YOUR OASIS 21ST ANNIVERSARY

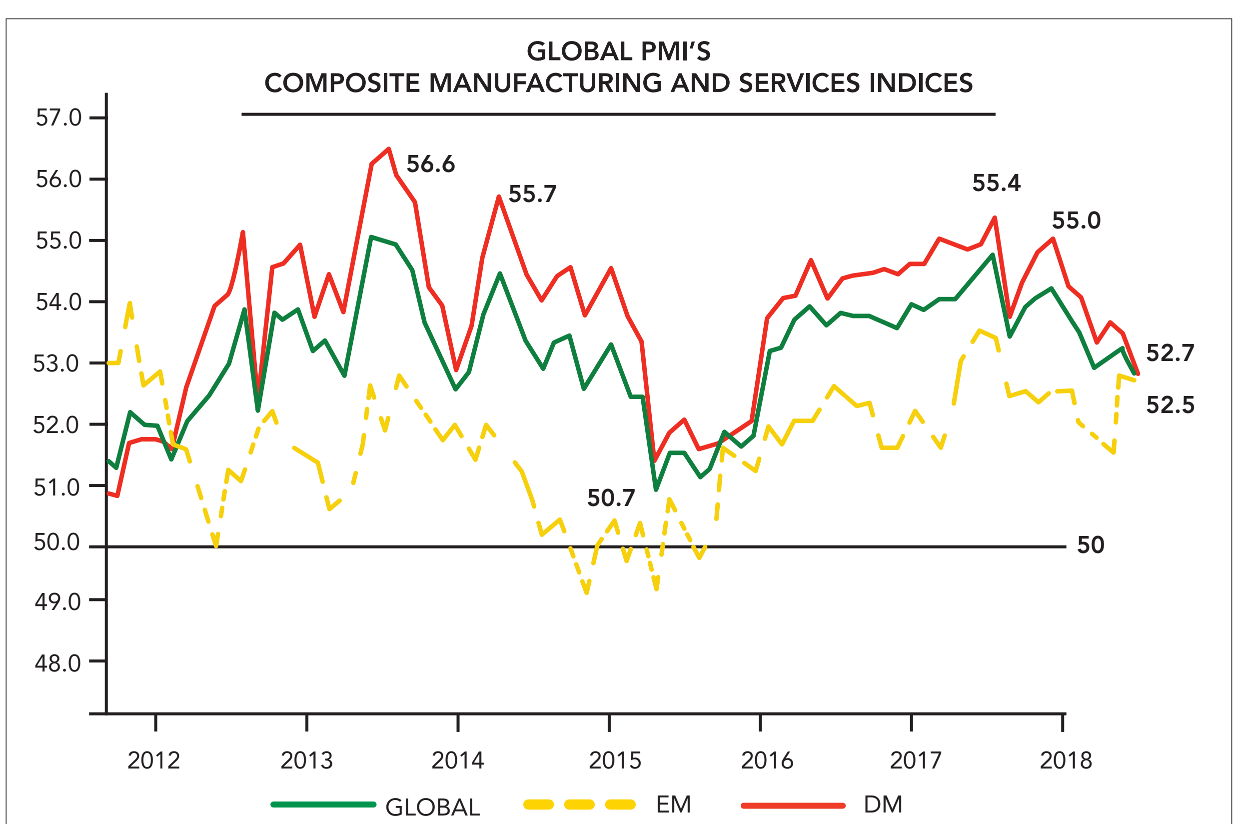
VIEWS FROM OUR CEO

The New Year took on an upbeat tone as news of high level talks between the world's largest economies were yielding results. Both the USA and China are engaging in efforts to end the trade impasse that is slowing global trade. President Trump has paused the implementation of a scheduled tariff hike of an extra 15%[1] on over USD 200 billion worth of Chinese products, which has delivered confidence to global markets amidst a cooling down in developed economies, including Germany. The US federal government remained shut for 35 days[2], as demands from President Trump for funding to build a wall between the USA and Mexico polarised the senate. The US has released strong jobs data and higher wage growth at 3.2% year-on-year in December[3], which continues to support an upward economic trajectory in the face of a global slowdown, rising interest rates, and tightening liquidity. US Markets have responded positively to the Federal Reserve Banks less hawkish approach regarding possible rate hikes for 2019, with the S&P500 up 9.2% since the start of the year. Asian markets have followed suit, with the Hang Seng index up 8.3% while the Nikkei is also trading firmer this year at 4.3%[4].

