

Weekly Economic Update

30 June 2023

FOR PROFESSIONAL ADVISERS ONLY

UK

- The FTSE 100 closed the week at 7532 down 1.46%. The 10 year UK gilt yield moved from 4.41% to 4.39%.
- The Office for National Statistics announced an increase in UK business investment during the first quarter of this year. This surge in investment may be attributed to businesses hurrying to capitalize on the super-deduction tax incentive before its expiration.
- According to the Bank of England, UK banks witnessed withdrawals of £4.6 billion from households in May, marking the highest amount since record-keeping began in 1997. The withdrawals can be attributed to rising living expenses, although there was also a notable shift of funds into fixed-rate agreements and ISA accounts. Jeremy Hunt, the UK Chancellor, criticized banks for their delays in passing on higher rates to savers.
- The UK government is said to be making preparations for potential contingencies in case Thames Water faces failure after the recent abrupt departure of its chief executive. The financial stability of other companies in the sector is also raising concerns. The Universities Superannuation Scheme, holding a 20 percent stake in Thames Water, announced its support for the company in a statement on Friday.
- HSBC has revealed its plans to shut down its prominent Canary Wharf office and relocate to a smaller, more centrally located site in London by the latter part of 2026.
- Boots, the UK retailer announced that it would be closing 300 stores. As parent company Walgreens Boots Alliance aims to "optimise" locations.

GLOBAL

- On Friday, Apple had a market capitalization exceeding 3 trillion US dollars, which according to the Wall Street Journal, means it has now exceeded the combined value of 11 entire sectors in the S&P 500, including materials, real estate, utilities, energy, and consumer.
- Shortly after Wael Sawan, the new chief executive of Shell unveiled plans for a "ruthless" emphasis on returns and increased investment in oil and gas, Shell's head of renewable energy, Thomas Brostrom, announced his departure from the company.
- Following the police's fatal shooting of a teenager during a traffic stop, widespread riots erupted in France, resulting in the arrest of numerous protesters.

Equity Markets	Index Level 30 Jun 23	Total Return (Sterling)		
		MtD	YtD	1 Year
FTSE All Share	4096	1.0%	2.6%	7.9%
FTSE 100	7532	1.4%	3.2%	9.1%
FTSE 250	18417	-1.3%	-0.6%	1.9%
MSCI World	2967	3.3%	9.8%	14.1%
MSCI World EM	989	1.2%	0.0%	-2.1%

Bond Markets	Yield 30 Jun 23	Index % Change (Sterling)		
		MtD	YtD	1 Year
FTA All Stock Gilt Index	4.46	-0.4%	-3.5%	-14.5%
FTA All Stock ILG index	0.90	3.1%	-2.6%	-17.0%
FTA Over 5 Year ILG index	0.87	3.8%	-3.2%	-20.0%
FTA Under 5 Year FIG Index	5.11	-1.1%	-1.4%	-3.8%
FTA Over 15 Year FIG Index	4.36	1.6%	-5.8%	-24.9%

Interest Rates & Yields	Yield 30 Jun 23	Yield 31 May 23	Yield 31 Dec 22	Yield 30 Jun 22
UK 10 Year Gilt Yield	4.39	4.18	3.67	2.23
UK 15 Year Gilt Yield	4.53	4.44	3.99	2.57
US 10 Year Treasury Yield	3.84	3.64	3.87	3.01
German 10 Year Yield	2.39	2.28	2.57	1.34
Spanish 10 Year Yield	3.39	3.33	3.66	2.42
Greek 10 Year Yield	3.65	3.75	4.57	3.61
Japan 10 Year Yield	0.40	0.43	0.41	0.23

Currencies Exchange Rate	30 Jun 23	31 May 23	31 Dec 22	30 Jun 22
GBP / USD	1.27	1.24	1.21	1.22
GBP / EURO	1.16	1.16	1.13	1.16
GBP / YEN	183.54	173.08	158.48	165.22

Commodities	Price Level 30 Jun 23	Price Level 31 May 23	Price Level 31 Dec 22	Price Level 30 Jun 22
Oil - WTI \$	70.64	68.09	80.26	105.76
Gold \$	1,919.35	1,962.73	1,824.02	1,807.27
Wheat \$	636.25	594.25	792.00	868.75

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
05/07/2023	FR	HCOB France Services PMI	48	--	48
05/07/2023	FR	Industrial Production MoM	-0.20%	--	0.80%
07/07/2023	GE	Industrial Production SA MoM	0.00%	--	0.30%
05/07/2023	US	Durable Goods Orders	1.70%	--	1.70%
06/07/2023	US	Initial Jobless Claims	245k	--	239k
06/07/2023	US	MBA Mortgage Applications	--	--	3.00%
07/07/2023	US	Change in Nonfarm Payrolls	225k		339k
07/07/2023	US	Unemployment Rate	3.60%	--	3.70%

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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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