

Street Lamp News



Market Review

May proved to be a decent month for both equity and bond market returns which were boosted by improving economic conditions coupled with anticipation of interest rate cuts by the Bank of England (BOE) and the Federal Reserve (FED) later this year. There were some exceptions with small losses in Japanese equities and Global Government bonds however most of this was attributed to currency moves as Sterling rallied against most other developed currencies.

Within equities, both the UK and US large cap companies hit all-time highs during May. The UK market has led the charge over the last 3-months posting gains of 9.5% and has also seen further broadening out of returns with small caps now outpacing large caps on a year-to-date basis. The UK economy expanded by 0.6% over the first quarter of this year, surpassing expectations and marking the fastest growth in two years. Despite upcoming UK elections on July 4th, the market seems relatively unphased about the possibility of a leadership change given the recent advance of sterling. European stocks also performed well posting gains of 2.5% over the month. This was driven by improvements in economic activity with signs of recovery in both the services and manufacturing sectors as well as corporate earnings exceeding expectations. Both Japan and Emerging Markets posted small gains in local currency terms however this was more than offset by currency moves resulting in small losses in GBP terms.

There has been a significant shift in terms of expectations around the trajectory of inflation and monetary policy across regions. At the end of 2023, markets were expecting the US to be a 'first mover' in terms of interest rate cuts and had priced in as many as 5-6 cuts throughout 2024. Fast forward to today, the European Central Bank (ECB) have led the charge cutting rates by 0.25% on June 6th. In the UK, headline inflation (CPI) has fallen near the Central Bank's target of 2% however service and wage inflation remain stubbornly high at around 6% creating some uncertainty as to when the BOE will be able to cut rates. Conversely, the chances of an imminent rate cut in the US appear to be fading with expectations of perhaps one rate cut later this year. This uncertainty around the path of interest rates is likely to remain a source of volatility for government bond markets over the near term. The big picture is that inflation is in a much better place than it was a year ago. We should not lose sight of this fact.

We have seen a positive start to the year for equity markets, but the road ahead will likely be bumpy as we navigate macroeconomic and geopolitical pitfalls. In any case, we are encouraged by the fact that economic activity is improving, and inflation levels are at a more manageable level than they were at their peak 18-months ago. As always, this should present some interesting investment opportunities over the medium to long term



