Our Gems

JEM MONTHLY NEWSLETTER: JAN 2025

JEMWEALTH.COM.AU

Monthly Newsletter

January 2025

In this newsletter you can expect:

Meet Kerrie, our newest Adviser

We are delighted to introduce the newest member of our financial advisory team, Kerrie Bampton, who brings over two decades of experience in financial planning and wealth management to our firm, and be taking over Terry’s clients.

Kerrie's journey in financial services began in 2000, inspired by her mother's work as a financial adviser. What started as helping around the office evolved into a deep passion for financial planning, particularly the intricate work of creating personalized financial strategies for clients. Her background in paraplanning gives her exceptional insight into developing detailed, comprehensive financial plans.

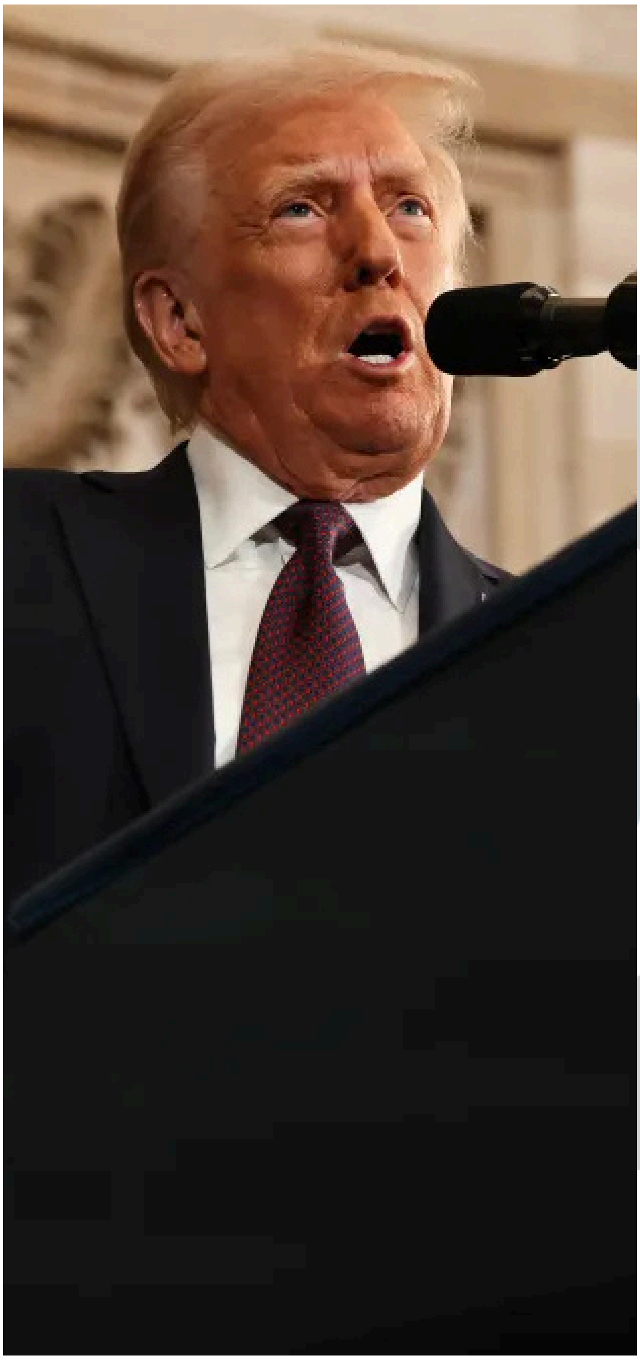
"What I love most about financial planning is seeing all the pieces of the puzzle come together," Kerrie shares. "There is nothing more satisfying than helping clients achieve clarity about their financial future." This dedication to clear communication is exemplified by one of her favourite success stories, where she helped a retiring couple navigate the complexities of their SMSF and commercial property investments, turning their concerns into confidence through patient explanation and ongoing support.

When she is not crafting financial strategies, Kerrie embraces life adventures alongside her husband, two children, and grandson Leo. A recent move has given them more opportunities to pursue their passion for travel, with memories made across Asia and the USA. The next must-visit on their bucket list are the snowy landscapes of Canada and Alaska.

You might find Kerrie and her husband on weekend motorcycle trips, or catch her tending to her namesake, "Kerrie the cow," at their home-away-from-home in northern Queensland. An avid reader with a current fondness for biographies, she finds joy in building her collection of books.

We invite you to schedule a meeting with Kerrie to discuss your financial goals and discover how her expertise and approachable style can help you achieve them.

Macquarie: The 2025 Outlook



1. Geography drives returns
The current geopolitical landscape presents investors with a nuanced challenge, driven by potential policy shifts from the Trump administration and ongoing international conflicts. While campaign promises hint at corporate tax cuts and regulatory changes, market expectations may outpace actual implementation. Simultaneously, escalating tensions in the Russia-Ukraine war and the Israel-Hamas conflict introduce significant market risks, including potential oil price volatility and broader investment uncertainties, highlighting the intricate interplay between global politics and financial markets.

