

Summer Newsletter

Welcome to the Morgan Law (Financial Services) Summer 2020 Newsletter. We hope that all of our clients are keeping well and are able to enjoy some of the recent social and economic relaxation changes.

We find ourselves in perhaps one of, if not the most, interesting times to be running a Wealth Management company. Recent months have highlighted the importance of technology as we have been able to remain connected to our clients, fund managers and providers in new ways for all of us throughout lockdown.

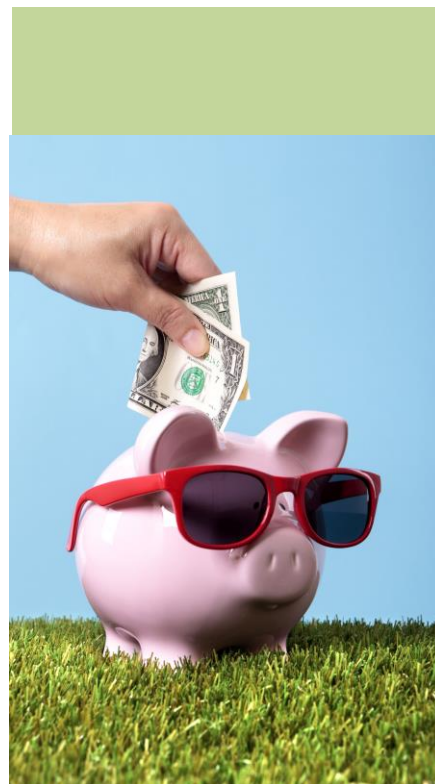
We have all been able to reflect on how all aspects of our lives were being lived before and on how perhaps to adapt them positively in the future with the things we have been forced to learn and adapt to. As a business, we noticed an increase in the number of enquiries for advice around family protection in the forms of life assurance, critical illness assurance and income protection. Interestingly too we have also had more client money invested rather than disinvested during the pandemic.

At the time of writing, markets have recovered somewhat from their most recent lows and we are all hopeful a second wave of infection is manageable if it indeed happens and that we can gradually begin to recover the economic and social impact this virus has had on everyone in the UK and on the world.

We do hope you will find the content interesting and would urge that you contact us should you wish to discuss your finances. We look forward to seeing or speaking with you again soon.

Pandemic spurs digital revolution

While many aspects of life remain on hold, many organizations are charging full steam ahead on digital transformation efforts. As the pandemic stretches on and companies get used to their new “normal,” many are thinking about how their plans will evolve for the long term. What will start, stop, or continue after the crisis eases? The speed at which IT has had to adapt during the pandemic has provided exactly the boost many leaders needed to fast-track certain digital transformation objectives.



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Both the dot-com bubble burst and 9/11 may seem like ancient history to some, but the lessons from that era are coming around again during this. These events forced businesses to focus on what's important. Providing a valuable service to customers and investing in projects with measurable impact on revenue and cash flow. The current situation will be no different.

Businesses will have to adapt to a new environment and adapt quickly. The ones who build change into their DNA will continue to succeed. In terms of wealth management, plans were in place for a lockdown combined with a stock market upheaval. As we emerge from months of significant disruption, our clients are seeing changes in how they work with us, making relationships where possible more efficient and flexible.

What next for property?

Since lockdown began, it's seemingly been a case of if – not when – house prices would drop. Amid mixed messages about the current state of the housing market, Nationwide has reported a sharp fall in house prices. Its latest house price index fell by 1.7% in May, the largest monthly fall since February 2009. As a result, the annual rate of house price growth slowed to 1.8%, down from 3.7% in April.

“The crisis offers a unique opportunity to shape a better world,” said a recent report by the World Economic Forum (WEF).

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With big corporations based in the City of London suggesting that employees will have a 3 day in and 2 day out of the office policy as a new normal, many individuals known to us are already considering that as 4 of their 7 days a week will be spent out of the office then perhaps a more rural living location with the extra space provided provides better value for money.

In a recent survey many people said they were considering moving as a result of life in lockdown, with a third saying they thought differently about their home as result of the Covid-19 outbreak, especially the importance of a garden and the need for more indoor space. Online property companies such as Zoopla have reported a surge in online house searches supporting this.

A turning-point for climate change?

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While the coronavirus has had a devastating social and economic impact, for our climate it's a different story. Global daily carbon dioxide emissions dropped 17% in early April compared with the 2019 average: this equates to a reduction of approximately 17 million tonnes of CO2 per day.

Thousands of flights have been cancelled as a result of lockdown measures – hitting the stock prices of leading airlines, among them easyJet, which is now at risk of falling out of the FTSE 100. You might think the massive drop in air travel has contributed significantly to the decline in emission levels. Yet aviation made up only 10% of the CO2 saving. The largest contributor was surface transport (travel by road, rail and sea) at 43%. Could the ‘new normal’ of living more locally help us tackle climate change?

Fund managers play an important role in this recovery too. One benefit of the managers we work closely with is their ability to adapt their approach in choosing companies to invest in, or sell, to rebalance their portfolios to reflect the current situation. Further, by investing in companies that are geared towards a sustainable economy, they can power a green recovery. The pandemic has opened our eyes to the possibility of achieving climate targets. As we decide what the ‘new normal’ will look like, the economic recovery presents a prime opportunity to shape a world fit for future generations.