CORONAVIRUS
PANIC IS THE
REAL
PANDEMIC

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WHEN IT COMES TO OUR HEALTH - AND OUR FINANCES - BE PREPARED, NOT PANICKED.

Coronavirus has us all a little on edge. And while the majority of health implications are mild (at the time of publication, the majority of cases appear to have already recovered) the broader economic implications are hitting much harder.

Business, investment and personal finances have already started to feel the negative impact of COVID-19 (with the exception of toilet paper manufacturers who have had an unexpected, unprecedented and somewhat unfathomable boom).

No matter what your situation - we can help putyour mind at ease

COVID-19 is a situation that is evolving daily, and even the experts can't seem to agree on what the ultimate economic impact will be. However, history and experience show us that your ability to deal with a volatile market will determine your ultimate long-term outcome.

Whether you are a business owner, investor or simply interested in securing your financial future, now is a good time to look to the qualities of what we call a 'patient investor'.

1. A patient investor does not give in to emotional responses to market movements (as hard as that may be).

2. A patient investor sticks to their long term plan. A well designed long term plan considers the market volatility, personal preferences and risk profile.

3. A patient investor seeks expert advice before reacting.

"IT'S NOT WHAT HAPPENS TO YOU, IT'S HOW YOU REACT TO IT" THAT IS IMPORTANT.

And this is awesome advice when looking at critical decisions in an emotional environment.

Yes, the share market and your superannuation funds may have taken a hit in the last month or two. However we have to put this into perspective. The beauty of super funds is that they diversify risk by investing in a range of asset classes, and superannuation is a long term savings vehicle where it's performance needs to be considered over the long term.

The coronavirus is a health issue with an economic impact.

So how might the coronavirus affect Australians?

We all know the economic impact it may have with the strong trade ties that Australia have with China. As a major economic powerhouse many of us will be indirectly affected by the disease.

We have already observed:

1. Your super may have taken a hit.

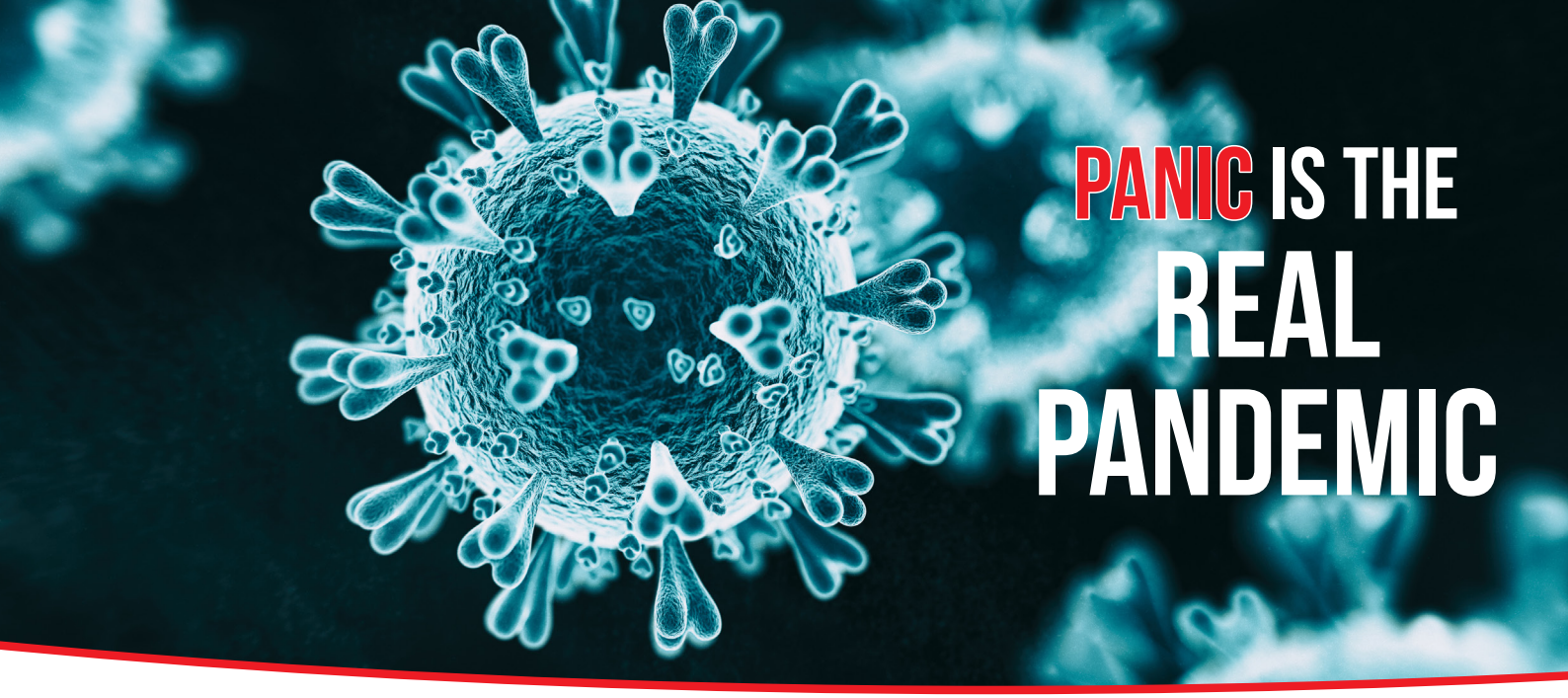
The financial implications of COVID-19 are changing daily. Call us for up to date information and how it impacts your personal situation. The impact varies widely.

