

UK

- The FTSE 100 closed the week at 7048, up 1.12%. The 10 year UK gilt yield moved from 4.05% to 3.48%.
- The UK Prime Minister formed his new cabinet with Jeremy Hunt remaining in post as Chancellor. Following this new government, the UK Gilt market recovered some of its earlier losses with the 10-year gilt yield falling to 3.7% from 4.1%. The Government confirmed it would reinstate the "moratorium of fracking in England with immediate effect".
- British gas-owner Centrica reopened its mothballed rough gas storage facility, which will boost gas supplies in the UK over winter. This may ease pressures on UK households, but with rising interest rates, roughly half of adults in the UK are concerned about meeting their mortgage payments according to the Office for National Statistics (ONS).
- Lloyds Bank reported a 25% drop in profits last week due to an increase in its provision for bad loans. This outweighed increased net interest income gained from the rising interest rate environment. In terms of the wider picture, the Chief European Economist of Goldman Sachs said that he expects a four-quarter cumulative decline in GDP of 1.6% for the UK and that a "significant" recession is likely.

GLOBAL

- The European Central Bank (ECB) raised interest rates for the second consecutive time by 75bp, with rates now standing at 1.5%, its highest level since 2009. Despite business activity in the eurozone contracting for the 4th time in October, the central bank have said more increases will be likely to tackle inflation that still appears "far too high".
- At the mid-point of earnings season, there appears to be a wide degree of variance amongst companies with over half of S&P companies having now reported Q3 earnings. According to FactSet, 71% of the companies that have reported earnings have showed an actual EPS above estimates. This means in aggregate, companies are 2.2% above estimates, whereas typically actual earnings arrive 8.7% above estimates on a 5-year average.
- The ECB warned banks that failure to address the financial risks that derive from climate change could result in higher capital requirements and potential fines. This intensification of pressure derives from concerns over the green transition and fears of the material impact of climate risks on bank's governance and strategy. It appears that large banks within the eurozone have been set a 2024 deadline to address these concerns.

Equity Markets	Index Level 28 Oct 22	Total Return (Sterling)		
		MtD	YtD	1 Year
FTSE All Share	3856	2.6%	-5.5%	-3.5%
FTSE 100	7048	2.3%	-1.4%	0.8%
FTSE 250	17917	4.6%	-21.8%	-20.7%
MSCI World	2561	3.5%	-5.8%	-2.1%
MSCI World EM	846	-7.2%	-17.5%	-18.5%

Bond Markets	Yield 28 Oct 22	Index % Change (Sterling)		
		MtD	YtD	1 Year
FTA All Stock Gilt Index	3.52	4.0%	-22.1%	-22.3%
FTA All Stock ILG index	0.04	-2.3%	-30.9%	-32.8%
FTA Over 5 Year ILG index	0.06	-3.1%	-35.0%	-36.9%
FTA Under 5 Year FIG Index	3.33	2.7%	-4.5%	-4.5%
FTA Over 15 Year FIG Index	3.53	4.1%	-36.4%	-36.9%

Interest Rates & Yields	Yield	Yield	Yield	Yield
	28 Oct 22	30 Sep 22	31 Dec 21	28 Oct 21
UK 10 Year Gilt Yield	3.48	4.09	0.97	1.01
UK 15 Year Gilt Yield	3.81	4.21	1.15	1.14
US 10 Year Treasury Yield	4.01	3.83	1.51	1.58
German 10 Year Yield	2.10	2.11	-0.18	-0.14
Spanish 10 Year Yield	3.15	3.29	0.57	0.52
Greek 10 Year Yield	4.48	4.84	1.32	1.07
Japan 10 Year Yield	0.24	0.24	0.07	0.09

Currencies Exchange Rate	28 Oct 22	30 Sep 22	31 Dec 21	28 Oct 21
	GBP / USD	1.16	1.11	1.35
GBP / EURO	1.17	1.14	1.19	1.18
GBP / YEN	171.20	161.07	155.71	156.45

Commodities	Price Level	Price Level	Price Level	Price Level
	28 Oct 22	30 Sep 22	31 Dec 21	28 Oct 21
Oil - WTI \$	87.90	79.49	75.21	82.81
Gold \$	1,644.86	1,660.61	1,829.20	1,798.91
Wheat \$	829.25	921.50	770.75	772.50

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

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Date	Region	Event	Survey	Actual	Prior
31/10/2022	CH	Manufacturing PMI	49.8	49.2	50.1
01/11/2022	US	ISM Manufacturing	50	--	50.9
02/11/2022	FR	S&P Global France Manufacturing PMI	47.4	--	47.4
02/11/2022	US	MBA Mortgage Applications	--	--	-1.70%
03/11/2022	UK	Bank of England Bank Rate	3.00%	--	2.25%
03/11/2022	US	Initial Jobless Claims	220k	--	217k
04/11/2022	US	Change in Nonfarm Payrolls	191k	--	263k

Source: Bloomberg

Important Information

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Mobius Life Limited

3rd Floor, 20 Gresham Street, London EC2V 7JE

t +44 (0) 20 7847 3300 f +44 (0) 20 7847 3399

e enquiries@mobiuslife.co.uk

www.mobiuslife.co.uk

