

# INVESTING IN THIS VOLATILE GLOBAL ENVIRONMENT

*The war in Ukraine has sent ripples not only across societies across the globe but also across the investment community - and continues to affect investments.*

JOHANNESBURG, GAUTENG, SOUTH AFRICA, March 15, 2023 /EINPresswire.com/ -- The war in Ukraine is an ongoing issue. More than a year after the invasion that Vladimir Putin believed would be resolved within weeks, if not days, there is still no sign of one side or the other emerging victorious. The war has sent ripples not only across societies across the globe but also across the investment community - and continues to affect many, if not all, investments. However, the uncertainty of this war is just one of many reasons why Fred Razak, Chief Trading Strategist at [CMTrading](#) says there is a lack of predictability in the financial markets.

“The war in Ukraine is not just dragging on, but pulling new states into the conflict – states that were initially not affected by this, and the war is growing,” explains Razak. “While the markets have factored in the war and are largely stagnating and trading within a range, we are very likely to see more surprises emanating from this war before it’s over that could alter this dramatically.”

“When it came to World War 2, Italy, Japan, and Germany had very little to do with each other, but they were simply forced to pick a team. I am not saying Ukraine will go the way of World War 2, but we can’t rule it out,” he says. “Countries are currently being openly forced to pick teams. Russia is picking Belarus, China, Iran, while the States has already aligned itself with NATO and Ukraine.”

“If you want to play the simulation here, I don’t like the US and NATO’s chances. I think America’s bases worldwide are much weaker than they were just four years ago, and I think Russia, Iran and China would win when, and if, the chips fall,” says Razak. “There are, therefore a lot of



Fred Razak, Chief Trading Strategist  
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countries, and South Africa is one of them, that are hedging their bets and not picking sides. The world is waiting to see what, for example, Turkey will do, and Turkey's a major player. What about India?"

"Even if it never escalates, this situation between Russia and Ukraine is a long-haul problem. The world wants this to be over. We want to see at least the hope that we are coming out the other side. But right now, it's a very alarming situation that could spill over to the rest of the world," Razak says.

While the promise of further escalation of the war in Ukraine clearly has potential for future impact, Razak maintains that there are still other current issues affecting the markets and helping exacerbate what, on the surface, appears to be a war-affected economy.

"Outside of Ukraine, we are still post-Covid, and there are still supply-chain issues coming in from China and various manufacturing plants. There are not enough chips in the world, and therefore industries that need them can't get them in time and suffer delays," says Razak. "The machinery process of the economy is unbalanced. Sure, we are making the economy work, but it's not working to its full capacity."

Razak, therefore, is hesitant to suggest an outright place to invest one's money over the next year.

"It's difficult to say. There are a few things to consider here regarding risk-averse investment options. Usually, everyone would go to gold, but inflation has stabilised for the most part, and gold is off of its highs. Gold has always been a bit of an arbitrary investment since we left the gold standard," he says, revealing that all the traditional areas of investment are not necessarily practical anymore.

"It seems the traditional business models that we know, oil companies, for example, we can't go there because there are now alternative fuels and electric cars. We can't even go into pharmaceuticals because of those supply chain issues," Razak explains. "There are some real technical issues affecting economies on the ground, and we aren't finding a balance."

"So, it seems we have to look at what's next. Everyone is moving toward AI and ChatGPT, and people are looking at high-tech forums and platforms, but these are yet to prove themselves to the public," says Razak.

"Because everything at the moment is news-driven, the markets are that much more volatile. These environments create arbitrary opportunities that have no rhyme or reason but which do have the volatility that people can take advantage of," Razak says. "It's not through run-of-the-mill trades that you can make money in this type of market, but it is the type of market in which people can make a fortune."

For more information on CMTrading, visit their official website at [www.cmtrading.com](http://www.cmtrading.com) or call +27 10 157 19 89, and one of their friendly staff will assist you.

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