

UK

- The FTSE 100 closed the week at 7332, down 1.93%. The 10 year UK gilt yield moved from 3.18% to 3.33%.
- The Bank of England (BoE) raised interest rates by 0.5 percentage points, demonstrating its 9th consecutive increase to a 14 year high of 3.5%.
- UK inflation came in at 10.7% in November, falling from its previous 41-year high and declining at its sharpest rate in 16 months.
- According to the Financial Times, UK public sector borrowing tripled in November following government measures to shield households from increased energy prices and higher interest payments. This figure came in much larger than the £13bn forecasted by economists at Reuters.
- Britain is now being challenged with one of the most disruptive industrial unrests in recent history, leaving Prime Minister Rishi Sunak under mounting pressure within his parliamentary party over his insistence to not back down against striking workers. Sunak has proposed that politicians should not "cut across" the independent pay review process, as pay rises in the current environment could make soaring inflation worse.
- The government mortgage guarantee scheme, which was launched last year during the pandemic to help buyers with small deposits, has been extended to the end of 2023. The extension comes amid falling house prices and the government's support for facing "today's challenging economic circumstances" that has forced a squeeze on buyers' disposable income.

GLOBAL

- The European Central Bank (ECB) raised its key interest rate by 0.5 percentage points to 2%. Whilst this increase appears to be a reduction in hike size, The ECB remains hawkish with Christine Lagarde reiterating that rates have to rise "significantly at a steady pace" in order to bring inflation down to the 2% target.
- US prices rose at a 7.1% annual rate in November, marking its smallest year on year increase since December 2021. Whilst this shows signs of cooling, the US Federal Reserve lifted its benchmark interest rate 0.5 percentage points, marking its 7th consecutive increase this year.
- Chinese stocks fell last week as key economic indicators for November came in weaker than expected as covid related disturbances continued to weigh in on activity. Whilst the lifting of China's restrictions has taken place, the reopening has so far been negative for the economy as rising infections have resulted in businesses facing labour shortages.

Equity Markets	Index Level 16 Dec 22	Total Return (Sterling)		
		MtD	YtD	1 Year
FTSE All Share	4010	-3.1%	-1.3%	0.8%
FTSE 100	7332	-3.1%	2.9%	4.8%
FTSE 250	18588	-2.8%	-18.6%	-15.6%
MSCI World	2606	-6.0%	-8.5%	-8.1%
MSCI World EM	957	-3.4%	-10.9%	-11.6%

Bond Markets	Yield 16 Dec 22	Index % Change (Sterling)		
		MtD	YtD	1 Year
FTA All Stock Gilt Index	3.58	-2.0%	-22.2%	-24.2%
FTA All Stock ILG index	0.24	-2.0%	-31.4%	-32.9%
FTA Over 5 Year ILG index	0.25	-2.3%	-35.5%	-37.0%
FTA Under 5 Year FIG Index	3.38	-0.1%	-4.2%	-4.6%
FTA Over 15 Year FIG Index	3.67	-4.8%	-37.7%	-40.5%

Interest Rates & Yields	Yield 16 Dec 22	Yield 30 Nov 22	Yield 31 Dec 21	Yield 16 Dec 21
UK 10 Year Gilt Yield	3.33	3.16	0.97	0.76
UK 15 Year Gilt Yield	3.66	3.51	1.15	0.94
US 10 Year Treasury Yield	3.48	3.61	1.51	1.41
German 10 Year Yield	2.15	1.93	-0.18	-0.35
Spanish 10 Year Yield	3.25	2.95	0.57	0.39
Greek 10 Year Yield	4.29	4.13	1.32	1.19
Japan 10 Year Yield	0.25	0.25	0.07	0.04

Currencies Exchange Rate	16 Dec 22	30 Nov 22	31 Dec 21	16 Dec 21
GBP / USD	1.22	1.19	1.35	1.33
GBP / EURO	1.15	1.16	1.19	1.18
GBP / YEN	166.16	166.46	155.71	151.36

Commodities	Price Level 16 Dec 22	Price Level 30 Nov 22	Price Level 31 Dec 21	Price Level 16 Dec 21
Oil - WTI \$	74.29	80.55	75.21	72.38
Gold \$	1,793.08	1,768.52	1,829.20	1,799.35
Wheat \$	753.50	771.50	770.75	770.50

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
21/12/2022	US	MBA Mortgage Applications	--	--	3.20%
22/12/2022	UK	GDP QoQ	-0.20%	--	-0.20%
22/12/2022	UK	GDP YoY	2.40%	--	2.40%
22/12/2022	US	GDP Annualized QoQ	2.90%	--	2.90%
22/12/2022	US	Initial Jobless Claims	222k	--	211k
23/12/2022	IT	Manufacturing Confidence	102.7	--	102.5
23/12/2022	US	New Home Sales	600k	--	632k

Source: Bloomberg

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