



RWM Dec 2021 Christmas Newsletter

Wishing you a Happy Holiday and New Year! One of the real joys of the festive season is the opportunity to say thankyou. From all of us may your holiday be filled with joy and good cheer, and the new year bring you happiness.

2021: The year in review



As the rollercoaster ride of 2021 nears an end, let's take a look back at the key events that shaped the year.

While COVID-19 continued to have repercussions at home and overseas, humanity gave us plenty of highlights over the past 12 months that (thankfully) had nothing to do with pandemics, variants, borders or vaccines.

Here's a look back at some memorable moments of 2021: the year of the Ox and the UN's International Year of Peace and Trust.

NEWS

In January, Donald Trump was banned from social media and in February, Facebook became a black hole for Aussies one strange Tuesday when all Australian news websites were blocked from using the platform. In October, a six-hour outage affected Facebook, Instagram and WhatsApp, and Facebook changed its name to Meta.

Billionaire space-racers Elon Musk, Jeff Bezos and Richard Branson launched separate human spaceflights in 2021. Who won? Bezos probably. He did have Captain Kirk (William Shatner) on board.

US troops withdrew from Afghanistan, China placed new restrictions on Australian imports and the climate emergency intensified with wildfires in Greece and California, snow storms in Texas and floods in Germany and China.

In Australia in November, four-year-old Cleo Smith was found alive and well, three weeks after disappearing from a WA campsite. And police examined new leads in the William Tyrrell case.

SPORT

Tennis' Australian Open was held in February – not January – after being postponed due to COVID-19. Novak Djokovic and Naomi Osaka claimed the titles. Novak also won the French Open in May and Wimbledon in July, where Aussie world number one Ash Barty also tasted victory.

In May, Chelsea beat Manchester City 1-0 in the UEFA Champions League final and Spain's Jon Rahm won golf's US Open. Tampa Bay won the Super Bowl, the Penrith Panthers defeated South Sydney in the NRL final, Melbourne claimed the AFL flag and Verry Elleegant won the Melbourne Cup. NSW triumphed in a memorable State of Origin series, with COVID-19 forcing game one to be played in Townsville.

The Tokyo Olympics and Paralympics ran in August and September, featuring 2020 branding after a pandemic postponement. Australia finished sixth in the Olympic medal tally, eighth in the Paralympics.

POLITICS

Joe Biden became the new US President in January. He was inaugurated just weeks after Donald Trump supporters stormed the Capitol building to disrupt the election.

Here in Australia, Dominic Perrotet took over from Gladys Berejiklian as NSW Premier in October and tensions rose between Australia and France over a cancelled \$90 billion submarine contract.

THE ENVIRONMENT

The federal government set a net zero emissions by 2050 target. Scott Morrison attended the UN Climate Change Conference in Glasgow where nations pledged measures to address global warming.

POP CULTURE

Italy won Eurovision, Squid Game was a Netflix hit, Nomadland was the toast of the Oscars and Oprah interviewed Meghan and Harry. And the Collins Dictionary declared "NFT" as the 2021 word of the year.

Wishing you a safe and happy holiday season and we look forward to seeing what 2022 holds in store!

Finding more meaning this Christmas



Overseas supply chain issues and congested online delivery systems could make it harder for Santa to deliver his gifts on time this year.

Never fear: that doesn't have to be a negative. It could actually be the very excuse we need to make Christmas 2021 more about meaning and less about the material.

As we get together with family and friends during the festive season what can we do to make every moment count?

For starters throw away that gift catalogue and concentrate on things that will make people laugh and feel loved.

Here are 10 ways to make this Christmas that most wonderful time of the year.

Write a love message

In the days of email, text, messages, and tweets the hand-written message can seem like something special. Take the time to express your love or appreciation

for a friend or family member in a card. Or simply share a favourite memory with them.

Enjoy an experience

Simple pleasures are often the best. Pack a Christmas picnic and have it at the beach or in a park. Decorate the Christmas tree together or string up some special lights. Sing some carols or make eggnog and watch a favourite Christmas movie.

Club together

Instead of exchanging gifts make a pact with friends or family to club together to support a charity. Discussing which charity to support and why could be a great bonding experience over Christmas pud. Or you could agree to buy a present for someone in need in the community instead of each other.

Be playful

Who hasn't got some standout memories of backyard cricket matches or board game tournaments in their Christmases past? Bring play back into the present this year by reviving your favourite games, sports, or jigsaw puzzles.

Swap your Christmas

Maybe you come from a family of music-lovers or book-lovers. Could you agree to wrap a favourite CD or book and share them with your loved ones?

