ABC BANKING CORPORATION
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Nervous About the Coronavirus?

One personal finance question being widely asked recently is: *Where should I put my money?* With the outbreak of the new COVID-19, worldwide, we are all worried and thinking in which safe haven should we invest.

Relax!

There exists a 100 ways to keep our money safe during a pandemic situation or any crisis.However it is all based on the age and aim of the Investor.

A young investor, worried about the effect of the coronavirus Pandemic can invest in stocks, with a smaller share in bond funds.

Buying stocks means that we are buying a share in the ownership of a company. Stocks have more ups and downs. They generally have a bigger pay off over time and is the best tool for saving about what is needed for retirement.

Bond Investments.

On the other hand,buying bonds is another solution towards a more stable investment. Think of it this way: when we buy a bond, it means we are lending money to the company or government issuing the bond.In exchange, we are being paid an interest rate until it matures and the interest is at a predictable fixed rate.

However,the value of a bond generally depends on the prevailing interest rates. When market interest rates fall, the prices of bonds typically rise, and the opposite is true, too. It's like a seesaw.

I'm in my 40's. Should I stop or save less?

Unless there is a real emergency, try not to stop saving entirely. However if the market plunge teaches that the risk tolerance wasn't as high as it was once thought, dialling back stock allocation may help you ride out storms.

60's, is it fair to move to bonds?

Let's look at things dispassionately.The optimal time to buy bonds and sell stock is quite questionable. Given that international stock prices plunged considerably sovereign bonds rose. However, high quality bonds can be a haven.For example, amid a repo rate of 2.85 percent , the Central bank has introduced a 2.5 percent, two year bond in its last stimulus measure which can be bought to a minimum of Mur 25,000 and a maximum of 1,000,000 per investor.

Facts:

-COVID-19 seems to have more in common with the 1968   Hong Kong flu epidemic than the 2003 SARS outbreak

-The one-week drop for the S&P 500 during the last week of February has only been exceeded on three occasions since 1960.

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