



Challenges and Opportunities

Chris Bailey, *European Strategist, Raymond James Investment Services*

“If I had my way, I’d remove January from the calendar altogether and have an extra July instead.” – Roald Dahl

Whilst the application of many millions of booster jabs have given a strong protection against the Omicron variant, offering the hope of COVID normalisation, global financial markets have not had a positive first few weeks of 2022.

Whilst U.K. financial market losses have been relatively modest, the same cannot be said about markets in the United States, which led global gains over the last ten or twelve years. Additionally key emerging markets - such as China - have continued the negative movements they showed last year, whilst many bond markets have also seen lower prices and higher bond yields driven by the potential of rising interest rates.

The world is rarely a straightforward place as shown - beyond the COVID-19 challenges of the last two years - by recent availability constraints, heightened gas prices, military uncertainties involving Russia and enhanced government debt levels raising the risk of higher taxation.

Monday’s volatility saw significant falls in markets as the global markets closed, but most surprising of all was witnessing U.S. markets closing in positive territory at the end of trading.

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