



RISKS & OPPORTUNITIES OF THESE UNCERTAIN TIMES

Most people do one of two things in times like this:

- Panic and freeze or,
- Ignore it completely

The smarter thing to do is:

Stabilise first, then selectively lean into the situation.

If you strip away the headlines, periods of geopolitical tension tend to trigger three consistent financial impacts:

1. volatility,
2. inflationary pressure (especially energy), and
3. shifts in global capital.

That creates both risk and opportunity—depending on how prepared you are.

Some thoughts to consider:

Protect your financial position.

1. Strengthen your cash buffer (important)

- Households: Aim for 3–6 months of expenses
- Businesses: Ideally 2–3 months of operating costs

The reason is conflicts can ripple into:

- Fuel price spikes as we've seen which leads into higher living & business costs
- Interest rate uncertainty / rises
- Slower economic activity as a result of rising interest rates and inflationary pressures.

Having a cash (financial) buffer gives you options for unforeseen risks and opportunities.

2. Stress-test your debt (especially variable loans)

We in Australia are heavily exposed to **variable-rate lending**, so:

- Recalculate repayments if rates rise another 1, 2 or 3 interest rate rises.
- Review loan structures (split, fix, offset strategies)

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- Consider refinancing while lenders are still competitive – at the very least speak to your finance broker. (Chocolate Money)

For businesses:

- Review working capital facilities and ‘what if’ scenarios if they are withdrawn or reduced
- Ensure access to liquidity before you need it
- Speak to your Finance Broker to look for assistance with stress testing and options.

3. Lock in critical costs where possible

At home or If you run a business or have large expenses:

- Consider the advantages of fixing all or part of your debt obligations
- Fix energy contracts where viable
- Lock in supplier pricing
- Review insurance (often overlooked during volatile periods)

Uncertainty punishes those with floating cost bases.

Once you’ve considered the top 3 tips above, you are positioning yourself to capitalise on the top 3 opportunity priorities!

1. Take advantage of ‘over-reactions / over-corrections’

- Shares, Property and other investments may fall below their intrinsic value
- Commercial properties sometimes tank significantly more than other sectors
- Strong businesses with solid fundamentals may be temporarily under-valued.

Remember: Don’t chase headlines – look for the fundamentals.

2. Leverage stronger negotiation power

When uncertainty rises:

- Sellers become more flexible

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- Lenders compete harder for quality borrowers
- Deals appear that weren't available 6–12 months ago

In Australia right now:

- Property vendors are more negotiable
- Business acquisitions can be structured more favourably
- Brokers can extract sharper lending terms

Consider: It's a buyer's market mindset.

3. Position for the “rebuild and re-route” economy

Global conflict often reshapes supply chains and spending.

Watch for:

- Infrastructure & defence-related sectors
- Energy transition and alternative supply chains
- Local manufacturing and logistics

For business owners:

- Can you pivot into supply gaps?
- Can you service industries that will see increased government spending?

Contact Chocolate Money on 1300 137 539