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## Triple Play: What investors need to know about the China effect

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Scott F. Mahoney

Triple Play is a weekly NJBIZ feature that asks top executives in New Jersey to talk about three things related to their industry.

*Scott F. Mahoney is a family wealth director, senior portfolio management director and financial adviser with Morgan Stanley Wealth Management in Morristown. Scott, a Rutgers University graduate, is co-chair of Morgan Stanley's 20-member Financial Advisor Advisory Council.*

**We asked Scott for the top three things investors should know about the impact China's slowing economy is having on the rest of the world.**

**1**

China's economic slowdown is having a worldwide impact on growth. The devaluation of China's currency puts added pressure on multinational companies that, I believe,

may become part of the Federal Reserve's rationale not to raise interest rates again in the immediate future.

# 2

China's slowdown is adding to downward pressure on oil prices. While oil remains subject to geopolitical headlines, lower oil prices with low interest rates and nascent wage growth should grow the U.S. economy. The U.S. economy relies heavily on consumer consumption, so lower borrowing costs, better job prospects, and wage growth should help U.S. growth.

# 3

The recent decline in global markets reflects fears that China's economic problems will spread globally. While sentiment around China is important, China accounts for just over 7 percent of U.S. export volumes for some context. That means many investors should investigate ways to take advantage of bargain prices in strong U.S. companies with low China exposure.