

2020 investments - here's what to expect

By [Daniel Kibel](#)

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Looking abroad, massive events have been dominating the global investment landscape for the last few years. These events are going to substantially change the way investors approach investment. The election of Boris Johnson has cemented the fact that Brexit is definitely going to happen. What is important to consider now is how this will fundamentally change your investment journey over 2020.



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The second important global event is the 2020 US presidential elections, and amidst impeachment woes, whether Trump will still be a key player? Both of these international events are sure to keep the markets interesting, to say the least, for 2020. Closer to home, investors must keep in mind the Eskom issues, SAA and the future of the South African president Cyril Ramaphosa.

Shift in consumer habits

Moving away from the news-making events that will dominate 2020, an aging worldwide population coupled with the rise of a middle-class in emerging markets leads me to believe there will be a shift in consumer habits and tastes over the next 10 years. As things go generally, aged investors are more sensible, more investment savvy and they usually have more money to invest. With pension plans around the world falling short of the lifetime expectations of those who have paid them their entire lives, investors will need to be much wiser in their choices. Both locally and globally, people must ensure that they have a long-term plan for their financial stability in retirement.

Consumers are increasingly focused on the many and broad implications of what is happening in terms of sustainability. A massive shift has taken place towards meat alternatives specifically, and the investment opportunities in companies that offer these alternatives is huge. The investment stalwarts such as Coca-Cola, Disney, Amazon etc. will remain solid, but an influx of new companies has raised massive awareness, and people are always comfortable to invest in something that is creating ripples. Alternative energy and alternative meat sources are definitely creating ripples, so they will definitely be top of mind for new investment opportunities.



Daniel Kibel, founder of QMTrading

SA not inspiring investor confidence

Within our borders, according to the *Where to Invest in Africa 2020* report, South Africa has fallen to third place. It's no secret that South Africa is facing a problem. The currency is unstable and the problems faced by leadership is not inspiring investor confidence. The impact this has had is a complete lack of funds in the country. There are many more attractive African markets that are available to investors, which has an effect on the dollar/rand which rolls over to the economy, making imports a lot more expensive, in turn making life more expensive.

Investment players must keep this top of mind and South African investors should certainly be following global trends when making their 2020 investment decisions. You cannot invest if you're not aware of and following global trends. Fact. Global trends lead the world, but South Africa is part of world. The world is a very small place these days and one thing we can all bank on is the fact that if something makes waves in England, for example, the waves will be felt in South Africa. As an investor, you can't ignore the rest of the world, especially when playing in a market as small as South Africa's.

In terms of investment trends in 2020, I don't see many changes on the horizon. Investors will still be interested in trading gold, trading euro/dollar, oil, the NASDAQ etc. I do think people will still be leaning towards South African stocks, but I also think there is a growing degree of wariness. People who have traditionally invested in SA stocks are holding on and waiting to see what's happening internationally. The interest in Bitcoin and other digital currencies has definitely gone down a lot and people seem to be moving away from them.

Global investment opportunities

When it comes to the South African economy, we are going to have to focus heavily on that before we can even consider investing abroad. Even if there is a huge upturn in the world's economy, we are a long way behind. The problems with Eskom are case in point. I would suggest that SA investors should absolutely be looking for global investment opportunities. The SA market is simply not stable enough and there are so many unknowns, it would be a complete miss for investors to only keep things local.

It's not all doom and gloom though, a huge positive is that the SA investor is a lot more aware than they were five years ago. They are a lot savvier in global markets and that is certainly going to continue. The final thing I can say to anyone wanting to invest is 'don't shut your eyes'. Keep them open as to what is happening not only in SA's economy but also keep a firm eye on what's happening around the world. What is creating opportunity for investors? Certainly Brexit; maybe look at trading against the pound. Watch the relationship between America and China; that's going to have a huge effect on the dollar. Just carry on learning because you literally have a smorgasbord of information right at your fingertips.

ABOUT THE AUTHOR

Daniel Kibel, founder of QMTrading

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