

Hotspot

What to do about Trump's Tariffs?]



INVESTMENTS

MORTGAGES

PENSION

3

1

2

Most clicked link
PROTECTION

4

WHAT TO DO ABOUT TRUMP'S TARIFFS?

You have probably been wondering what you should be doing about your investments and pensions being affected by Trump's Tariffs. Well, you're not alone. Most of the top people on Wall Street, and all over the world are having the same unknowns, and the tariffs are much higher than anyone expected.

At present it is a bit difficult to know what comes next. This leads to uncertainty in the markets and this is reflected in the current movements in share prices. Down one day, up the next. Encouragingly all the markets seem to have a limit on the falls of just 3%-4%, which suggests there is some stability around but things are a bit volatile. When it is difficult to identify where the risk is, then the best approach is to stay put. Trying to judge the falls and guess the rises is difficult and never an effective approach. There is no doubt, that whatever happens the recovery will follow as you can see from the graph of the FT100. The lowest point of the market resulting from the damage caused by Covid was on 31/03/2020. The effect that the tariffs are having on markets now is only 3% to 4% at a time. Far less than the dramatic falls after the outbreak of Covid, when the world practically stood still for a year.

value:

7,707.34 **-2.57%** **FTSE 100**

Net variation of the value:

-203.19

High / Low:

7,910.53 / 7,599.56

Previous close:

7,910.53

As at 09.04.25 14:42:39 BST - All data delayed at least 15 minutes



The advice from all the top fund managers is “not to panic”. Providing you are invested in good investment funds, and you are, then it is best to stay invested in the funds and weather the storm. Markets will recover when we know the direction of the forthcoming negotiations.

However, if you are needing your investments in the immediate future like the next month for say a deposit on a house purchase or you wish to retire in the next month, then you may wish to consider a different approach. Also if you are drawing down an income on your Flexible Drawdown Pension or your ISAs and you can do without the income, then it may be sensible to either reduce your monthly income or stop the income altogether as a means of protecting the value of your investments.

There may be a silver lining to the current situation and that is in respect to interest rates. The Central Banks like the US Federal Reserve, Bank of England, European Central Bank may lower their interest rates in order to create some stimulus to the markets. This would then lower mortgage rates, which would be good thing.

If you have any concerns, then please get in touch with the office.

Hope this helps, and hold tight.

Regards

Ray