

# 2023 MID-YEAR REPORT



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In the first half of 2023, the stock market made a significant recovery from the market correction of 2022.

Over the last 12 months, in my seminars, I have talked about inflation, the China-Covid lockdowns, and the war in Ukraine being the major causes of the market correction. However, I also stated that situations were improving. We will see a recovery soon.

Inflation in the U.S. has recovered from its peak of nine per cent last year to 2.97 per cent in June. Furthermore, the Covid lockdown in China has been lifted and the supply chain is in recovery. As a result, there is positive momentum in the market.

I have discussed Russia's history in the past. The overthrowing of the Russian Czar and the collapse of the Soviet Union were both triggered by the soldiers turning against the government, as a result of their failures in WW1 and the Afghanistan invasion.

Putin is well aware of Russian history and now, his nightmare is coming true, as his personal army, the Wagner Group, has turned against him. The narrative is changing from the war in Ukraine to the consequences of the collapse of Russia.

If the war in Ukraine ends earlier than expected, the rebuilding of Ukraine may contribute to a significant market rally in the near future.

There is concern of a U.S. recession, but the market has already priced in a moderate recession. Unless the recession is more severe than expected, and the data indicates otherwise so far, the negative reaction to a recession announcement may be short-lived.

Ironically, a recession would decrease inflation and, as a result, the market may rally into the next stage of a new bull market.

**For the record, I personally believe that the new bull market started in early 2023.**

However, the biggest news in 2023 is not about the war in Ukraine or the stock market, but that, on a global level, we faced the three hottest days in recorded history on July 3, 4, and 5. This was also the hottest week recorded in history.

The impacts of climate change have just started. We are seeing the beginning of the havoc that climate change will wreak. To build a better tomorrow for you and your children, we will continue to build a portfolio that will help to transition the world into a sustainable economy in order to migrate the consequential impacts of climate change.

2050 Investment Advisory Group is committed to net-zero carbon emission by 2050.



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