

Weekly Economic Update

18 November 2022

FOR PROFESSIONAL ADVISERS ONLY



UK

- The FTSE 100 closed the week at 7386 up 0.92%. The 10 year UK gilt yield moved from 3.36% to 3.24%.
- The UK Chancellor delivered the autumn statement last week. The plan involves higher levels of taxation and public spending cuts. However, much of the pain was pushed back to 2024, which is likely to be after a general election.
- Taxes are now a larger share of UK GDP than at any time since 1950 and the public sector is now larger as a share of GDP than anytime in the last 45 years.
- UK inflation rose to 11.1% in the 12 months to October, the highest level in 41 years. UK unemployment fell to 3.6% in the three months to September. However, it is worth noting that economic inactivity increased by 0.20% to 21.6%, this is largely due to the record increases in long-term sickness.

GLOBAL

- Goldman Sachs research have announced that they forecast the US economy to avoid a recession next year, predicting GDP growth of 1% against a global prediction of 1.8%. They also join other research teams in predicting that the European recession will be mild.
- US existing-home sales fell for the ninth consecutive month, the longest decline on record.
- The Republicans took the House of Representatives and the Democrats maintained the Senate in the final US election results. Donald Trump announced he would run again for president in 2024.
- In Poland a missile killed two people last week. Polish authorities were quick to suggest this was accidental and most likely a Ukrainian air defence missile that malfunctioned. Ukraine denies this.
- At COP27, it was announced that funds were going to be made available for poorer countries to deal with the impacts of climate change. This comes against a backdrop of the global population hitting the 8-billion-mark last week according to estimates.
- Amazon announced layoffs to the tune of 10,000 people last week, a sign of the persisting problems in the technology sector.
- Elizabeth Holmes founder of Theranos was sentenced to 11 years jail time for fraud, she made multiple false claims around the medical technology her company developed. She was considered the youngest self-made female billionaire.

Equity Markets	Index Level 18 Nov 22	Total Return (Sterling)		
		MtD	YtD	1 Year
FTSE All Share	4057	4.9%	-0.4%	1.2%
FTSE 100	7386	4.3%	3.5%	5.6%
FTSE 250	19283	7.9%	-15.8%	-15.9%
MSCI World	2659	0.9%	-4.4%	-4.4%
MSCI World EM	943	7.4%	-10.2%	-13.1%

Bond Markets	Yield 18 Nov 22	Index % Change (Sterling)		
		MtD	YtD	1 Year
FTA All Stock Gilt Index	3.33	2.9%	-20.5%	-20.8%
FTA All Stock ILG index	-0.03	6.0%	-28.4%	-30.7%
FTA Over 5 Year ILG index	-0.03	7.0%	-32.2%	-34.6%
FTA Under 5 Year FIG Index	3.21	0.7%	-4.1%	-4.3%
FTA Over 15 Year FIG Index	3.34	5.3%	-34.1%	-34.5%

Interest Rates & Yields	Yield 18 Nov 22	Yield 31 Oct 22	Yield 31 Dec 21	Yield 18 Nov 21
UK 10 Year Gilt Yield	3.24	3.52	0.97	0.93
UK 15 Year Gilt Yield	3.56	3.86	1.15	1.13
US 10 Year Treasury Yield	3.83	4.05	1.51	1.59
German 10 Year Yield	2.01	2.14	-0.18	-0.28
Spanish 10 Year Yield	3.01	3.23	0.57	0.44
Greek 10 Year Yield	4.25	4.60	1.32	1.18
Japan 10 Year Yield	0.24	0.25	0.07	0.08

Currencies Exchange Rate	18 Nov 22	31 Oct 22	31 Dec 21	18 Nov 21
GBP / USD	1.19	1.15	1.35	1.35
GBP / EURO	1.15	1.16	1.19	1.19
GBP / YEN	166.60	170.44	155.71	154.21

Commodities	Price Level 18 Nov 22	Price Level 31 Oct 22	Price Level 31 Dec 21	Price Level 18 Nov 21
Oil - WTI \$	80.08	86.53	75.21	79.01
Gold \$	1,750.68	1,633.56	1,829.20	1,858.94
Wheat \$	803.25	882.25	770.75	820.00

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
23/11/2022	UK	S&P Global/CIPS UK Manufacturing PMI	45.8	--	46.2
24/11/2022	GE	IFO Business Climate	85	--	84.3
23/11/2022	GE	S&P Global/BME Germany Manufacturing PMI	45	--	45.1
23/11/2022	FR	S&P Global France Manufacturing PMI	47	--	47.2
25/11/2022	IT	Manufacturing Confidence	99.5	--	100.4
24/11/2022	JN	Tokyo CPI Ex-Fresh Food YoY	3.5%	--	3.4%
23/11/2022	US	Initial Jobless Claims	225k	--	222k
23/11/2022	US	U. of Mich. Sentiment	55	--	54.7
23/11/2022	US	Durable Goods Orders	0.4%	--	0.4%
23/11/2022	US	New Home Sales	570k	--	603k
23/11/2022	US	MBA Mortgage Applications	--	--	2.7%
23/11/2022	US	S&P Global US Manufacturing PMI	50	--	50.4

Source: Bloomberg

Important Information

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