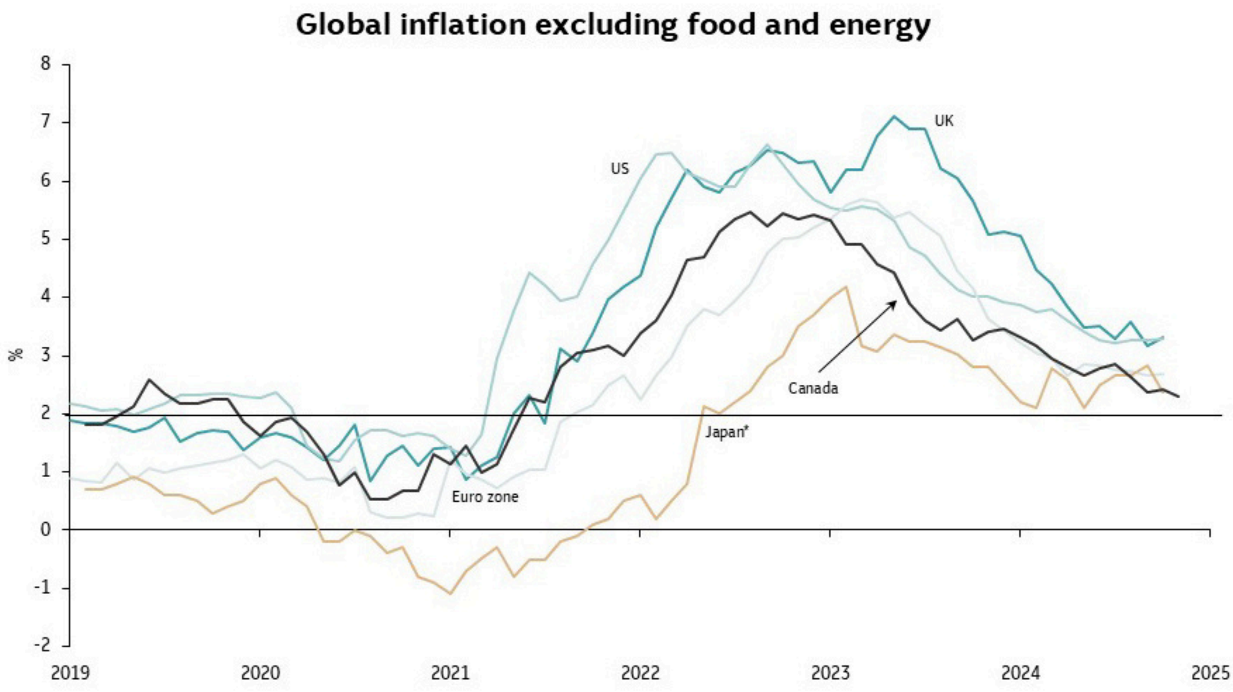
2. US is the global growth engine
The US remains the global economic growth leader, driven by consumer resilience and rising productivity fueled by AI investments. Emerging challenges include potential US trade tariffs that could disrupt China's clean technology exports and impact trade-dependent economies like Europe and Japan, necessitating potential policy adaptations.

JEMWealth

"SHIFTS IN GEOPOLITICS AND POLICY SHAPE 2025 MARKETS."

3. Eased inflation, growth-oriented policy
In 2025, inflation is expected to ease, allowing major central banks to advance their easing cycles. China is applying piecemeal fiscal and monetary policies, while some banks like the RBA may maintain tight policies until mid-year. US inflation could potentially rise due to trade tariffs, but other economies should see inflation decline from weaker demand. While slowing inflation and monetary easing typically suggest stronger global growth, geopolitical events may disrupt this potential trajectory.

4. Australia stuck between rock and hard place
Australia's economy is precariously balanced, surviving through immigration, government spending, and trade while narrowly avoiding recession. High interest rates have suppressed housing and consumer spending, with modest relief from tax cuts. The property market shows resilience, driven by Brisbane, Perth, and Adelaide, with cash investments rather than borrowing fueling growth. The critical economic challenge remains low productivity, with no clear path to revitalization.



5. A lot of good news is in the price of risk assets. Maintain a diversified portfolio

Prior to the US election result, US risk assets were well bid on the prospect of the structural earnings tailwind from the AI evolution and a cyclical rebound as the Fed cut rates. The prospect of deregulation and microeconomic reform and tax cuts from the incoming Trump administration then propelled equities to a new record high, with little room in the price for disappointment. At this stage equities have absorbed the rise in bond yields from the election promises, but another leg up may cause dislocations. US credit spreads also reflect the positive mood in US equites. Regional markets have also rallied even though the structural earnings tailwind of AI earnings is missing.

The bull case for equities is that tariffs are not raised as much as promised and the cuts to immigration are more modest or the implementation of both polices is delayed past mid-term elections. But the microeconomic. reform and tax cuts are implemented as announced during the pre-election campaign. The bear case is the corollary on tariffs and immigration, with little action on tax and reform. Reality probably lies somewhere in between, but the policy changes, whatever they are, will be implemented against a solid US economic backdrop that has a track record of proven resilience. Investors need to straddle both upside and downside risks and manage volatility. Investors should have a barbell built with a core allocation to alternative and real assets to manage volatility in both risk, and safe haven, public market assets.

Thank you for reading!

JEM Wealth	jemwealth.com.au