The Premier Partnership Limited

Your Family Office

Investment REPORT

Whether you say 'Pinch, punch first of the month - no returns' or 'White rabbits, white rabbits, please bring me good luck' at the start of every month, both seem to have kept the demons away from stock markets in the first half of 2021. The first half of the year saw optimism about growth and fear of inflation rise together, and then recede together, as markets continued their rise upwards.

The question keeps getting asked 'Can this rise in stock market values go on?'. Well, technically yes! When one looks at the wide economic picture, several very positive scenarios become apparent. In the world of takeovers and mergers between big businesses, the private equity (PE) firms have had their busiest 6 months since records began over 4 decades ago. Deal values worth more than $500 Billion have been decided, helping propel this sector's activities to its greatest levels ever. This is real money being paid for real companies, by real investors, who clearly believe the future economic growth of world trade will continue. So a vote of confidence from the PE crowd. The second positive is that investors are pouring into the US stock market at the fastest pace since 2015, even as the faint spectre of rising interest rates is noted in the latest Federal Reserve pronouncements. Again, real money being invested for potential future prosperity. Strong growth expectations, higher spending from consumers, current low interest rates, and increasing vaccination levels, are all reasons why investors consider the US economy and its stock markets the place to be, for the second half of 2021. On Wall Street on Wednesday 30 June, the S+P 500 Index closed up 2% for the month, marking 5 consecutive months of gains in the first half of the year.

Pretty impressive stuff.

For the rest of 2021, our economic base case is for a strong re-acceleration of growth, with occasional blips as inflation/interest rate noises increase. Economies across the globe will accelerate as they re-open, and vaccination rates continue to increase, providing protection even against variants. The UK and the Eurozone are likely to follow the USA's lead, with potentially some of the emerging market countries lagging slightly because of the pace of vaccine roll out. Investors in major global markets should therefore expect to be rewarded for taking on and accepting equity volatility for the rest of the year. The flip side of this positive coin is that at these current levels, markets are priced for perfection only, and whilst all the signals are positive with little interference from a higher inflation scenario, or an interest rate rise ahead of expected timescales, there is little that will cause volatility going forward and current optimism to be dented. You all know by now our often touted views of 'Ignore the noise - stick to the fundamentals' and we will undoubtedly remind you of this mantra when the time comes.

On Wednesday 30 June it was announced that the former US Defence Secretary, Donald Rumsfield passed away. His legacy will forever be not only that he was both the youngest and the oldest Defence Secretary ever, but, his legendary (and often used in my publications) speech in 2002 which bought us 'Known knowns - known unknowns and unknown unknowns'. I shall be forever grateful for those words.

So, is it coming home? Saturday will tell us more.

Until Next Time…...

Global Stock Market Performance 2021

Market	Index	31 December 2020	30 June 2021	Percentage Performance Year to date
USA	Dow Jones	30606.48	34502.51	+12.73
	NASDAQ	12888.28	14503.95	+12.54
	S&P 500	3756.07	4297.50	+14.41
UK	FTSE 100	6460.52	7037.47	+8.93
France	CAC 40	5551.41	6507.83	+17.23
Germany	Xetra Dax	13718.78	15531.04	+13.21
Italy	FTSE MIB	22232.90	25102.04	+12.90
Spain	IBEX 35	8073.70	8821.20	+9.26
Switzerland	SMI	10703.51	11942.72	+11.58
Japan	Nikkei 225	27444.17	28791.53	+4.91
Hong Kong	Hang Seng	27231.13	28827.95	+5.86
China	Shanghai Composite	3473.07	3591.20	+3.40
India	Sensex 30	47868.98	52482.71	+9.64

Data provided by Morningstar

MSCI WMA Private Investor Index Series Values

Capital Performance 30 June 2021 % Change

Index Category/Level	Index Value	3 months	12 months	5 years
Global Growth	2794.218	7.11	23.40	13.65
Balanced	2694.651	4.86	15.23	7.73
Income	2513.995	4.37	13.44	6.82
Conservative	1868.626	3.48	9.27	5.67
Growth	2841.569	5.69	18.82	9.05

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The Premier Partnership Limited is authorised and regulated by The Financial Conduct Authority.
The Premier Partnership Limited is entered on the FCA Register under reference 209446.

5 Pebble Close · Amington · Tamworth · Staffordshire · B77 4RD
T 01283 711222 F 01283 711444 E enquiries@premierpartnership.co.uk W www.premierpartnership.co.uk
Registered Office: 5 Pebble Close, Amington, Tamworth, Staffordshire B77 4RD