

# Weekly Economic Update

9 December 2022

FOR PROFESSIONAL ADVISERS ONLY



## UK

- The FTSE 100 closed the week at 7477 down 1.05%. The 10 year UK gilt yield moved from 3.15% to 3.18%.
- According to Halifax, house prices in the UK fell at their fastest pace since the financial crisis, dropping 2.3% from October to November.
- UK chancellor Jeremy Hunt has announced plans to de-regulate the financial services industry in a move viewed by many as the biggest change in rules in 30 years. One of the biggest changes is the plan to remove the current "ringfence" rules which separate investment banking and retail operations. Many see this rule as an important "safeguard", it was enforced after the 2008 crash.
- With industrial action continuing in the UK across many sectors, the government announced last week that the armed forces are going to be drafted in to help ease disruptions this Christmas caused by the strikes.

## GLOBAL

- After increasing economic pressures, protests and criticism, Xi Jinping decided to relax some of China's Covid-19 restrictions last week. However, it remains unclear how China can fully reopen its economy. Joe Biden's chief medical adviser Dr Anthony Fauci suggested that a large-scale vaccination programme is needed for the reopening to be successful.
- The Bank of Canada increased its interest rate by 50 basis points to 4.25% last week. However, the Bank suggested it was seeing a softening in demand despite the tight labour market conditions. This is a change in tone from previous meetings, as previously there was an emphasis on the need for more tightening.
- Last Wednesday, crude oil prices fell below \$80 due to Chinese trade data indicating a global slowdown in growth. These demand fears seem to be outweighing the concerns about supply for the moment. This comes as an oil price cap on Russian oil was agreed in the G7 last Monday, limiting Russian oil to \$60 per barrel.
- The chief executive of the \$1.3tn Norwegian sovereign oil fund, Nicolai Tangen, spoke last week on plans to be much more active in the fund's ESG engagement. He conveyed that the fund will more actively vote against companies that overpay management, don't have credible net zero emissions targets or companies that lack board diversity.
- Sam Bankman-Fried, FTX founder, is set to testify at a US Congress hearing following the collapse of the crypto-exchange FTX.

Equity Markets	Index Level 09 Dec 22	Total Return (Sterling)		
		MtD	YtD	1 Year
FTSE All Share	4087	-1.2%	0.5%	1.6%
FTSE 100	7477	-1.2%	5.0%	6.0%
FTSE 250	18916	-1.1%	-17.2%	-16.0%
MSCI World	2663	-4.8%	-7.4%	-7.8%
MSCI World EM	978	-2.2%	-9.8%	-12.9%

Bond Markets	Yield 09 Dec 22	Index % Change (Sterling)		
		MtD	YtD	1 Year
FTA All Stock Gilt Index	3.43	-0.7%	-21.1%	-23.7%
FTA All Stock ILG index	0.26	-2.8%	-32.0%	-35.4%
FTA Over 5 Year ILG index	0.27	-3.4%	-36.2%	-39.7%
FTA Under 5 Year FIG Index	3.28	0.0%	-4.0%	-4.6%
FTA Over 15 Year FIG Index	3.51	-2.1%	-35.9%	-39.6%

Interest Rates & Yields	Yield 09 Dec 22	Yield 31 Oct 22	Yield 31 Dec 21	Yield 09 Dec 21
UK 10 Year Gilt Yield	3.18	3.16	0.97	0.76
UK 15 Year Gilt Yield	3.55	3.51	1.15	0.93
US 10 Year Treasury Yield	3.58	3.61	1.51	1.50
German 10 Year Yield	1.93	1.93	-0.18	-0.35
Spanish 10 Year Yield	2.96	2.95	0.57	0.38
Greek 10 Year Yield	3.98	4.13	1.32	1.36
Japan 10 Year Yield	0.25	0.25	0.07	0.05

Currencies Exchange Rate	09 Dec 22	31 Oct 22	31 Dec 21	09 Dec 21
GBP / USD	1.23	1.19	1.35	1.32
GBP / EURO	1.17	1.16	1.19	1.17
GBP / YEN	167.69	166.46	155.71	150.02

Commodities	Price Level 09 Dec 22	Price Level 31 Oct 22	Price Level 31 Dec 21	Price Level 09 Dec 21
Oil - WTI \$	71.02	80.55	75.21	70.94
Gold \$	1,797.32	1,768.52	1,829.20	1,775.33
Wheat \$	712.75	771.50	770.75	773.50

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"). © LSE Group 2022. FTSE Russell is a trading name of certain of the LSE Group companies. "FTSE®" is a trade mark(s) of the relevant LSE Group companies and is used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent.

### 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

Date	Region	Event	Survey	Actual	Prior
12/12/2022	UK	Industrial Production MoM	0.00%	--	0.20%
13/12/2022	UK	ILO Unemployment Rate 3Mths	3.70%	--	3.60%
13/12/2022	UK	Jobless Claims Change	--	--	3.3k
14/12/2022	UK	CPI MoM	0.60%	--	2.00%
14/12/2022	UK	CPI YoY	10.90%	--	11.10%
15/12/2022	UK	Bank of England Bank Rate	3.50%	--	3.00%
16/12/2022	UK	S&P Global/CIPS UK Manufacturing PMI	46.5	--	46.5
13/12/2022	GE	CPI YoY	10.00%	--	10.00%
15/12/2022	FR	CPI YoY	6.20%	--	6.20%
16/12/2022	FR	S&P Global France Manufacturing PMI	48	--	48.3
15/12/2022	CH	Industrial Production YoY	3.50%	--	5.00%
14/12/2022	SP	CPI YoY	6.80%	--	6.80%
14/12/2022	JN	Industrial Production MoM	--	--	-2.60%
13/12/2022	US	CPI MoM	0.30%	--	0.40%
14/12/2022	US	MBA Mortgage Applications	--	--	-1.90%
14/12/2022	US	FOMC Rate Decision (Upper Bound)	4.50%	--	4.00%
15/12/2022	US	Initial Jobless Claims	232k	--	230k
15/12/2022	US	Industrial Production MoM	0.10%	--	-0.10%
16/12/2022	US	S&P Global US Manufacturing PMI	47.8	--	47.7

Source: Bloomberg

### Important Information

**The value of investments, and the income from them, may go down as well as up and investors may not get back the amount originally invested.** This document has been prepared by Mobius Life Limited for professional advisers only. Opinions expressed are those of Mobius Life Limited and are not investment research. Mobius Life Limited is unable to provide advice and can only provide information on its own products and services.

Mobius Life Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registered in England and Wales at: 3rd Floor, 20 Gresham Street, London EC2V 7JE. Registered No. 3104978. For your security telephone conversations may be recorded.

### 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