

Weekly Economic Update

31 March 2023

FOR PROFESSIONAL ADVISERS ONLY



UK

- The FTSE 100 closed the week at 7632 up 3.07%. The 10 year UK gilt yield moved from 3.28% to 3.49%.
- The UK's housing market continues to weaken as house prices fell at their fastest rate since the financial crisis, declining every month since August by over 6.1% according to Nationwide. Net mortgage lending also saw a significant decrease in February, according to Bank of England data.
- The UK government abandoned its proposal to raise the retirement age to 68 because of declining life expectancy.
- The Bank of England's Financial Policy Committee made recommendations to The Pensions Regulator to ensure the resilience of LDI funds and mandates. They suggested that as a minimum requirement, LDI funds should be able to withstand a 250 basis point yield movement. Also, the Treasury plans to extend the exemption that pension funds have from clearing obligations until June 18, 2025.
- According to the British Retail Consortium, a shortage of fruits and vegetables contributed to a record-high food inflation rate of 15% year-on-year in March, up from 14.5% in February.
- The UK government has declared its intention to categorise nuclear energy as a green investment.
- Humza Yousaf has become Scotland's first minister having won the SNP's leadership race.

GLOBAL

- Eurozone's HICP inflation dropped to 6.9% YoY in March from 8.5% in February, (the forecast was 7.1%) but core inflation climbed to a record 5.7% YoY, strengthening the case for ECB's interest rate hikes.
- Due to recent banking collapses and the increasingly attractive yields available, it was reported that money markets saw the biggest inflow of capital in march, the highest level since the depths of the pandemic. They reached a record inflow of \$66 billion in the US last week.
- In March, China's non-manufacturing sector reached its highest level of expansion in the last 12 years.
- Alibaba announced it is going to split its business into 6 separate entities covering: digital commerce, media, local services, logistics, ecommerce, and cloud computing, each segment has the ability to raise capital independently. Shares surged 14% on the news.

Equity Markets	Index Level 31 Mar 23	Total Return (Sterling)		
		MtD	YtD	1 Year
FTSE All Share	4158	-2.8%	3.1%	2.9%
FTSE 100	7632	-2.5%	3.6%	5.4%
FTSE 250	18928	-4.6%	1.0%	-7.9%
MSCI World	2791	1.1%	5.7%	-0.6%
MSCI World EM	990	1.0%	1.9%	-4.6%

Bond Markets	Yield 31 Mar 23	Index % Change (Sterling)		
		MtD	YtD	1 Year
FTA All Stock Gilt Index	3.70	2.9%	2.0%	-16.3%
FTA All Stock ILG index	0.29	6.2%	4.3%	-26.7%
FTA Over 5 Year ILG index	0.29	7.1%	4.9%	-30.4%
FTA Under 5 Year FIG Index	3.59	0.8%	0.8%	-2.4%
FTA Over 15 Year FIG Index	3.79	5.2%	2.8%	-29.7%

Interest Rates & Yields	Yield 31 Mar 23	Yield 28 Feb 23	Yield 31 Dec 22	Yield 31 Mar 22
UK 10 Year Gilt Yield	3.49	3.83	3.67	1.61
UK 15 Year Gilt Yield	3.78	4.12	3.99	1.81
US 10 Year Treasury Yield	3.47	3.92	3.87	2.34
German 10 Year Yield	2.29	2.65	2.57	0.55
Spanish 10 Year Yield	3.30	3.60	3.66	1.44
Greek 10 Year Yield	4.19	4.43	4.57	2.65
Japan 10 Year Yield	0.32	0.50	0.41	0.21

Currencies Exchange Rate	31 Mar 23	28 Feb 23	31 Dec 22	31 Mar 22
GBP / USD	1.23	1.21	1.21	1.31
GBP / EURO	1.14	1.14	1.13	1.19
GBP / YEN	163.93	164.32	158.48	159.71

Commodities	Price Level 31 Mar 23	Price Level 28 Feb 23	Price Level 31 Dec 22	Price Level 31 Mar 22
Oil - WTI \$	75.67	77.05	80.26	100.28
Gold \$	1,969.28	1,826.92	1,824.02	1,937.44
Wheat \$	692.25	691.50	792.00	1,006.00

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
06/04/2023	GE	Industrial Production SA MoM	-0.10%	--	3.50%
05/04/2023	FR	S&P Global France Services PMI	55.5	--	55.5
05/04/2023	FR	Industrial Production MoM	0.50%	--	-1.90%
05/04/2023	US	MBA Mortgage Applications	--	--	2.90%
06/04/2023	US	Initial Jobless Claims	200k	--	198k
07/04/2023	US	Change in Nonfarm Payrolls	240k	--	311k
07/04/2023	US	Unemployment Rate	3.60%	--	3.60%

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