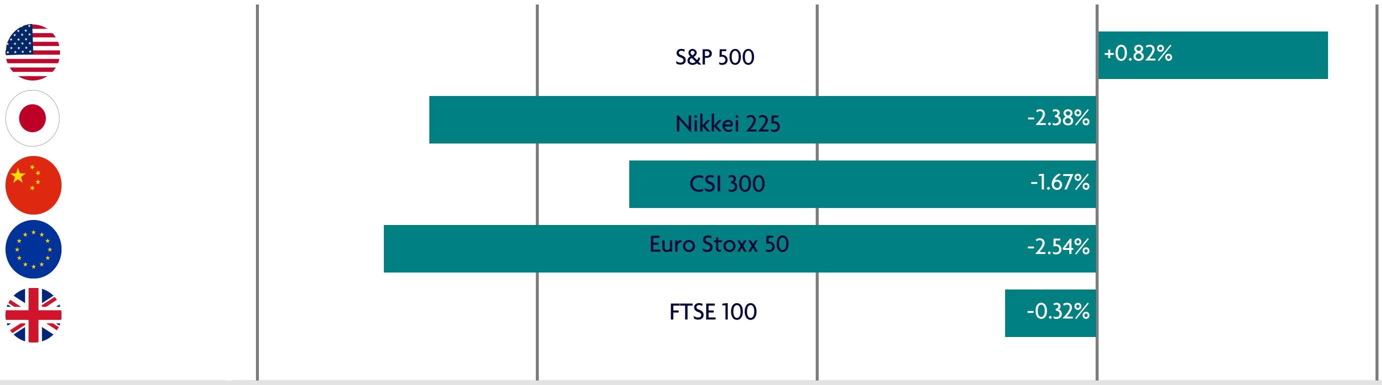
Weekly Market Update

28 February 2022

On Thursday, Ukraine woke up to explosions as peace in Europe was shattered. After Russia spent several weeks building up a sizable military force along its border with Ukraine, Russian President Vladimir Putin ordered its military to invade Ukraine. NATO said, "We now have war in Europe on a scale and of a type we thought belonged to history." The situation in Ukraine and the impact on markets around the world is changing all the time. Please bear in mind that this update was written on 27 February 2022 and was correct at the time of publishing.

Market Monitor (%): How did major stock markets perform last week?



Commentary:

Market volatility was up last week – for the US stock markets for example, this was the most volatile week since the start of the Covid-19 pandemic. Although a Russian attack on Ukraine had been widely anticipated, investors appeared surprised by Putin's decision to launch a broad-scale invasion beyond the breakaway Donbass region. News of attacks on the capital, Kyiv, and other major cities on Wednesday evening and Thursday morning sent stocks sharply lower, where we saw a historic crash in Russia's stock markets of over 50%, sending nerves through investors across the world. However, after initially falling sharply US stock markets recovered later in the day on Thursday and most markets across the world posted positive returns on Friday.

Nations around the world condemned Russia's actions, and the U.S., the UK, and other European powers made good on their promise to implement new sanctions in response, sanctions that targeted key Russian individuals linked to the Putin regime and financial institutions. From an economic point of view, the conflict could push commodity prices higher which in turn could push inflation higher. Even before Russian tanks rolled into Ukraine, western governments were struggling with rising energy prices that threatened to derail economies emerging from two years of a pandemic. From crude oil to diesel to natural gas, the fossil fuels that power the global economy are now trading at or towards record levels, threatening to redraw geopolitical relations between producers and consumers and drive-up inflation.

Clearly this is a rapidly moving situation – we can expect markets to remain volatile whilst the conflict persists. As we have previously discussed, the best investment strategy remains to stay invested for the long-term and in line with your attitude to risk. History has shown that markets are capable of riding geopolitical tensions and trying to time the peaks and troughs remains a guess at best. Over the next few days and weeks, we will seek to continually update you on the impact this ongoing crisis is having on markets and how our investment managers are positioned in their portfolio. To get access to these ongoing insights, please speak to your financial adviser or visit our website.

The Omnis Investment Club

To hear more about these topics, please search for "The Omnis Investment Club Podcast" on your podcast player.

Omnis INVESTMENTS

Omnisinvestments.com