

HSBC Coronavirus in the spotlight

Why does it matter to investors?

Narration (voice over):

The spread of the coronavirus has had a global impact. As we work to safeguard our loved ones and communities, we're also monitoring the effect on markets.

Volatility has increased in financial markets around the world, reflecting the possibility of a significant economic impact in the months ahead. Moments like these are a great reminder for investors to make sure they **stay disciplined** and **focus on their long-term goals**, while avoiding impulse decisions.

Here are three essential tips to see you through the uncertainty.

1. Don't panic sell. Diversify instead *[on-screen text]*

Firstly, don't panic sell.

Even if you're tempted to sell now and buy back at a cheaper price, trying to "time the market" is risky.

Instead, we suggest considering to diversify into **high-quality bonds**, which tend to perform well in uncertain times.

Gold can also offer diversification benefits, and is often perceived as a safe harbour for investors in times of economic uncertainty.

If you're intent on **equities**, look at adopting a multi-asset strategy that balances higher and lower risk investments. The best way to do this is with expert help.

2. If you must sell, consider investments other than cash *[on-screen text]*

If you must sell, look beyond cash.

With global cash rates struggling to beat inflation, your purchasing power could actually go down. Again, **high-quality bonds** or even **structured or fixed-term deposits** could be considered, which can offer higher yields.

3. Seek out opportunities in the midst of the uncertainty *[on-screen text]*

Finally, look for opportunities in the midst of the uncertainty.

Remember that attractive long-term investments *are* still out there, and that buying while others are selling can be cheaper. The secret is to do your research and plan to invest a bit at a time, which can average out the price and spread the risk of trying to "guess the bottom". Refine and adjust your strategy in light of market conditions.

Most importantly, remember that our team is here to help you.