputable) and may be heading towards Deflation and
2. We continue to seek out quality assets at severely depressed prices, collapsed even.

This latter shows we have a natural aversion to assets which have soared in price. If you prefer to invest in these (or be invested in these) then you may wish to reconsider your strategies of preserving and growing your wealth.

We have other thoughts that keep us alert to attacks on personal wealth and retirement security as well as investing opportunities, not generally discussed, which may be of interest to you.

What should YOU do to secure your or your clients' wealth? We urge you to speak to us.

Don't put it off till it's self-evidently too late.

Can you benefit potentially from our advice? We work for wealthy to very wealthy families (£300k to £25m of financial assets and/or high earners) and trusts. We work for clients all over the UK and indeed on three continents.

Our most important and most often repeated philosophy is (as seen widely on our website): "We advise you based on what we would do, were we in your shoes, given what we know".

Call me personally to see how we can help.

I welcome your feedback and if you have any queries over any of the issues raised, do not hesitate to get in touch with us. You can forward this newsletter to a friend [here](#) if there is any information you think would be beneficial to them.

To comment on any of the items here or to ask a query either click Reply To or, better, click jdavis@jonathandaviswm.com. 'Reply To' will take no attachments.

Kind Regards and All the very best for this Festive Season and for 2015!

**Jonathan Davis BA MBA FCII FPFS
Chartered Financial Planner
Managing Director**

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Deflation and why it matters

It seems to us that Deflation is something we will all get used to. We haven't experienced it sustainably for decades. And THAT is the issue.

Everyone assumes that what has been will be always. And THAT is what we have been trying to get people to see as nonsense for years.



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Oil and Russia

Why is no-one talking about Russian stocks as buys? Because investors seem to only want to buy expensive assets. Too funny.

And detrimental to wealth creation/preservation.



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FTSE

Normally, when Government Bonds rise sustainably, this is a bad omen for share prices.

Yet shares are being bought more than for years.



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Biggest Current Account Deficit since 1955

This isn't just bad. It is absolutely dreadful. We haven't exported more than imported since 30+ years ago - not counting very brief periods in the 90s.



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Pensions liberalisations

We hope you will not be caught out in the biggest ponzi in history. Unfortunately, we feel you will be, whoever you are.

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Tel: 0845 862 2919

Email: enquiries@JonathanDavisWM.com

www.JonathanDavisWM.com

Please note that investments can fall as well as rise. And they do!

Nothing in this message should be considered as advice.

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