

Optimism in markets despite gloomy economy



One of the most important things to understand about finance is the differences between the economy and the share market.

Despite all the volatility, one consistency about the share market is that it will always be a leading indicator of the economy. What does that mean? It means that the share market will bottom before the economy does. It also means the share market will improve before the economy does. This is evident by what has been experienced in every major recession in history.

During the Great Depression, the share market began to recover before the economy hit its worst point. During World War II, the share market bottomed in 1942 when the war didn't finish until 1945. More recently in the 1990's, the share market bottomed in 1991, yet the full force of the recession in the economy didn't end until 1993.

With all the doom and gloom about the economy at the moment, and it will get worse, my point is that this does not necessarily mean the markets will get worse. In fact, it is becoming increasingly evident that the bottom of the share market in this cycle was reached in March 2009. Since then the Australian share market has increased by 22.5%.

In technical terms, an increase of 20% or more means that we are now in a 'bull' market. Does this mean the market will go never go down again? No. But it does mean there are increasing reasons to be optimistic about the possible returns of investing in the share market. The road to recovery will not be plain sailing which is why diversifying your investments to include cash and fixed interest investments remains important.

We recommend that you make an appointment with a WHK Financial Planner to ensure that your portfolio is best positioned in light of the current market conditions.

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Forensic Accounting - Loss Assessment



What is Forensic Accounting? It is the provision of accounting advice in the legal arena, often regarding the losses suffered by a party to a dispute.

It is a specialised discipline requiring knowledge of expert evidence rules, an ability to communicate clearly in reports and in discussion with legal personnel, and the strength to withstand the pressure of intense cross examination from barristers.

The WHK Wellington Office team, headed by Richard Ivey and Peter Tremain, have a wealth of specialist experience in forensic accounting.

Their service has developed from assessments of agricultural loss, to a wide ranging forensic accounting practice covering all industries and occupations.

The team have analysed and reported on legal disputes in fields ranging from abattoirs and baristas to yachtmen and zookeeping.



Richard Ivey of WHK Wellington

The team's specialist skills gained from 20 years experience in the field, has seen them complete assessments on matters across Australia and internationally.

Work has occasionally involved celebrities such as an Olympic basketballer, an NRL player, an aging rock star, and an exotic dancer. However, most jobs relate to "ordinary" employees, or small to medium-sized businesses.

Forensic accounting generally requires quantification of losses suffered by persons and businesses affected by incidents such as:

- Medical negligence
- Breach of contract
- Motor vehicle accidents
- Fires
- Spray damage
- Family law disputes
- Land & environment matters

If you require a comprehensive and professional economic assessment of a legal dispute, please contact Richard Ivey or Peter Tremain at WHK Wellington on (02) 6845 1611.



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