

# FINANCIAL FOCUS

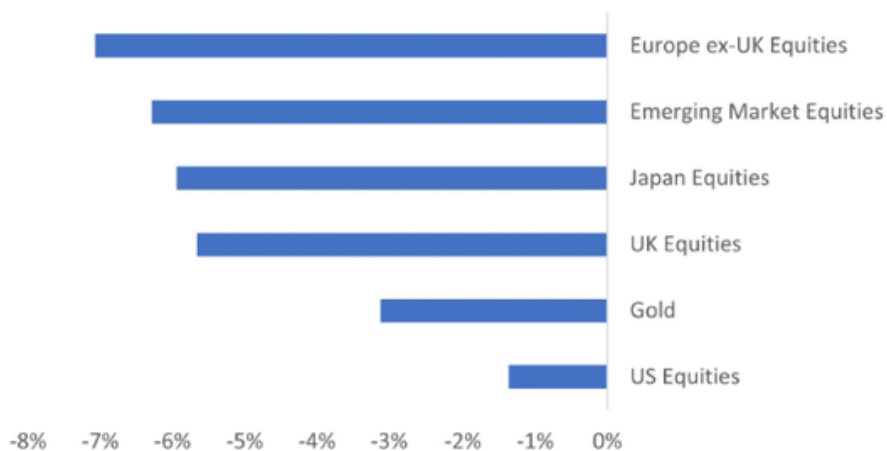
OBJECTIVE  
WEALTH

## War in Iran

We appreciate that it has been a while since we have written a newsletter, so what better opportunity than another war?

You will have seen plenty of news reports confirming a negative market reaction to the military action by the US against Iran, and this is accurate. None of the global indices has seen a positive movement in from 27 th Feb to the 6 th March; however, the reaction is different across the world, with the US the least affected. Viewing returns since the beginning of the year, the UK and Japan are still positive, and the US is negative.

Total Return in GBP, 27 February - 6 March



**THIS MONTH'S  
FEATURED  
ARTICLE**

War in Iran

If there is a positive, the conflict is that it appears to be contained in the region; however, any hopes of a swift resolution seem to be dwindling, with both sides considering this a long-term conflict. One reason that the US has not been affected as much as Eastern nations in the markets is because of their reliance on the supply of oil through the Straits of Hormuz. Of course, all nations are affected by increases in oil prices, and we are already seeing our petrol prices increase and, therefore, likely increases in inflation over the coming months.

This could be the bad news that many were fearing, not least the UK government, which would have hoped for an opportunity for the Bank of England to reduce interest rates. This is now very unlikely to happen, and our 'old friend', the bond markets, are seeing Gilt yields rise once more. The knock-on effect of rising bond yields is that it costs the government and taxpayers more to borrow money, making the growth potential for both lower. In a challenging job creation environment, this is not welcome news.

Our message, as always, is to remain invested. We ensure our advice supports your finances in the short, medium, and long term. This means we ensure you have sufficient short-term capital to meet capital requirements, with no volatility. We will not leave it so long next time to keep you posted.

John Wheatley  
Managing Director  
Objective Wealth

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