

Weekly Economic Update

25 November 2022

FOR PROFESSIONAL ADVISERS ONLY

UK

- The FTSE 100 closed the week at 7487 up 1.37%. The 10 year UK gilt yield moved from 3.24% to 3.12%.
- The OECD has predicted the UK economy will fall by 0.4% GDP in 2023.
- Deputy Governor of the Bank of England Dave Ramsden suggested that the bank would consider cutting interest rates if growth and inflation were weaker than expected. However, for the moment, he deems it necessary to continue raising rates.
- Last week, five-year UK mortgage rates dipped below 6% for the first time since the "mini" budget. The average rate on a five-year fixed rate mortgage fell to 5.95 per cent on Tuesday, according to money facts.
- Legal and General chair Sir John Kingman, and chief executive Sir Nigel Wilson gave evidence to the House of Lords' industry and regulatory committee over the pension fund liquidity crisis that occurred two months ago. They identified Liz Truss's growth proposal as the most significant factor in causing the crisis.
- The Royal College of Nursing and UK's largest transport union RMT announced strikes last week as talks broke down with NSH and Network rail respectively.
- The UK Supreme Court confirmed that for a referendum on Scottish independence to be legally binding, it would need approval from Westminster first.

GLOBAL

- In the US, initial jobless claims hit a 3 month high of 240,000, following an increase of 17,000 over the week.
- Minutes of the Federal Open Committees suggest a more dovish stance is on the horizon in the US, it seems that a substantial majority of policymakers believe a slowdown in interest rate rises is likely to be appropriate soon.
- Cryptocurrencies fell last week following the bankruptcy of the crypto exchange FTX. This has resulted in \$8 billion of missing customer deposits according to the financial times. Senator Cynthia Lummis is pushing for a bipartisan bill to regulate the crypto market.
- China faced widespread protests against its government's zero covid policy. Protests began in the locked-down western city of Urumqi after a fire killed 10 people. It was claimed that the covid restrictions hampered rescue efforts and prevented the residents from being able to escape the fire last Thursday evening.

Equity Markets	Index Level 25 Nov 22	Total Return (Sterling)		
		MtD	YtD	1 Year
FTSE All Share	4112	6.4%	1.1%	2.2%
FTSE 100	7487	5.9%	5.1%	6.3%
FTSE 250	19546	9.4%	-14.6%	-13.7%
MSCI World	2704	0.8%	-4.5%	-5.0%
MSCI World EM	941	5.4%	-11.9%	-14.6%

Bond Markets	Yield 25 Nov 22	Index % Change (Sterling)		
		MtD	YtD	1 Year
FTA All Stock Gilt Index	3.27	3.6%	-20.0%	-20.5%
FTA All Stock ILG index	-0.04	5.3%	-28.8%	-30.8%
FTA Over 5 Year ILG index	0.01	6.2%	-32.7%	-34.8%
FTA Under 5 Year FIG Index	3.25	0.6%	-4.1%	-4.3%
FTA Over 15 Year FIG Index	3.29	6.4%	-33.4%	-34.3%

Interest Rates & Yields	Yield 25 Nov 22	Yield 31 Oct 22	Yield 31 Dec 21	Yield 25 Nov 21
UK 10 Year Gilt Yield	3.12	3.52	0.97	0.97
UK 15 Year Gilt Yield	3.46	3.86	1.15	1.13
US 10 Year Treasury Yield	3.68	4.05	1.51	1.63
German 10 Year Yield	1.97	2.14	-0.18	-0.25
Spanish 10 Year Yield	2.96	3.23	0.57	0.51
Greek 10 Year Yield	4.14	4.60	1.32	1.33
Japan 10 Year Yield	0.25	0.25	0.07	0.08

Currencies Exchange Rate	25 Nov 22	31 Oct 22	31 Dec 21	25 Nov 21
GBP / USD	1.21	1.15	1.35	1.33
GBP / EURO	1.16	1.16	1.19	1.19
GBP / YEN	168.30	170.44	155.71	153.71

Commodities	Price Level 25 Nov 22	Price Level 31 Oct 22	Price Level 31 Dec 21	Price Level 25 Nov 21
Oil - WTI \$	76.28	86.53	75.21	78.39
Gold \$	1,754.93	1,633.56	1,829.20	1,788.85
Wheat \$	775.50	882.25	770.75	836.75

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
01/12/2022	UK	S&P Global/CIPS UK Manufacturing PMI	46.2	--	4.2
01/12/2022	UK	Nationwide House PX MoM	-0.40%	--	-0.90%
30/11/2022	GE	Unemployment Change (000's)	13.5K	17K	8K
30/11/2022	FR	GDP QoQ	0.20%	0.20%	0.20%
30/11/2022	FR	CPI YoY	6.10%	6.20%	6.10%
01/12/2022	FR	S&P Global France Manufacturing PMI	49.1	--	49.1
02/12/2022	FR	Industrial Production MoM	--	--	-0.80%
02/12/2022	FR	Industrial Production YoY	--	--	1.80%
30/11/2022	IT	CPI EU Harmonized YoY	12.10%	12.50%	12.60%
02/12/2022	SP	Unemployment Change	--	--	-27K
30/11/2022	CH	Manufacturing PMI	49	48	49.2
30/11/2022	US	MBA Mortgage Applications	--	-0.80%	2.20%
30/11/2022	US	GDP Annualized QoQ	2.8%	2.9%	2.6%
01/12/2022	US	Initial Jobless Claims	235K	--	240K
01/12/2022	US	ISM Manufacturing	49.7	--	50.2
02/12/2022	US	Change in Nonfarm Payrolls	200k	--	261k
02/12/2022	US	Unemployment Rate	3.70%	--	3.70%

Source: Bloomberg

Important Information

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