

NEWSLETTER

HOW DOES BREXIT'S DECISION AFFECT YOU?

So the verdict is in, and while you were reading your morning paper on Friday and having your coffee, you may have noticed that the global markets dropped a few percentage points in light of United Kingdom's decision to leave the European Union. Prime Minister, David Cameron announced he will step down in October, and Boris Johnson, the leader of the Brexit movement, will likely take his place. While the "Leave" decision has surprised many investors world-wide, the market impact is as expected and not surprising.

But wait, how does this really affect you today and in the days to come? Well, probably not significantly. What you can expect in our view in the days that follow will be that markets will open on a sour note. A typical reaction as markets don't like uncertainty. The Prime Minister's "Leave" decision is clearly a surprise for many. But even as the U.S. Markets were poised to open down 3-4%, the media will use words like "plummet", "disaster", "free-fall" and more. In our view, here's the good news. The markets are poised to open at the levels that earlier this month were - not such a big deal!!

We see today's news as a potential buying opportunity if you have cash around. Not for all your cash, but for some of it. Your bond accounts will likely see a positive response, as the demand for high-quality bonds will increase. It too will likely suggest a "waiting period" for the Federal Reserve to announce interest rate hikes. If you're planning to travel to Europe, Bon Voyage as your trip just go cheaper as a result of the European currency weakening relative to the U.S. dollar.

There will be continued uncertainty in the coming weeks as a result of yesterday's vote. But it likely won't lead to a cataclysmic event. If you're invested in a well-structured portfolio; and have exposure to an array of asset classes, you should remain confident. We are in this together for the long-run. You must expect and anticipate short-term volatility; it is normal. In our opinion we must embrace it. Because as history tells us, these market pull-backs most often lead to more positive, long term results.

Van Leeuwen & Company is here with you and watching these events and will keep you apprised of changes that affect your portfolio, positively or negatively. Please call us with any questions you may have regarding this or any other topic.

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