

Weekly Economic Update

24 February 2023

FOR PROFESSIONAL ADVISERS ONLY



Mobius Life

UK

- The FTSE 100 closed the week at 7879 down 1.56%. The 10 year UK gilt yield moved from 3.52% to 3.66%.
- The UK government announced a surplus of £5.4 bn in January, this was higher than expected taking into consideration the usual boost from January self-assessment tax receipts.
- Research group GfK's index of consumer confidence in the UK increased seven points to -38 beating expectations of a -43 reading. This is the highest level reported from the index since April 2022.
- Cambridge University conducted a study which analysed the introduction of a four-day working week in 61 organizations from June 2022 to December 2022. Results from this study showed that 92% of the companies involved intend to continue with this schedule, whilst 18 vowed to make the policy permanent. On average companies reported a 35% increase in revenue compared to this period in previous years. 37% of employees reported less stress and 71% reported less "burnout" from their working schedule.
- The UK government set out proposals for a football regulator. Powers proposed include; improving the fit and proper owners test, stopping historic clubs from going bankrupt and blocking the formation of breakaway leagues that would harm the domestic game.

GLOBAL

- The S & P 500 saw its worst weekly loss since December, as news of inflation and growth surprises filtered through the market. In particular, it was reported that the core monthly personal consumption expenditure price index in the US rose above expectations to 4.7% in January. There was also a sell-off in US treasuries and 10-year US treasury notes reached a yield of 4.00%.
- Eurozone PMI came in above expectations at 52.3, significantly higher than the 50.7 level expected by economists. This is likely to strengthen the ECB's determination to keep raising rates in order to tame inflation.
- International Airlines Group, the Anglo-Spanish owner of British Airways, Aer Lingus and Iberia announced operating profits of €1.3bn in 2022, and an expectation to grow its profits to between €1.8bn – €2.3bn this coming year.
- The US, EU and UK reported spikes in import and export data of countries which border Russia. Countries such as Armenia, Turkey and Kyrgyzstan are being investigated on the back of such data and a worry that Russia may be using these countries to circumvent western sanctions.

Equity Markets	Index Level 24 Feb 23	Total Return (Sterling)		
		MtD	YtD	1 Year
FTSE All Share	4299	1.4%	6.0%	11.0%
FTSE 100	7879	1.8%	6.2%	13.4%
FTSE 250	19697	-0.6%	4.8%	0.1%
MSCI World	2707	0.4%	5.6%	6.5%
MSCI World EM	972	-2.7%	3.0%	-2.6%

Bond Markets	Yield 24 Feb 23	Index % Change (Sterling)		
		MtD	YtD	1 Year
FTA All Stock Gilt Index	3.92	-2.8%	-0.4%	-20.0%
FTA All Stock ILG index	0.57	-4.7%	-1.7%	-33.1%
FTA Over 5 Year ILG index	0.57	-5.6%	-1.9%	-37.3%
FTA Under 5 Year FIG Index	3.73	-0.9%	0.1%	-3.3%
FTA Over 15 Year FIG Index	4.02	-5.2%	-1.5%	-35.3%

Interest Rates & Yields	Yield 24 Feb 23	Yield 31 Jan 23	Yield 31 Dec 22	Yield 24 Feb 22
UK 10 Year Gilt Yield	3.66	3.33	3.67	1.45
UK 15 Year Gilt Yield	4.02	3.70	3.99	1.64
US 10 Year Treasury Yield	3.94	3.51	3.87	1.96
German 10 Year Yield	2.54	2.29	2.57	0.17
Spanish 10 Year Yield	3.51	3.28	3.66	1.18
Greek 10 Year Yield	4.37	4.29	4.57	2.57
Japan 10 Year Yield	0.50	0.49	0.41	0.19

Currencies Exchange Rate	24 Feb 23	31 Jan 23	31 Dec 22	24 Feb 22
GBP / USD	1.19	1.23	1.21	1.34
GBP / EURO	1.13	1.13	1.13	1.20
GBP / YEN	163.01	160.47	158.48	154.19

Commodities	Price Level 24 Feb 23	Price Level 31 Jan 23	Price Level 31 Dec 22	Price Level 24 Feb 22
Oil - WTI \$	76.32	78.87	80.26	92.81
Gold \$	1,811.04	1,928.36	1,824.02	1,903.89
Wheat \$	708.25	761.25	792.00	926.00

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").
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Date	Region	Event	Survey	Actual	Prior
01/03/2023	UK	S&P Global/CIPS UK Manufacturing PMI	49.2	49.2	49.3
01/03/2023	UK	Nationwide House PX MoM	-0.50%	-0.50%	-0.60%
01/03/2023	GE	CPI YoY	8.50%	8.70%	8.70%
01/03/2023	GE	S&P Global/BME Germany Manufacturing PMI	46.5	46.3	46.5
01/03/2023	FR	S&P Global France Manufacturing PMI	47.9	47.4	47.9
01/03/2023	IT	S&P Global Italy Manufacturing PMI	51	52	50.4
02/03/2023	IT	CPI EU Harmonized YoY	9.50%	--	10.70%
01/03/2023	SP	S&P Global Spain Manufacturing PMI	49	50.7	48.4
02/03/2023	JN	Jobless Rate	2.50%	--	2.50%
01/03/2023	CH	Manufacturing PMI	50.6	52.6	50.1
01/03/2023	US	MBA Mortgage Applications	--	-5.70%	-13.30%
02/03/2023	US	Initial Jobless Claims	195k	--	192k

Source: Bloomberg

Important Information

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