Shrinking demand in China combined with a contracting economy weighed down on the US technology sector, where shares in Apple declined on news of lower than expected demand in their largest market. The Chinese economy has slowed to 6.6%, its slowest growth rate in 28 years[5], and its manufacturing index slipped to 49.7 from 50.2 points in November[6]. The Chinese government has initiated stimulus measures to boost growth through a reduction in taxes, while increasing infrastructural spending and incentives for banks to lend money. In addition, the government is also looking to stimulate local consumption expenditure to reduce their dependence on export driven growth. As illustrated in the graph below, the Purchasers Manufacturing Index (PMI) reflects the slowdown in global trade.

Brexit continues to dominate the political economy of the UK and remains central to subdued economic growth in the world's 5th largest economy. Prime Minister Theresa May's draft plan to exit the EU suffered a dramatic loss in parliament, as parties from across the political spectrum voted against it. Mrs May's government subsequently fended off a vote of no confidence, and will be required to provide an alternate plan to parliament, as the 29th March 2019 deadline for exiting the EU draws closer, with currently no exit plan in place.

The IMF have revised their forecasts for global GDP growth downwards, with 3.5% and 3.6% projected for 2019 and 2020 respectively[7]. Emerging markets are likely to benefit from the growth rotation away from the US, as the uncertainty of trade tariffs still linger.



Source: Oasis Research

The World Economic Forum took place in Davos, Switzerland, where meetings centred on themes of Globalization in the Age of the Fourth Industrial revolution. A central point of the discussions have focused on the role of technology in mitigating global disruptions to trade in an increasingly unilateral world, and its effective deployment to address the economic and social impacts of climate change.

UK ECONOMY

The economy continues to remain vulnerable to fears of a disorderly Brexit as investor confidence remains restrained. Retail sales for December retreated to 3.0% year-on-year from 3.4% year-on-year in November and below consensus of 3.6% y/y[8]. Similarly, UK car registrations declined by 5.5% compared to the same period a year ago[9].

The CPI slipped to 2.1% in December from 2.3% the previous month, driven largely by a fall in fuel prices[10]. As the global outlook weakens, burdened by tighter financial conditions, trade tensions and the actual Brexit date moving closer, the economic momentum in the UK is likely to soften. The FTSE 100 is trading in positive territory, up 6.6% YTD[11], however company valuations across equity and property asset classes still offer substantial value for long term investors, and continue to trade at significant discounts to their historical Net asset value.

OCAS TRAVEL – UK

Our Oasis Financial Advisors travel throughout the country on a monthly basis.
During the month of February, our Financial Advisors will be travelling to the following areas:

FEB 2019	AREA
18th - 22nd	Birmingham, Coventry, Wolverhampton, Sheffield
25th - 1st Mar	Newcastle, Leeds, Bradford, West Yorkshire, Bristol, Reading, Portsmouth

FINANCIAL ADVISORY

The uncertainty around Brexit has impacted consumers in the UK, however there have been areas of positive policy changes within the personal savings landscape. During this tax year (2018/2019), the Individual Savings Accounts (ISAs) allowance is GBP 20,000, which ends on the 5th April 2019.

While the stocks and shares ISA limit applies to adults (18 years old and above), there are stock and shares junior ISAs available for children (below the age of 18 years old). The junior ISA limit for this tax year is GBP 4,260 and represents an ideal way for households to save in a tax efficient manner. As an example, if we take a family of five (including 3 children), this would amount to GBP 52,780 being invested for the family this tax year. Over time, this annual contribution will result in a substantial amount being saved that is not subjected to any form of taxation over the investment period.

An individual who contributes GBP 20,000 per tax year from the age of 18 years through to the age of 60, could potentially benefit from an investment worth around GBP 2,7 million (assuming an annualised return of 5% per annum).

In an environment where tax incentivisation around pension contributions have declined in recent years, ISAs do provide an important avenue for individuals in the UK to save in a tax efficient manner and have sufficient savings for their retirement years. The Oasis range of ISAs provide ethical investors with an opportunity to invest in high quality and flexible savings products, in a tax efficient manner.

Source: [1]www.industryweek.com 1 January 2019 - [2]www.huffingtonpost.com 5 February 2019 - [3]www.bloomberg.com 4 January 2019 - [4]Bloomberg Terminal – 6 February 2019 - [5]www.chinadaily.com 21 January 2019 - [6]www.reuters.com 21 January 2019 [7]www.imf.org 11 January 2019 - [8]Bloomberg Terminal 18 January 2019 - [9]www.marklines.com 8 January 2019 - [10]Bloomberg Terminal 18 January 2019 - [11]Bloomberg Terminal 6 February 2019

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