



## See The Forest For The Trees

A newsletter with investment views, observations & ideas.

July 27, 2022

by Rob Zdravevski

[rob@karriasset.com.au](mailto:rob@karriasset.com.au)

### A peak in Inflation and Interest Rates

My May 24th, 2022 newsletter was titled “Buy Signals Appearing”  
It can be re-visited here.

<https://mailchi.mp/karriasset/buy-signals-appearing>.

Since then, my blog has hosted topics making a case that inflation and interest rates will moderate and that equities are in buying territory, as are some commodities.

I've written about and pondered what if the equity markets have already 'bottomed'?

In fact, I think many markets (and equities) may have seen their lows in mid-June 2022.

<https://robzdravevski.com/2022/07/16/mean-reversion-in-progress/> and  
<https://robzdravevski.com/2022/07/15/its-closer-to-buying-time-not-selling-time/> and  
<https://robzdravevski.com/2022/06/21/its-long-term-buying-season/> and  
<https://robzdravevski.com/2022/06/10/all-is-good-in-the-hood/>

Germany, South Korea and Taiwan are all on my Buy list

<https://robzdravevski.com/2022/07/12/german-buy-target-approaching/> and  
<https://robzdravevski.com/2022/06/16/south-koreas-kospi-is-giving-buy-signals/>

I am accumulating Copper related assets or securities such as Sandfire Resources.

<https://robzdrapevski.com/2022/07/18/preview-to-the-long-copper-trade/> and <https://robzdrapevski.com/2022/07/08/copper-mean-reversion-is-complete/>

**I think inflation and interest rates will moderate and abate.**

Which accompanies my thinking that the designed mid-cycle slowdown is working.

In essence, the credit markets have already built-in and factored a bunch of interest rate rises.

<https://robzdrapevski.com/2022/07/26/super-stretched/> and <https://robzdrapevski.com/2022/07/22/interest-rates-to-mean-revert/>

Rising inventories will lead to discounting

<https://robzdrapevski.com/2022/07/26/more-confirmation-of-rising-inventories/> and <https://robzdrapevski.com/2022/07/01/coming-soon-price-discounting-wars/>

and falling commodity prices will also aide lower inflation.

<https://robzdrapevski.com/2022/07/27/commodity-prices-fall-30-60-will-moderate-inflation/>

This is inherently good for equities and specifically, technology stocks, as this note alludes to.

<https://robzdrapevski.com/2022/07/18/a-read-through-for-inflation-commodities-and-tech-stocks/>

The last holdout is Oil which will eventually mean revert to the high \$70's per barrel.

Incidentally, the price of Oil is 22% below its recent May 2022 peak and it is

trading at the same price in the days prior to the Ukraine invasion.

Should we see Crude Oil decline, it will also confirm lower inflation readings.

<https://robzdrapevski.com/2022/06/30/crude-oil-is-your-inflation-proxy/>

And when the price of diesel accelerates its decline. I wrote about my fancy for transport and in particular, trucking companies.

<https://robzdrapevski.com/2022/07/13/positioning-in-trucking-companies/>

I am also accumulating opportunities in the Gold and Silver sector.

<https://robzdrapevski.com/2022/07/27/now-i-like-newmont/> and

<https://robzdrapevski.com/2022/07/25/silver-in-aud-touches-weekly-oversold/> and

<https://robzdrapevski.com/2022/07/12/divergence-in-the-aussie-gold-producers/>

I warned and re-visited commentary to not blindly chase momentum and news headlines when the media announces that Warren Buffett or Elon Musk have taken a stake in a particular company.

<https://robzdrapevski.com/2022/07/18/revisit-the-flock/>

I opined that fiscal policy is more to blame than monetary policy

<https://robzdrapevski.com/2022/07/12/be-careful-what-you-wish-for-2/> and

<https://robzdrapevski.com/2022/06/03/when-government-tries-to-frame-the-central-bank/>

And finally, this post is a prompt to consider restructuring your portfolio when saddled with losing positions which you 'hope' will breakeven or where you are deserved a certain price.

<https://robzdrapevski.com/2022/07/27/people-prefer-to-make-it-back-where-they-lost-it/>

\* seek you own advice and see my disclaimer below.

\*\* this is not to be considered 'personal advice'.

Warm Regards,  
Rob Zdravevski  
[rob@karriasset.com.au](mailto:rob@karriasset.com.au)



---

Mayfield Green Pty Ltd trading as Karri Asset Advisors is a holder of Australian Financial Services License  
No. 406083

You can contact us at:

Mobile Phone: + 61 438 921 403

Email: [rob@karriasset.com.au](mailto:rob@karriasset.com.au)

Blog: [www.robzdravevski.com](http://www.robzdravevski.com)

Linkedin: <https://www.linkedin.com/in/robzdravevski/>

Website: [www.karriasset.com.au](http://www.karriasset.com.au)

---

*Copyright © 2022 Karri Asset Advisors, All rights reserved.*

**Our mailing address is:**

PO Box 1080, Dunsborough WA 6218 AUSTRALIA

Please read our [disclaimer](#)