



Global Insight Weekly Report

Risks become realities: Consequences of Russia's strikes on Ukraine

Dear clients,

Like many of you, we have been watching the unfolding situation in Ukraine closely over the past few weeks. Yesterday, we saw the culmination of what was feared: with Russia starting a full scale invasion of their neighbour. While the humanitarian crisis this may pose will not be fully apparent for some time, we thought it would be important to provide context about how markets tend to react to large geopolitical events.

Please find enclosed the most recent version of the Global Insight Weekly that discusses this situation in more detail. The report also

gives some historical comparisons that show how US equity markets have reacted in other major geopolitical conflicts. Historically, we have seen an initial negative reaction in markets that tends to not last a long time, before those losses are erased. From the article: *“On average, the pullbacks and corrections tended to last 30 days from the time the selloff began until the market climbed its way back to even. This occurred despite the fact that many of the actual events lasted longer—sometimes much, much longer.”*

Leading into the day of the invasion (Thursday), equity markets were already down in correction territory (over 10%) from their recent highs, so a lot of the reaction to what was going on may have been priced in during the lead up to the actual event.

Since then, we have seen a strong initial upward bounce in the North American markets from the lows on Thursday morning, as the new reality unfolds and investors get their heads around what this will mean for equity markets worldwide. We expect markets will remain volatile in the near term, but we still have a positive view for equities throughout the remainder of 2022.

Please take some time to review the attached report. As always, reach out to us directly if you have any questions or concerns related to your portfolio.

Best regards,

Ord Private Wealth Management
John, Tim, Liam & Kristen

