

Weekly Economic Update

9 June 2023

FOR PROFESSIONAL ADVISERS ONLY



UK

- The FTSE 100 closed the week at 7562 down 0.59%. The 10 year UK gilt yield moved from 4.16% to 4.24%.
- UK house prices fell for the first time since 2012, house price inflation was down 1% in the 12 months to May according to Halifax.

GLOBAL

- Strategists from Morgan Stanley predict a near term end to the rally in the US stock market. They anticipate a 16% decline in earnings per share for S&P 500 companies this year, primarily due to sluggish revenue growth and contracting profit margins. Conversely, Goldman Sachs holds a contrasting view, expecting modest growth in S&P 500 earnings for the year 2023.
- According to a research report by Bloomberg, the market for generative AI is projected to witness significant growth, with a compound annual growth rate of 42%, and is expected to reach \$1.3 trillion by the year 2032.
- Last week, the Securities and Exchange Commission (SEC) took action against the cryptocurrency market by filing lawsuits against both Binance and Coinbase. Coinbase was accused of enabling the trading of unregistered securities by investors. On the other hand, Binance faced allegations of mishandling customer funds, providing misleading information to investors and regulators, and violating securities regulations. As a result, Coinbase's shares experienced a 12% decline on Tuesday.
- On Friday Australia's third-largest pension fund put on hold new work with PricewaterhouseCoopers (PWC). This is due to a recent scandal where PWC were advising the Australian government on the design of new corporate tax laws, but allegedly at the same time using the same information to advise corporate clients on how best to avoid paying such taxes.
- According to a report by CNBC last week, Google will start tracking office attendance of its employees using entrance passes and is going to include these statistics in performance reviews. Google employees are expected to be in the office at least three days a week.
- A Russian-speaking criminal gang claimed responsibility for a cyber-attack, which has compromised the personal data stored by several large British companies. They have warned that the victims have until June 14 to discuss a ransom before they start leaking data.
- US federal prosecutors lodged criminal charges against former president Donald Trump for the alleged illegal mishandling of sensitive national security secrets.

Equity Markets	Index Level 9 Jun 23	Total Return (Sterling)		
		MtD	YtD	1 Year
FTSE All Share	4133	1.8%	3.4%	3.8%
FTSE 100	7562	1.7%	3.6%	5.1%
FTSE 250	19092	2.1%	2.8%	-1.9%
MSCI World	2886	1.5%	7.9%	7.8%
MSCI World EM	1002	3.1%	1.8%	-3.4%

Bond Markets	Yield 9 Jun 23	Index % Change (Sterling)		
		MtD	YtD	1 Year
FTA All Stock Gilt Index	4.38	0.0%	-3.1%	-14.6%
FTA All Stock ILG index	0.94	1.8%	-3.9%	-21.7%
FTA Over 5 Year ILG index	0.92	2.2%	-4.7%	-25.3%
FTA Under 5 Year FIG Index	4.53	-0.2%	-0.5%	-2.7%
FTA Over 15 Year FIG Index	4.41	0.6%	-6.7%	-26.9%

Interest Rates & Yields	Yield 9 Jun 23	Yield 31 May 23	Yield 31 Dec 22	Yield 9 Jun 22
UK 10 Year Gilt Yield	4.24	4.18	3.67	2.32
UK 15 Year Gilt Yield	4.47	4.44	3.99	2.54
US 10 Year Treasury Yield	3.74	3.64	3.87	3.04
German 10 Year Yield	2.38	2.28	2.57	1.43
Spanish 10 Year Yield	3.36	3.33	3.66	2.62
Greek 10 Year Yield	3.64	3.75	4.57	4.10
Japan 10 Year Yield	0.42	0.43	0.41	0.25

Currencies Exchange Rate	9 Jun 23	31 May 23	31 Dec 22	9 Jun 22
GBP / USD	1.26	1.24	1.21	1.25
GBP / EURO	1.17	1.16	1.13	1.17
GBP / YEN	175.35	173.08	158.48	167.89

Commodities	Price Level 9 Jun 23	Price Level 31 May 23	Price Level 31 Dec 22	Price Level 9 Jun 22
Oil - WTI \$	70.17	68.09	80.26	121.51
Gold \$	1,961.19	1,962.73	1,824.02	1,847.95
Wheat \$	630.25	594.25	792.00	1,071.25

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
14/06/2023	UK	Industrial Production MoM	-0.10	-0.30	0.70
15/06/2023	FR	CPI YOY	5.10%	--	5.10%
16/06/2023	IT	CPI EU Harmonized YoY	8.10%	--	8.10%
14/06/2023	US	FOMC Rate Decision (Upper Bound)	5.25%	--	5.25%
14/06/2023	US	MBA Mortgage Applications	--	--	-1.40%
15/06/2023	US	Initial Jobless Claims	245k	--	261k
15/06/2023	US	Retail Sales Advance MoM	-0.20%	--	0.40%
15/06/2023	US	Industrial Production MoM	0.10%	--	0.50%
16/06/2023	US	U. of Mich. Sentiment	60	--	59.2

Source: Bloomberg

Important Information

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