

JAMAICA COVID-19: GLOBAL MARKET SERIES: FACEBOOK



The world has been experiencing a global pandemic, Covid-19, which has created uncertainty in all aspects of our lives. It is also no secret that it has had numerous effects on stock markets across the world.

The BPM Global Portfolio experienced a decline at the start of this world-wide pandemic. We are pleased to highlight that this portfolio has since recovered and could progress even further. The companies being held in all our Global Portfolios are companies that provide the necessary diversification needed to help absorb overall losses that may occur. These are also companies that we believe have a great future, and as Investment Managers, it is imperative that we look ahead and make strategic decisions. Today we will focus on one of our key holdings in our portfolios, Facebook.

Facebook is a technology stock that continues to experience a rapidly growing revenue stream. The company is considered a social networking giant, which not only gives individuals the opportunity to meet people from all over the world, but it also offers companies an incredibly sophisticated way to reach their targeted audience.

Fun Fact: Facebook owns the four most downloaded apps of the decade namely, Facebook, Facebook Messenger, WhatsApp and Instagram.



HOW DOES FACEBOOK ADD VALUE TO MY PORTFOLIO?

Having a tech-stock like Facebook as a part of the portfolio helps us to maintain the diversification that is needed. Facebook has 2.3 billion users, and recently announced Facebook Shops in partnership with Shopify. Facebook Shops will allow businesses to sell products to customers through their apps WhatsApp, FB Messenger and Instagram. The benefits of this multifunctional platform, will certainly add to the growing revenue stream of this company, hence increasing shareholder's wealth. Can you imagine Browsing, Buying & Connecting all in the same place? Genius!

Fun Fact: In 2019, retail e-commerce sales worldwide amounted to US\$ 3.53 trillion and e-retail revenues are projected to grow to US\$6.54 trillion in 2022. Online shopping is one of the most popular online activities worldwide.

WHATSAPP, INSTAGRAM & FACEBOOK SHOPS:

WhatsApp and Instagram were launched in 2009 and 2010 respectively, and as of 2020 they collectively have over 2.5 billion users. Facebook has not yet fully "monetized" and developed revenue streams from these assets, but by increasing the number of users each year, the potential opportunity grows larger. It is anticipated that the number of users will continue to grow.

Facebook continues to increase its support for small businesses during the Covid-19 pandemic. Small businesses make up the vast majority of Facebook's more than 8 million advertisers, and the creation of the Facebook Shops platform will only serve to help these businesses to grow.

TAKE AWAY MESSAGE:

On May 22, 2020, Facebook traded at its all time high closing price of \$234.91. Despite this global pandemic caused by Covid-19, and with time in the market, there will always be that comfort of knowing that the market will recover, as it always does.

We are very strategic with the companies that we invest in. The world is experiencing a technological revolution, which will only become more prevalent as the years go by. So how can you the investor benefit? The next time you use one of these apps, just remember you are helping your company to grow.

At BPM Financial, we continue to do thorough analyses on companies and the market as we aim to continue "Taking You Higher".