Press Release

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HALIFAX

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Investors not confident UK will avoid triple dip recession

Halifax Share Dealing surveys investors to establish what impacts their investment strategies and where they are investing

While the economy climbed out of double dip recession in October, almost two-thirds of investors (63.5%) are not optimistic the UK won't see a triple dip in the near future.

The concerns are reported in the latest *Halifax Share Dealing Market Tracker* and follow predictions marking down the economic growth forecast for the next three years made in the Chancellor's Autumn Statement.

Nevertheless, investors are factoring in a gradual increase in the value of the FTSE 100 over the coming years. While most investors predict little increase in the next six months, 62.7% expect the value of the FTSE 100 to be higher in 12 months time, and 90.8% of investors expect it to be higher in five years' time.

And despite the fact the Office of Budgetary Responsibility's predictions for annual growth have been downgraded to a contraction of 0.1%, almost half of investors (48.2%) report an increase in the value of their portfolio in the last six months, compared to less than a fifth (18.1%) who say they've seen a fall.

Comfort in commodities

Energy and mining continues to be the most popular sector for investment, just ahead of financial services, with almost two thirds of investors (65.9%) currently invested here, just ahead of financial services (62.7%).

Top five holdings in November 2012

Energy & mining e.g. gas & oil	**65.9 %**
Financial services e.g. banks, insurance, property services, investment companies	**62.7 %**
Consumer services: retailers, leisure, entertainment, media, transport	**44.6 %**
Consumer & retail products: beverages, health, tobacco, pharmaceuticals	**38.2 %**
Computers, information technology & internet e.g. computer hardware, software, telecommunications	**35.7 %**

Announced alongside the Autumn Statement, the Government confirmed it is setting up the Office for Unconventional Gas to aid with the exploitation of shale gas in the UK – commonly known as 'fracking'.

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One of its first tasks will be to consult on tax breaks for the unconventional fossil fuel, and as such the sector is likely to attract more investors in the next quarter. Indeed, more than half (50.2%) of investors say they are looking to invest in energy & mining in the next six months.

Conspicuous consumption
Investors are also increasingly switching into Consumer services (e.g. retailers, leisure, entertainment, media, transport), and Computers, information technology & internet businesses (e.g. computer hardware, software, telecommunications), which indicates confidence in consumer spending on goods and technology over the Christmas period.

At present, 44.6% of investors currently invest in consumer services (up 28.2% in the last six months), and 35.7% of investors currently invest in computers, information technology & internet businesses (up 12.6% in the last six months).

Damian Stansfield, Halifax Share Dealing, comments:

"With the economic forecasts being downgraded its no surprise investors fear the UK will slip back into recession. But while few expect the value of the FTSE 100 to improve in the short-term investors remain confident in its longer-term growth.

Despite the deterioration in the growth forecast almost half of investors have seen an increase in the value of their share portfolio in the last six months. We expect to see further activity in consumer services and technology in the Christmas period and with the door being opened to fracking then interest in energy and mining sectors is likely to remain strong too."

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