

Fallout from the Chinese Property Market

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Provided by DSA Financial Group

There's a famous saying about a hurricane starting from a butterfly flapping its wings on the other side of the world. That "butterfly effect" is certainly happening in terms of the Chinese property market's influence on financial markets around the world.

For America, the concern contributed to the worst single day for the S&P 500 since May of this year. With building on a decline in China, the effect is felt in related industries in the U.S., such as construction equipment and investment firms.¹

This tumult is not the only area of concern in the Chinese economy. Chinese President Xi Jinping is enacting policies throughout the year designed to give the government greater control over private enterprise. For many, this is seen as curbing decades of economic growth and a genuine game-changer for a world economy accustomed to a more permissive Chinese economy.²

Still, it's important to remember that regulatory behavior around the world, no matter how strict, is one of the many factors considered by your trusted financial professional. In addition to regulatory risks, international markets have differences in financial reporting standards, currency exchange rates, political risk, and foreign taxes.

If you have questions or concerns about this situation, I welcome the opportunity to talk with you.

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Citations

1. WSJ.com, September 20, 2021
2. WSJ.com, September 20, 2021