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Storm clouds appear to be gathering over the global economy.

Germany's manufacturing sector is struggling. Chinese growth is slowing. America's trade wars are hurting. All over the world there is talk of an imminent economic slowdown that could become a recession.

Only recently the yield curve inverted on two-year and ten-year US Treasuries, a reliable indicator historically that within the next year or two a recession will strike, as investors favour the security of long-term, low-returning government bonds.

The wealth management adviser Jonathan Davis doesn't think there will be a recession next year in the UK, US, or global economies, where he believes growth rates will stay robust.

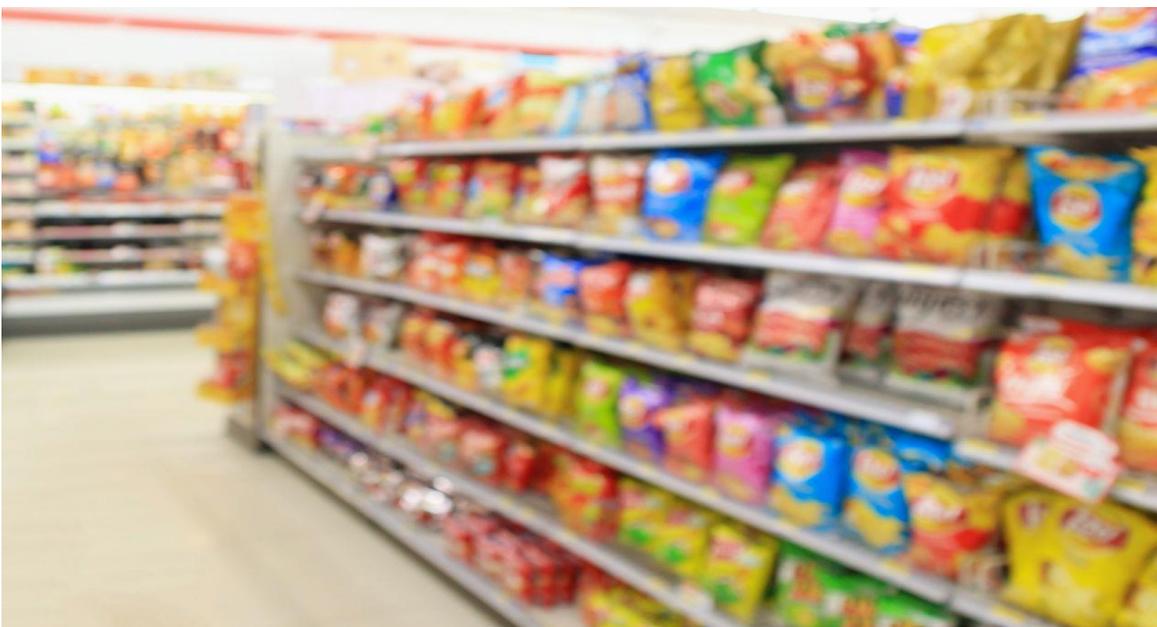
But if the omen of an inverted yield curve is right, then there is still time to recession-proof your investments, battening down the hatches before the winds strip your portfolio of any value.

"Investors, to act in advance of a recession, should reduce commodity and Emerging Markets shares exposures," Davis told Yahoo Finance UK.

"These do well in growth and inflationary times, as we have. They do badly in global recessions."

So what investments are worth looking at as potential store of wealth until it all blows over? Here are five investments to consider before the recession comes our way.

Consumer essentials



Ask yourself this: What can't consumers live without? There will always be demand, for example, for utilities, so look at energy suppliers who offer the best value to cash-conscious consumers.

And supermarkets too. We've all got to eat. Supermarkets towards the bottom end of the market may fare well during a recession as consumers look to save money on their essential spending. Another is the medical sector. Consumers and health services will always need to spend money on essential healthcare items, such as pharmaceuticals.

Government bonds

Quality sovereign debt is a safe haven asset during downturns. US Treasuries are the most popular among investors because of their long-term security. America, the world's largest economy, will not be going broke any time soon and won't default on its debt. The returns will be low, but there is peace of mind in holding Treasuries, which is why nervous investors flock to them.

Were there to be a recession, and there will again be one sometime but not soon, then we expect inflation to fall or even go deflationary, for a short time," Davis told Yahoo Finance UK.

"In this scenario, investors will want to materially increase exposure to Government Bonds, and especially US Treasuries.

"US Ts are, of course, priced in US Dollars. In a recession, global capital has, historically, flown to the US and the US Dollar has soared. So, for non-US investors they would get a double benefit of rising US T prices and weakening currency vis-à-vis the US Dollar."

Gold



Gold has a knack for retaining value and it is especially popular during downturns, when it typically performs well as an investment. For some reason, humans place value in the tangibility and allure of gold, like Gollum to the ring. Getting in early, and then out again early, seems to be the best investment play with gold. Recent concerns about a recession have pushed gold prices up a little. There is still some ambiguity about if and when a global recession will hit, so it may be one of the last moments to buy gold at a good price before there's a mad rush once the economic picture becomes clearer.

Cash

Cold, hard cash is also good for a recession—and keeps you nimble when buying opportunities arise, such as the property market bottoming out. Selling your riskiest assets and holding onto the cash might be a good idea. “Capital stays firm and is available for buying cheaper assets as the end of the recession looms,” Davis said. “But stay within taxpayer bailout limits, should it be a banking collapse, like 2008.”

Diverse funds

One way to cope with a recession is to heavily diversify. A great way to do this is to invest in managed funds that hold a wide range of assets and investments spanning all sorts of securities, stocks, shares, cash, property, and so on. This spreads the risk during a recession when some investments will do well and others badly. Rather than trying to pick the investments yourself, you could look for a well-managed, good-returning fund that suits your appetite for risk—but make sure its portfolio is diverse to balance out the risk.

If you are thinking about changing your investment portfolio, always speak to a financial advisor for professional advice before taking any action.