2. Perhaps unexpected, but advantageous, a cash rate and subsequent interest rate reduction.

This should help to soften any fallout from the virus in Australia. We are still seeing historical lows in interest rates resulting in mortgage savings.

3. A shortage in supply of China made products.

With so many products being imported from China to Australia, combined with the closure of manufacturers, it has created concerns about supplies mainly in the construction and car industries. So there may be some hold ups here until businesses start to reopen their doors and can deliver products again.



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And for those contemplating new iPhones, you may experience real first world problems waiting for any new products from Apple.

4. Travel impacts

This is one area that changes on a daily basis. The continued spread of the coronavirus has seen The Department of Foreign Affairs and Trade (DFAT) issue new travel warnings for destinations Australians have previously visited without concern.

Some travel policies feature general exclusions for contagious diseases and pandemics. It is advisable to check with your travel insurance provider to explain the fine print of your policy and your risks.

If you feel compelled to put your travel plans on hold then negotiate with your travel agent to obtain a credit for a future trip. After all, if it's still on your bucket list it will be safe to travel at a later date.

5. Benefits hit your petrol tank

If you've filled your car this week with petrol, you may have been pleasantly surprised. With the biggest drop in global oil demand in over 10 years, the longer the crisis continues the better value we will see at the petrol pump!

So our suggestions are:

- Stay calm
- Remember your long-term financial outlook
- Seek guidance before acting rashly on financial or travel plans
- Avoid panic selling of your investments and take a commonsense approach to avoid risking your financial health

Finance tips – Engage professional advice on better rates before changing any financial commitments.

Personal risk tips – It might be a great time to review your income protection and other risk policies in the event of health changes or inability to work.

Business tips – An increasing number of small businesses have suffered, or in the worst case, gone under (especially those linked to overseas economy and products or reliant on tourism. There are many insurance covers to consider like business interruption insurance, Keyman insurance and finance products available that will keep you away from overextending your overdraft by waiting for unpaid invoices or needing some short-term finance while

Whatever your needs, we have specialists to help you protect and maintain your financial health.

Remember we are here with you over the long term to help discuss any concerns you may have.

Please reach out if you require assistance or just need a reassuring chat.

Stay ahead of the pandemic and read our article on **'What everyone must do to protect against COVID-19'.**

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