Office News	Technical Update	Book Club
<p>This month, as part of our program of supporting charities following referrals by you, we have donated £50 to the Bone Cancer Research Trust. Thank you to everyone that mentions us to friends, family and contacts, it is very much appreciated.</p> <p>If you want to find out more about them please follow this link.</p> <p>Many of you have already registered for our client portal, where you can view investments, send us secure messages, share documents, visit our library of information and update your details. We are encouraging everyone to consider this, particularly given the added security it provides in sending messages to us. Over the coming weeks, if you are not already registered, you will receive an email invitation to register. There is, of course, no obligation, but we are confident that once you are logged in you will see the benefits. If you would like to discuss this further please do not hesitate to contact us.</p> <p>Our video box set this month is Scam Awareness. The growth in cybercrime and scams is unprecedented and with the development of Artificial Intelligence it is getting harder to spot a scam. Just looking out for spelling mistakes is no longer an option. We would encourage everyone to register and watch this series of short videos.</p> <p>If you know someone else who might find this useful, please do share the link with them. You do not have to be a client of ours to register and we hope to build awareness of Scams as far and wide as possible.</p>	<p>Our emotions play a crucial role in our daily lives, influencing how we interact with others, make decisions, and respond to various situations. In the realm of financial decision-making, emotions can significantly impact our choices, often leading to outcomes that diverge from our rational intentions.</p> <p>Emotions such as fear, greed, excitement, and regret can all influence our financial behaviours. Understanding these emotional triggers is essential for making more informed and rational financial decisions.</p> <ol style="list-style-type: none"> 1. When markets are volatile, fear and panic can drive investors to make hasty decisions, such as selling off investments at a loss to avoid further perceived decline. This can lead to realizing losses instead of waiting for potential recovery. 2. On the flip side, greed can cause investors to take on excessive risk in pursuit of higher returns. Overconfidence, often fuelled by a series of successful investments, can lead to underestimating risks and making overly aggressive investment choices. 3. During market booms, excitement and euphoria can cause a herd mentality, where investors follow trends without due diligence, buying high and potentially facing significant losses when the bubble bursts. 4. Regret over past financial decisions can lead to loss aversion, where the fear of realizing a loss causes individuals to hold onto losing investments longer than is prudent, hoping to break even. <p>Strategies to Mitigate Emotional Decision-Making</p> <ol style="list-style-type: none"> 1. Establish a well-thought-out financial plan with clear goals and strategies. Having a plan in place 	<p>"Two Brothers" by Ben Elton is a compelling historical novel that transports readers to the turbulent era of Nazi Germany. The story begins in Berlin, 1920, on the day when two boys, Paulus and Otto, are born. Despite sharing the same birthday, their fates are starkly different: Paulus, a Jew, and Otto, an adopted non-Jew. Elton masterfully intertwines their lives as they navigate the perils and complexities of a society descending into madness.</p> <p>Elton's narrative is both intimate and sweeping, capturing the personal struggles of the brothers against the backdrop of historical events. The depth of his research is evident, and he brings 1930s Berlin to life with meticulous detail. The novel is rich with historical accuracy, yet it never feels like a dry recounting of facts. Instead, Elton weaves a poignant and harrowing tale that is as much about the resilience of the human spirit as it is about the horrors of the Holocaust.</p> <p>The characters are deeply fleshed out, making their joys and sufferings all the more impactful. Paulus and Otto, though they start as brothers in every sense of the word, find their bond tested by the rise of Nazism and the cruel realities it imposes. The secondary characters, including their parents and friends, are equally well-drawn, adding layers of complexity to the narrative.</p> <p>Elton's writing style is engaging and accessible, balancing the heavy subject matter with moments of tenderness and hope. His portrayal of the era's brutality is unflinching, yet he manages to infuse the story with a sense of humanity. The emotional weight of the novel is substantial, and readers will find themselves deeply invested in the brothers' journey.</p> <p>One of the most striking aspects</p>

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can help guide decisions based on logic and long-term objectives rather than short-term emotions.

2. Create investment rules, such as stop-loss orders or rebalancing strategies, to enforce discipline and reduce the impact of emotional reactions to market movements.

3. A diversified portfolio can help mitigate risk and reduce the emotional impact of poor performance in any single investment.

4. Working with a financial advisor can provide an objective perspective and help counteract emotional biases in decision-making. It can also give a degree of accountability.

5. Periodically reviewing your financial situation and decisions can provide insights into emotional patterns and help adjust strategies to improve outcomes.

Emotions are an integral part of being human, and they inevitably influence our financial decisions. By recognising and understanding these emotional influences, we can develop strategies to mitigate their impact, leading to more rational and effective financial decision-making. Staying disciplined, seeking professional advice, and maintaining a long-term perspective are key to navigating the emotional challenges of financial planning.

of "Two Brothers" is its exploration of identity and family. The novel poses challenging questions about what it means to belong, the nature of loyalty, and the power of love in the face of hatred. Elton does not shy away from the moral ambiguities and difficult choices that defined the period, offering a nuanced perspective that encourages readers to reflect on their own values.

However, some readers might find the pacing uneven at times. The narrative occasionally meanders, which can disrupt the otherwise gripping momentum. Additionally, while the historical detail is impressive, it sometimes overshadows the personal storylines, making the plot feel secondary to the setting.

Overall, "Two Brothers" is a powerful and moving novel that sheds light on a dark chapter of history through the lens of a poignant family saga. Ben Elton has crafted a story that is both educational and emotionally resonant, leaving a lasting impression on its readers. It is a testament to the enduring strength of love and brotherhood in the face of unimaginable adversity.

As always we have 2 copies to giveaway, just send [me an email](#)

Interesting fact: Ever wondered why it is called a piggy bank? 'Pygg' is the old English word for a type of clay used to make pots and plates, including jars used to keep money in - which over time evolved into piggy bank.

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