

# Weekly Economic Update

5 May 2023

FOR PROFESSIONAL ADVISERS ONLY

## UK

- The FTSE 100 closed the week at 7778 down 1.17%. The 10 year UK gilt yield moved from 3.72% to 3.78%.
- UK mortgage approvals rose for a second consecutive month to 52,011, the highest level since October but still below the usual average of around 70,000 (data from the Bank of England). UK house prices increased by 0.5% between March and April According to Nationwide's estimates.
- The UK's Skipton building society announced they will be the first institution since 2008 to offer 100% mortgages (mortgages with zero deposit required).
- Octopus Energy's CEO claimed AI is doing the work of 250 employees, handling one-third of customer emails with higher customer satisfaction.
- In Thursday's local council elections, the Conservatives experienced noteworthy setbacks as Labour and, to a lesser extent, the Liberal Democrats gained seats.

## GLOBAL

- The US Federal Open market Committee raise rates to the highest levels since 2007 to a range of 5-5.25%. The US Labour market remained strong adding 253,000 new jobs in April, higher than the expected 177,000 estimate.
- The ECB raised rates to 3.25% in Europe. Eurostat estimated that the eurozone's annual inflation (HICP) rate increased to 7% in April from 6.9% in March, while core inflation slightly decreased to 5.6% in April from March's year-to-date figure of 5.7%.
- China's manufacturing purchasing managers index (PMI) decreased to 49.2 in April, marking the first contraction since December, compared to 51.9 in March.
- The US Securities and Exchange Commission has issued its largest-ever whistle-blower award to an individual, amounting to almost \$279 million, which is over double the prior record of \$114 million. The details concerning the whistle-blower's report were not disclosed, as it is customary to protect the anonymity of whistle-blowers who wish to remain unidentified.
- A total of 11,500 screenwriters in the United States initiated a strike, citing compensation issues and requesting that AI be utilized solely to aid writers, not to replace them.
- The World Health Organization (WHO) officially ended the global emergency status for Covid-19.

Equity Markets	Index Level 05 May 23	Total Return (Sterling)		
		MtD	YtD	1 Year
FTSE All Share	4242	-0.9%	5.6%	6.1%
FTSE 100	7778	-1.0%	6.0%	7.6%
FTSE 250	19453	0.2%	4.3%	-0.2%
MSCI World	2822	-1.0%	4.6%	1.1%
MSCI World EM	982	-0.1%	-1.1%	-6.4%

Bond Markets	Yield 05 May 23	Index % Change (Sterling)		
		MtD	YtD	1 Year
FTA All Stock Gilt Index	3.99	-0.5%	-0.1%	-15.2%
FTA All Stock ILG index	0.69	-1.8%	-1.6%	-24.7%
FTA Over 5 Year ILG index	0.69	-2.2%	-2.1%	-28.4%
FTA Under 5 Year FIG Index	3.83	0.1%	0.6%	-2.2%
FTA Over 15 Year FIG Index	4.10	-1.4%	-2.1%	-28.6%

Interest Rates & Yields	Yield 05 May 23	Yield 30 Apr 23	Yield 31 Dec 22	Yield 05 May 22
UK 10 Year Gilt Yield	3.78	3.72	3.67	1.96
UK 15 Year Gilt Yield	4.05	3.99	3.99	2.18
US 10 Year Treasury Yield	3.44	3.42	3.87	3.04
German 10 Year Yield	2.29	2.31	2.57	1.04
Spanish 10 Year Yield	3.38	3.36	3.66	2.15
Greek 10 Year Yield	4.02	4.16	4.57	3.43
Japan 10 Year Yield	0.42	0.39	0.41	0.23

Currencies Exchange Rate	05 May 23	30 Apr 23	31 Dec 22	05 May 22
GBP / USD	1.26	1.26	1.21	1.23
GBP / EURO	1.15	1.14	1.13	1.17
GBP / YEN	170.29	170.97	158.48	160.91

Commodities	Price Level 05 May 23	Price Level 30 Apr 23	Price Level 31 Dec 22	Price Level 05 May 22
Oil - WTI \$	71.34	76.78	80.26	108.26
Gold \$	2,016.79	1,990.00	1,824.02	1,877.18
Wheat \$	647.00	619.75	792.00	1,096.00

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
11/05/2023	UK	Bank of England Bank Rate	4.50%	--	4.25%
12/05/2023	UK	GDP QoQ	0.10%	--	0.10%
12/05/2023	UK	GDP YoY	0.20%	--	0.60%
12/05/2023	UK	Industrial Production MoM	0.10%	--	-0.20%
12/05/2023	FR	CPI YoY	5.90%	--	5.90%
12/05/2023	SP	CPI YoY	4.10%	--	4.10%
11/05/2023	JN	BoP Current Account Balance	¥2890.7b	¥2278.1b	¥2197.2b
11/05/2023	CH	CPI YoY	0.30%	0.10%	0.70%
11/05/2023	CH	PPI YoY	-3.30%	-3.60%	-2.50%
11/05/2023	US	Initial Jobless Claims	245k	--	242k
12/05/2023	US	U. of Mich. Sentiment	63	--	63.5

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.

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