

# Weekly Economic Update

## 10 March 2023

FOR PROFESSIONAL ADVISERS ONLY



### UK

- The FTSE 100 closed the week at 7748 down 2.57%. The 10 year UK gilt yield moved from 3.85% to 3.64%.
- Last week, Jeremy Hunt declared that his budget on Wednesday will provide "no easy fixes" in boosting the UK's economic growth, warning that tax breaks will be possible only once inflation has been tamed. To add to the chancellor's growth ambitions, Hunt intends to introduce reforms as a way of bringing the sick, disabled and older workers back into jobs.
- In it's annual update, the Office for National Statistics added 26 new items from more than 700 items deemed to be representative of consumer spending. Additions included e-bikes, security cameras, frozen berries, and a new, detailed breakdown of rail fares based on transaction data.
- Junior doctors will go on a 3-day strike from the 13th of March, representing the most extensive act for the NHS to date since the industrial action which started in December. The strike action represents junior doctors seeking a "full pay restoration", represented by a 26% pay rise to make up real-term erosion of their earnings. Meanwhile, a similar course of action will take place on Wednesday and Thursday this week for teachers in England.

### GLOBAL

- Last week concerns grew regarding the health of Silicon Valley Bank (SVB), a technology-orientated regional bank which has provided financing for US venture backed technology and health-care companies. Fears regarding SVB's condition began on Wednesday after the bank sold its securities at a loss to meet capital requirements. Faced with already high interest rates, technology companies began pulling deposits – scoring the second biggest bank failure in US history, as cited by The Wall Street Journal.
- Comments from Jeremy Powell before Congress weighed in on US stocks on Tuesday, following suggestions of interest rate increases that could steepen and last longer if inflation maintains its current trajectory.
- Bitcoin continued in its third weekly decline last week, falling off from its higher prices in the opening weeks of 2023.
- According to Reuters, Turkey's account deficit widened to \$9.85 billion in January, reflecting the highest level in four decades and posing to be a key vulnerability for the economy. This was attributed to higher energy costs and gold imports as well as the weakening of the Lira against the dollar.

Equity Markets	Index Level 10 Mar 23	Total Return (Sterling)		
		MtD	YtD	1 Year
FTSE All Share	4226	-1.5%	4.5%	10.7%
FTSE 100	7748	-1.3%	4.8%	13.2%
FTSE 250	19357	-2.6%	3.1%	-0.1%
MSCI World	2657	-1.7%	2.8%	2.7%
MSCI World EM	955	-0.5%	0.4%	-2.8%

Bond Markets	Yield 10 Mar 23	Index % Change (Sterling)		
		MtD	YtD	1 Year
FTA All Stock Gilt Index	3.81	1.7%	0.9%	-17.9%
FTA All Stock ILG index	0.43	2.5%	0.7%	-31.3%
FTA Over 5 Year ILG index	0.44	2.9%	0.8%	-35.4%
FTA Under 5 Year FIG Index	3.67	0.4%	0.4%	-2.8%
FTA Over 15 Year FIG Index	3.91	2.9%	0.5%	-32.2%

Interest Rates & Yields	Yield 10 Mar 23	Yield 28 Feb 23	Yield 31 Dec 22	Yield 10 Mar 22
	UK 10 Year Gilt Yield	3.64	3.83	3.67
UK 15 Year Gilt Yield	3.93	4.12	3.99	1.71
US 10 Year Treasury Yield	3.70	3.92	3.87	1.99
German 10 Year Yield	2.51	2.65	2.57	0.27
Spanish 10 Year Yield	3.54	3.60	3.66	1.27
Greek 10 Year Yield	4.32	4.43	4.57	2.54
Japan 10 Year Yield	0.40	0.50	0.41	0.19

Currencies Exchange Rate	10 Mar 23	28 Feb 23	31 Dec 22	10 Mar 22
	GBP / USD	1.21	1.21	1.21
GBP / EURO	1.13	1.14	1.13	1.19
GBP / YEN	162.49	164.32	158.48	152.09

Commodities	Price Level 10 Mar 23	Price Level 28 Feb 23	Price Level 31 Dec 22	Price Level 10 Mar 22
	Oil - WTI \$	76.68	77.05	80.26
Gold \$	1,868.26	1,826.92	1,824.02	1,996.98
Wheat \$	666.75	691.50	792.00	1,073.75

Source: Mobius Life, Bloomberg  
Please Note: Past performance is not a guide to future performance

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#### 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
14/03/2023	UK	Jobless Claims Change	--	-11.2k	-12.9k
14/03/2023	SP	CPI YoY	6.10%	6.00%	6.10%
14/03/2023	IT	Industrial Production MoM	--	-0.70%	1.60%
14/03/2023	US	CPI Core MoM	--	0.40%	0.50%
14/03/2023	US	CPI YoY	6.00%	6.00%	6.40%
15/03/2023	FR	CPI YoY	6.20%	--	6.20%
15/03/2023	US	Retail Sales Advance MoM	-0.40%	--	3.00%
16/03/2023	JN	Industrial Production MoM	--	--	-4.60%
16/03/2023	IT	CPI EU Harmonized YoY	9.90%	--	9.90%
16/03/2023	US	Initial Jobless Claims	205k	--	211k

Source: Bloomberg

### Important Information

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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  
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