



DART CAPITAL

Views from the Monument

February 2020

Investment Managers

Richard Whitehead
richard.whitehead@dartcapital.com

Chris Bellchambers
chris.bellchambers@dartcapital.com

Andrew Savage
andrew.savage@dartcapital.com

Research Team

Alexander George
alexander.george@dartcapital.com

Michael High
michael.high@dartcapital.com

Dart Capital
61 Queen Street, London EC4R 1EB
Tel: 020 7283 1117
Fax: 020 7283 0891

Dart Capital Limited is registered in England and Wales.
Company number: 2146006
Dart Capital Limited is authorised and regulated by the Financial Conduct Authority. FCA registered number: 137569

Coronavirus Update

The escalation of the Coronavirus outbreak and its spread outside of China has caused a sharp fall in global equity markets this week, as traders have started to price in its impact on the global economy. Although this year's Coronavirus has a lower fatality rate than other well publicised virus outbreaks, most notably Ebola and SARS, it is more contagious with the spread to most major countries already causing global travel to be curtailed and a disruption of industrial supply chains. We have already seen the latter with US technology behemoth Apple lowering their profit forecast for this quarter amidst reduced production from their Chinese factories. Whilst this presents immediate challenges to the short-term outlook and we are monitoring the situation closely, we anticipate that the hit to the global economy should be temporary with a pick-up in growth expected later this year as governments expand their fiscal and monetary support in an attempt to support their respective economies.

In this environment it has paid to remain diversified and we have been well served by our holdings in gold and short-dated bonds which have benefitted from safe haven flows over recent weeks. Against this backdrop, we have selectively added to equities at far lower valuations than were available a week ago. Although corporate earnings will almost certainly take a hit over coming months, we believe that equities remain attractive given that interest rates are set to remain at close to zero for the foreseeable future.

This document does not constitute advice or a personal recommendation or take into account the particular investment objectives, financial situations or needs of individuals. This document is not intended for further distribution. This document has been prepared with all reasonable care and is not knowingly misleading in whole or in part. The information herein is obtained from sources which we consider to be reliable but its accuracy and completeness cannot be guaranteed. No responsibility is taken for any losses, including, without limitation, any consequential loss, which may be incurred by anyone acting on information in this document. The opinions and conclusions given are those of Dart Capital Limited and are subject to change without notice. The value of investments and the income from them are not guaranteed and can fall as well as rise and clients may not get back their original investment. It should be remembered that past performance is not necessarily a guide to future performance. Where investments have particular tax features, these depend on the individual circumstances of each client and tax rules are subject to change in the future.