Host an open house

Usually spend Christmas with family? Begin a new Christmas tradition by opening your doors to friends, neighbours, or 'Christmas orphans' in the community.

Spend time

Volunteering to help serve at a charity Christmas lunch could be another way to add some meaning to Xmas 2021.

Create presents

Sharing your talents with each other could be a fun way to create a different kind of Christmas. Sing, play guitar, bake something, paint, write a poem, share a favourite photo.

Second-hand challenge

Have some festive fun by opting to buy second-hand gifts instead of new ones. Raid your local op shop and see just how much your family can keep out of landfill this year.

Start a new Christmas tradition

Try celebrating Christmas in a different way. You could adopt the Icelandic tradition of gifting books to each other and spending Christmas Eve reading and eating chocolate. Or do a walk or a drive around the neighbourhood to see the Christmas lights. Or give everyone a rest from Christmas cooking and book a table in a restaurant.

If you have any questions please don't hesitate to contact the office.



PO Box 346 MSC
Torrens Park
SA 5062
Australia

Phone: 0447 800 943
Email: info@reidwm.com.au

Reid Wealth Management

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Economic update - December 2021



In this month's update, we provide a snapshot of economic occurrences both nationally and from around the globe.

Key points

- Central banks ready to hike rates
- Biden signs infrastructure bill
- Chinese economy stops the slide

The Big Picture

Up until near the end of November, most of the market chatter was about the persistence of inflation – or otherwise. Central banks – in particular, the US Federal Reserve (the Fed) – were insistent that inflation was likely to be above target levels only for a short time.

The start of this inflation 'blip' coincided with the lifting of the US COVID restrictions but it was subsequently fuelled by supply-chain blockages and energy price inflation. There is little doubt that most central bankers are now getting nervous.

The Reserve Bank of New Zealand (RBNZ) has already hiked rates twice in this cycle – the first country in the developed world to do so. The Czech central bank just did its biggest rate hike in 24 years. The Bank of England looks set to raise rates very soon.

The Reserve Bank of Australia (RBA) had been saying that it didn't expect to raise rates until 2024. It removed reference to that year in the latest minutes but it did end its so-called 'yield curve control' by which it attempted to hold down medium-term bond yields of two to three years in duration by buying bonds (by buying bond the RBA kept upward pressure on bond prices which move in the opposite direction to yield i.e. higher bond prices equals lower bond yields).

President Biden nominated Jerome Powell for a second four-year term as the Fed Chair – rather than recommend Lael Brainard, the other favoured candidate, giving her the Vice Chair instead. Brainard is thought to be more dovish. That is, Brainard was more likely to put off hiking interest rates.

The market, as measured by the CME Fedwatch tool, now expects one to four interest rate hikes by the Fed in 2022 with very high probability. Previously the Fed had been leaning towards 2023 for the first hike – or possibly just one at the end of 2022. It has already started the tapering process of reducing the bond-buying programme. Indeed, it is already talking of speeding up that plan.

Our position throughout this debate has been that raising interest rates would not reduce supply-chain blockages or energy prices. Monetary policy is not the way to tackle these problems. Biden has been trying to improve the landing and distribution of containers arriving at US ports.

At the end of November, the game changed. A new strain of COVID-19, labelled Omicron by the World Health Organisation (WHO), sprung onto the scene in Southern Africa. The ASX 200 fell sharply on the news last Friday (and again on the open of the following trading day) and Wall Street fell in tandem on that last Friday. However, during Monday's trading, US futures were strengthening and our market responded positively. Wall Street was buoyed by Biden's comment that a fresh lockdown was unlikely. The S&P 500 roared to life and the ASX 200 followed suit on the last day of November. But Powell burst that bubble the next day in his Senate hearing testimony. He spoke of the need to discuss a faster tapering of the Fed's bond buying programme and markets did not like that.

There have been 12 previous strains given names by WHO before Omicron but only Delta has caused heightened concern since the original Alpha variant. It is far too early to judge how Omicron will affect public health but many countries swiftly moved to close borders.

The Netherlands and Austria had already gone into forms of lockdown prior to Omicron being brought to our attention owing to increasing infections from the Delta variant. The USA also put Germany and Denmark on 'no fly' lists.

One good thing to come out of this latest scare is that oil prices fell very sharply which may help contain global inflation fears.

We have held the position since early in the pandemic that we should ready ourselves for 'aftershocks' as new outbreaks or lockdowns arise. It is quite possible that this new more transmissible variant will not worsen the severity of health outcomes.

If you have any questions please don't hesitate to contact the office.



PO Box 346 MSC
Torrens Park
SA 5062
Australia

Phone: 0447 800 943
Email: info@reidwm.com.au

Reid Wealth Management

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