

How Much of a Threat is North Korea to Your Investments?

The North Korean nuclear threat is in the news again with more testing of bombs and launching of missiles. The leader of North Korea seems bent on developing these weapons and no one wants to call his bluff for fear of starting a war on the Korean Peninsula. Meanwhile how much of a threat is North Korea to your investments? *The Telegraph* writes about how this situation affects financial markets.

Rising tensions around North Korea after it announced its sixth test of a hydrogen bomb has sent investors switching out of equities and searching for safe havens in the form of gold and the yen.

In South Korea, where Boris Johnson has warned that the capital Seoul will be “vaporized” by a nuclear threat, the Kopsi index fell by 1.19pc, or 28.04 points, to end at 2,329.65 points.

Supposedly North Korea’s leader wants to stay in power and sees a nuclear arsenal deliverable by ICBMs as his protection. However, some military analysts now are saying that he may want more. Where is this going and how will North Korea affect your investments?

“Like a bad horror movie, the North Korea saga intersperses moments of calm, with occasional action to jolt you out of your chair,” said ING’s head of Asian research than Rob Carnell.

“But we have been here now many, many times,” he added. “Unless this is the precursor to US military action, which we doubt, then in a little over a day or two, tensions will calm again, making this a good buying opportunity for investors with a strong enough nerve.”

How much of a threat North Korea is to your investments depends on what you are invested in.

US Stock Market

The US stock market is overbought and due for a correction. Add a ramping up of tensions in Korea to Hurricane Harvey and maybe hurricane Irma wreaking havoc somewhere on the US Eastern seaboard and the market could correct dramatically. On the other hand defense stocks would do rather well.

The ten largest US defense contractors account for 1 percent of the US domestic economy. Investing in defense stocks means buying stock in giants such as Lockheed Martin, Boeing with its Boeing Defense, Space and Security division, Northrop Grumman Corporation and, General Dynamics. It also can mean buying stock in Raytheon Company, the world's largest producer of guided missiles or L-3 Communications Holdings, Inc. which provides the likes of NASA, intelligence agencies and the military with command, control, communications, intelligence, surveillance and reconnaissance (C3ISR).

Perhaps it is time to add a little defense to your portfolio.

Safe Havens

The Yen has gone up in value as it is considered a safe haven currency. This seems a little strange as Japan is right next door to Korea and would get involved if there were an armed conflict. **Investing in gold** is always popular when there are global tensions and today **bitcoin** will probably go up too. But be careful with cryptocurrencies when war breaks out in the cyber world as well as the real world.

Educational Resources

**Click the links below to get your
FREE training materials.**

Free Weekly Investing Webinars

Don't miss these free training events!

<http://www.profitableinvestingtips.com/free-webinar>

Forex Conspiracy Report

Read every word of this report!

<http://www.forexconspiracyreport.com>

Get 12 Free Japanese Candlestick Videos

Includes training for all 12 major candlestick signals.

<http://www.candlestickforums.com>

Disclaimer: Trading and investing involves significant financial risk and is not suitable for everyone. No content on this document should be considered as financial, trading, or investing advice. All information is intended for educational purposes only.