

Weekly Economic Update

11 November 2022

FOR PROFESSIONAL ADVISERS ONLY



Mobius Life

UK

- The FTSE 100 closed the week at 7318 down 0.23%. The 10 year UK gilt yield moved from to 3.54% to 3.36%.
- The UK economy contracted by 0.2% in Q3, the Bank of England sees this as the start of a recession that will last until 2024.
- The UK Chancellor made it clear last week that everyone will be paying more taxes and there will be significant cuts to public spending, his autumn statement will be made on Thursday 17 November.
- WH Smith returned to profit in Q3 due to the recovery in the tourism sector. Its travel business continues to grow and is slowly becoming the main driver of its profits.

GLOBAL

- In midterm elections, the Republicans appear to have won the House of Representatives, while the Democrats have narrowly taken the senate. This was a surprise to many commentators who expected bigger gains for the Republican Party. Many pro-Trump candidates failed to win seats in swing states. However, the overall result does mean that passing government spending and fiscal policies, particularly in response to a potential recession will be harder to achieve.
- The US inflation rate rose by a slower than expected 7.7% in October, the slowest increase since January.
- China's exports fell 0.3 per cent in October, which shocked experts who were forecasting a growth of 4.5 per cent. China's zero-covid policy continues to strangle it's economy, however, there was the first relaxing of this policy last week. Close contacts of positive covid cases and overseas arrivals now only have to quarantine for 5 days, down from 7. However, as quarantine is carried out in government facilities, this has often been enforced for longer than the mandated periods anyway.
- Cryptocurrency markets dropped last week as exchange FTX filed for Bankruptcy, there were talks of a bailout by Binance, but these talks failed.
- Russian forces retreated from Kherson in southern Ukraine, a result that was celebrated by the region, however many remain without heating and electricity.
- The world meteorological organisation warned that the last eight years are on track to be the warmest on record, as the impact of climate change is beginning to be felt.

Equity Markets	Index Level 11 Nov 22	Total Return (Sterling)		
		MtD	YtD	1 Year
FTSE All Share	4037	4.3%	-0.9%	-0.8%
FTSE 100	7318	3.3%	2.5%	2.8%
FTSE 250	19616	9.7%	-14.4%	-14.5%
MSCI World	2674	2.1%	-3.3%	-3.4%
MSCI World EM	936	7.3%	-10.3%	-14.5%

Bond Markets	Yield 11 Nov 22	Index % Change (Sterling)		
		MtD	YtD	1 Year
FTA All Stock Gilt Index	3.43	1.9%	-21.3%	-21.9%
FTA All Stock ILG index	-0.08	4.4%	-29.5%	-31.1%
FTA Over 5 Year ILG index	-0.06	5.1%	-33.4%	-35.2%
FTA Under 5 Year FIG Index	3.23	0.6%	-4.2%	-4.4%
FTA Over 15 Year FIG Index	3.45	3.2%	-35.5%	-36.2%

Interest Rates & Yields	Yield			
	11 Nov 22	31 Oct 22	31 Dec 21	11 Nov 21
UK 10 Year Gilt Yield	3.36	3.52	0.97	0.92
UK 15 Year Gilt Yield	3.68	3.86	1.15	1.09
US 10 Year Treasury Yield	3.81	4.05	1.51	1.55
German 10 Year Yield	2.16	2.14	-0.18	-0.23
Spanish 10 Year Yield	3.20	3.23	0.57	0.47
Greek 10 Year Yield	4.51	4.60	1.32	1.20
Japan 10 Year Yield	0.24	0.25	0.07	0.07

Currencies Exchange Rate	11 Nov 22 31 Oct 22 31 Dec 21 11 Nov 21			
	GBP / USD	1.18	1.15	1.35
GBP / EURO	1.14	1.16	1.19	1.17
GBP / YEN	163.73	170.44	155.71	152.54

Commodities	Price Level			
	11 Nov 22	31 Oct 22	31 Dec 21	11 Nov 21
Oil - WTI \$	88.96	86.53	75.21	81.59
Gold \$	1,771.24	1,633.56	1,829.20	1,862.11
Wheat \$	813.75	882.25	770.75	812.50

Source: Mobius Life, Bloomberg
Please Note: Past performance is not a guide to future performance

Index Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group").
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Date	Region	Event	Survey	Actual	Prior
14/11/2022	UK	Industrial Production MoM	--	--	-1.6%
14/11/2022	UK	Initial Jobless Claims	222K	--	-225K
14/11/2022	UK	GDP Annualized SA QoQ	1.20%		3.50%
14/11/2022	GE	CPI YoY	10.70%		10.10%
14/11/2022	FR	GDP SA QoQ	0.30%	--	0.90%
14/11/2022	IT	CPI YoY	7.30%	--	7.30%
14/11/2022	JN	CPI EU Harmonized YoY	12.80%	--	12.80%
14/11/2022	JN	Retail Sales Advance MoM	1.00%	--	0.00%
14/11/2022	JN	Jobless Claims Change	--	--	25.5K
14/11/2022	CH	CPI Core YoY	6.40%	--	6.50%
15/11/2022	CH	Industrial Production YoY	5.30%		6.30%

Source: Bloomberg

Important Information

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