

"This is not the time to pull investments from the big names in food and technology"

"For a medium risk profile customer, it is reasonable to invest 40-50% of the portfolio in stock". For Angelo Meda, Head of Equities at Banor Sim, now is not the time to pull back investments in those sectors, all the more so after the declines that considerably reduced prices in the financial markets. "The COVID-19 emergency considerably increased concerns on future economic growth estimates, with the debate now shifting into the merits of the timing and the intensity of the recovery". "The most likely scenario now is "W" shaped, with a series of recoveries followed by slowdowns as a result of the possible further spread of the virus during the reopening phase".

As for portfolio recommendations, it would be appropriate to focus on sectors that are less affected by the virus and that benefit from low interest rates. "This is the case in the food & beverage and pharmaceutical sectors, with names like Nestlè, Danone, Roche, Sanofi and Diageo", emphasised Meda, "and likewise with the technology sector, with Google and Facebook in the lead. More cyclical stocks are also attractive if they are of companies with a solid financial structure and leaders in their sectors, such as Volkswagen".



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