

Weekly Economic Update

6 January 2023

FOR PROFESSIONAL ADVISERS ONLY



Mobius Life

UK

- The FTSE 100 closed the week at 7699 up 3.31%. The 10 year UK gilt yield moved from 3.67% to 3.47%.
- The British Retail Consortium reported that in December, annual food inflation in the UK was 13.3%, the highest it has been since records began in 2005.
- According to Halifax, UK house prices have declined for the fourth month in a row, with a 1.5% decrease from November to December. Prices have also fallen 4.3% from their August peak.
- The UK service sector appears to be stabilizing, as the S&P Global/CIPS UK Manufacturing PMI increased in line with expectations to 49.9 in December, up from 48.8 in November. However, the S&P Global/CIPS UK manufacturing PMI dropped to a 31-month low of 45.3 in December, compared to 46.5 in November.
- UK Prime Minister Rishi Sunak has invited trade union leaders to participate in talks in an attempt to end the deadlock.

GLOBAL

- Minutes from the Federal Open Market Committee's December meeting indicated that members wanted to see "substantial evidence" of declining inflation before they would be convinced that price pressures are under control. This suggests that members will be supporting interest rate rises in 2023.
- On Friday, the Bureau of Labor Statistics in the US reported that wages grew at a slower rate than expected in December, but nonfarm payrolls increased by a greater-than-predicted 223,000. In response, equity markets rose.
- According to Eurostat, inflation in the eurozone fell more than anticipated to 9.2% year-on-year in December, down from 10.1% in November, due to a slowdown in energy price increases. In response, European markets rose. However, core inflation, which excludes volatile food and energy prices, reached a record high of 5.2%.
- On January 1, Croatia officially adopted the euro and became the 20th country to join the currency union. It also joined the Schengen area.
- A shareholder resolution has been filed by major institutional shareholders in mining company Glencore, requesting that the company explain how its plans for the development and operation of thermal coal mines align with international climate goals.
- According to the Financial Times, OpenAI, the creator of the ChatGPT artificial intelligence bot, is negotiating to secure funding at a valuation of 30bn.

Equity Markets	Index Level 06 Jan 23	Total Return (Sterling)		
		MtD	YtD	1 Year
FTSE All Share	4211	3.3%	3.3%	3.0%
FTSE 100	7699	3.3%	3.3%	7.2%
FTSE 250	19505	3.5%	3.5%	-14.3%
MSCI World	2650	1.9%	1.9%	-4.8%
MSCI World EM	989	3.5%	3.5%	-6.0%

Bond Markets	Yield 06 Jan 23	Index % Change (Sterling)		
		MtD	YtD	1 Year
FTA All Stock Gilt Index	3.73	1.0%	1.0%	-21.6%
FTA All Stock ILG index	0.47	-0.7%	-0.7%	-32.7%
FTA Over 5 Year ILG index	0.48	-0.7%	-0.7%	-37.0%
FTA Under 5 Year FIG Index	3.43	0.4%	0.4%	-3.8%
FTA Over 15 Year FIG Index	3.83	1.3%	1.3%	-37.4%

Interest Rates & Yields	Yield 06 Jan 23	Yield 31 Dec 22	Yield 31 Dec 22	Yield 06 Jan 22
UK 10 Year Gilt Yield	3.47	3.67	3.67	1.16
UK 15 Year Gilt Yield	3.87	3.99	3.99	1.32
US 10 Year Treasury Yield	3.56	3.87	3.87	1.72
German 10 Year Yield	2.21	2.57	2.57	-0.06
Spanish 10 Year Yield	3.27	3.66	3.66	0.62
Greek 10 Year Yield	4.34	4.57	4.57	1.38
Japan 10 Year Yield	0.50	0.41	0.41	0.12

Currencies Exchange Rate	06 Jan 23	31 Dec 22	31 Dec 22	06 Jan 22
GBP / USD	1.21	1.21	1.21	1.35
GBP / EURO	1.14	1.13	1.13	1.20
GBP / YEN	159.65	158.48	158.48	156.70

Commodities	Price Level 06 Jan 23	Price Level 31 Dec 22	Price Level 31 Dec 22	Price Level 06 Jan 22
Oil - WTI \$	73.77	80.26	80.26	79.46
Gold \$	1,865.69	1,824.02	1,824.02	1,791.16
Wheat \$	743.50	792.00	792.00	746.00

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
13/01/2023	UK	Industrial Production MoM	-0.20%	--	0.00%
13/01/2023	UK	Manufacturing Production MoM	-0.20%	--	0.70%
09/01/2023	GE	Industrial Production SA MoM	0.30%	0.20%	0.10%
10/01/2023	FR	Industrial Production MoM	0.80%	--	-2.60%
10/01/2023	FR	Industrial Production YoY	-1.00%	--	-2.70%
13/01/2023	FR	CPI YoY	5.90%	--	5.90%
13/01/2023	IT	Industrial Production MoM	0.40%	--	-1.00%
13/01/2023	SP	CPI YoY	5.80%	--	5.80%
13/01/2023	SP	CPI EU Harmonised YoY	5.60%	--	5.60%
09/01/2023	JN	Tokyo CPI Ex-Fresh Food YoY	3.80%	--	3.60%
11/01/2023	JN	BoP Current Account Balance	¥481.0b	--	-¥64.1b
12/01/2023	CH	CPI YoY	1.8%	--	1.60%
12/01/2023	CH	PPI YoY	-0.10%	--	-1.30%
11/01/2023	US	MBA Mortgage Applications	--	--	-10.3%
12/01/2023	US	Initial Jobless Claims	215k	--	204k
12/01/2023	US	CPI MoM	0.00%	--	0.10%
12/01/2023	US	CPI YoY	6.50%	--	7.10%

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