

Weekly Economic Update

14 April 2023

FOR PROFESSIONAL ADVISERS ONLY

UK

- The FTSE 100 closed the week at 7872 up 1.68%. The 10 year UK gilt yield moved from 3.43% to 3.67%.
- According to Deloitte's most recent survey of UK corporates, there has been a significant improvement in CFOs' sentiment since January. CFOs stated that supply chain issues and recruitment problems are not as much of a burden as before. Nevertheless, CFOs continue to be cautious, and their risk appetite remains lower than typical levels.
- Following the recent banking upheavals, Andrew Bailey, the Governor of the Bank of England, cautioned that the UK deposit protection scheme might require extensive reform.

GLOBAL

- In March, the most recent CPI report for the US indicated a 5% rise in prices, which was slightly lower than the anticipated level of 5.1%. Nevertheless, there was a 0.1% increase in core inflation, underscoring the persistent character of underlying inflation. It is predicted that there will be a 25-basis point hike in interest rates during the FED meeting scheduled for May.
- The US producer price index experienced a decline of 0.1% in March, which indicates the first drop in input prices for businesses since the peak of the pandemic shutdowns in April 2020.
- Analysts are predicting a 6.8% decrease in earnings for US companies in the first quarter of 2023, indicating the most significant decline in profits since the pandemic for S&P 500 firms.
- Despite the recent turbulence, banks including Wells Fargo, Citigroup and JPMorgan Chase have reported profits in the first quarter of this year that surpassed expectations.
- According to the Financial Times, US businesses have pledged over \$200 billion towards manufacturing initiatives within the US, following the enactment of generous subsidies under the Inflation Reduction Act by Congress last year.
- The Financial Times reports that a trade agreement between the European Union and Brazil, Argentina, Uruguay, and Paraguay has been delayed due to differences over enforceable obligations to prevent deforestation in the rainforest.
- After a gap of seven years, Saudi Arabia and Iran have reengaged in formal discussions.

Equity Markets	Index Level 14 Apr 23	Total Return (Sterling)		
		MtD	YtD	1 Year
FTSE All Share	4279	3.1%	6.2%	4.8%
FTSE 100	7872	3.3%	7.0%	7.3%
FTSE 250	19243	2.0%	3.0%	-6.1%
MSCI World	2826	0.9%	6.6%	2.7%
MSCI World EM	1000	0.7%	2.6%	-2.6%

Bond Markets	Yield 14 Apr 23	Index % Change (Sterling)		
		MtD	YtD	1 Year
FTA All Stock Gilt Index	3.83	-1.0%	1.0%	-14.8%
FTA All Stock ILG index	0.45	-2.6%	1.6%	-24.4%
FTA Over 5 Year ILG index	0.45	-3.0%	1.8%	-28.1%
FTA Under 5 Year FIG Index	3.71	-0.1%	0.7%	-2.1%
FTA Over 15 Year FIG Index	3.92	-2.1%	0.6%	-27.6%

Interest Rates & Yields	Yield 14 Apr 23	Yield 31 Mar 23	Yield 31 Dec 22	Yield 14 Apr 22
UK 10 Year Gilt Yield	3.67	3.49	3.67	1.89
UK 15 Year Gilt Yield	3.94	3.78	3.99	2.11
US 10 Year Treasury Yield	3.51	3.47	3.87	2.83
German 10 Year Yield	2.44	2.29	2.57	0.84
Spanish 10 Year Yield	3.48	3.30	3.66	1.78
Greek 10 Year Yield	4.28	4.19	4.57	2.90
Japan 10 Year Yield	0.46	0.32	0.41	0.23

Currencies Exchange Rate	14 Apr 23	31 Mar 23	31 Dec 22	14 Apr 22
GBP / USD	1.24	1.23	1.21	1.31
GBP / EURO	1.13	1.14	1.13	1.21
GBP / YEN	165.95	163.93	158.48	164.43

Commodities	Price Level 14 Apr 23	Price Level 31 Mar 23	Price Level 31 Dec 22	Price Level 14 Apr 22
Oil - WTI \$	82.52	75.67	80.26	106.95
Gold \$	2,004.17	1,969.28	1,824.02	1,973.71
Wheat \$	682.50	692.25	792.00	1,096.50

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
21/04/2023	UK	S&P Global/CIPS UK Manufacturing PMI	48.4	--	47.9
21/04/2023	GE	S&P Global/BME Germany Manufacturing PMI	45.7		44.7
21/04/2023	FR	S&P Global France Manufacturing PMI	47.8	--	47.3
21/04/2023	FR	S&P Global France Services PMI	53.5	--	53.9
20/04/2023	US	Initial Jobless Claims	240k	--	239k
26/04/2023	US	MBA Mortgage Applications	--	--	-8.80%
27/04/2023	US	GDP Annualized QoQ	2.00%	--	2.60%

Source: Bloomberg

Important Information

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