

Brexit - What does this mean for U.S

Dear friends and clients,

When we all woke up Friday morning Britain decided to leave the EU in a 51.9 % to 48.1 % vote. It was certainly a historic moment. As we try to process this over the coming weeks lets try to reflect what this means for U.S investors.

There will be heightened volatility and the UK will have a short term impact on their markets. I do not believe there is systematic risk to the system and should not lead to a global recession.

The Brexit will likely not have much direct impact on the US economy as the consumer is (roughly 70% of GDP) benefiting from a strong labor market and rising income. US growth is on track and this week U.S economic numbers should provide some clarity and confidence in the U.S recovery.

If you recall the Shanghai composite crashed back in August 2015 and the Dow fell almost 800 points and oil dropped 5.5% in 2 days on fears the world's second largest economy was heading for collapse; but within a week we recovered and made it all back. The sky is not falling and this is an overreaction. I believe this is another buying opportunity, and risk assets can finish the year at higher levels.

Please feel free to contact me should you have any questions.

Sincerely,

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