

Weekly Economic Update

25 September 2023

FOR PROFESSIONAL ADVISERS ONLY



Mobius Life

UK

- The FTSE 100 closed the week at 7684 down 0.35%. The 10 year UK gilt yield moved from 4.36% to 4.25%.
- UK inflation surprised investors and commentators alike, coming in at 6.7% in August, a drop from the 6.8% figure recorded in July. Core inflation (excluding energy prices, alcohol and food prices) dropped significantly from 6.9% to 6.2% in August. On Thursday the Bank of England kept rates on hold at 5.25%.
- Rishi Sunak's attempts to weaken government net-zero commitments have faced strong criticism. The UK's automobile industry expressed disapproval of his proposal to postpone the ban on new petrol and diesel cars by five years to 2035, as car manufacturers have heavily invested in electric vehicle development.
- The UK government approved a law that reduces the minimum age for mandatory employee pension enrolment from 22 to 18 and raises default contribution levels.
- M&G has made a return to the Bulk annuity market for the first time since 2016 by successfully finalizing two transactions with a total value of £617 million. This move comes in response to the notable uptick in companies seeking to transfer their pension schemes to insurance providers since last September's mini-budget.

GLOBAL

- The Federal Reserve, like the Bank of England, maintained interest rates between 5.25% and 5.5%. Federal Reserve projections indicate another rate increase later this year.
- Russia's ban on diesel and petrol exports pushed oil prices closer to \$100 per barrel. Moscow says it's a temporary step to combat domestic price increases. Diesel prices in Europe jumped 4% after the announcement.
- Dutch banking stocks suffered a blow after the Dutch Parliament endorsed a 70% hike in the nation's banking tax and an increase in the corporate tax rate.
- JP Morgan confirmed the inclusion of Indian Sovereign bonds in its emerging market debt index, which is predicted to attract approximately £25 billion in foreign investments to India's government debt market. The GBI-EM Global Diversified Index will feature 23 Indian government bonds.
- Rupert Murdoch is resigning as chair of Fox and News Corp, signifying the end of his era. Lachlan Murdoch will assume sole chairmanship of News Corp while retaining his roles as executive chair and CEO of FOX.

Equity Markets	Index Level 22 Sep 23	Total Return (Sterling)		
		MtD	YtD	1 Year
FTSE All Share	4172	2.8%	5.6%	10.3%
FTSE 100	7684	3.3%	6.4%	11.5%
FTSE 250	18607	0.2%	1.2%	4.9%
MSCI World	2880	-0.2%	11.1%	8.7%
MSCI World EM	964	1.8%	2.0%	-0.9%

Bond Markets	Yield 22 Sep 23	Index % Change (Sterling)		
		MtD	YtD	1 Year
FTA All Stock Gilt Index	4.49	0.4%	-2.8%	-3.1%
FTA All Stock ILG index	1.10	-0.9%	-5.0%	-7.7%
FTA Over 5 Year ILG index	1.11	-1.5%	-6.8%	-10.3%
FTA Under 5 Year FIG Index	4.42	0.9%	1.1%	2.0%
FTA Over 15 Year FIG Index	4.61	-0.9%	-8.5%	-10.1%

Interest Rates & Yields	Yield 22 Sep 23	Yield 31 Aug 23	Yield 31 Dec 22	Yield 22 Sep 22
UK 15 Year Gilt Yield	4.55	4.59	3.99	3.80
US 10 Year Treasury Yield	4.43	4.11	3.87	3.71
German 10 Year Yield	2.74	2.47	2.57	1.97
Spanish 10 Year Yield	3.82	3.48	3.66	3.09
Greek 10 Year Yield	4.17	3.77	4.57	4.48
Japan 10 Year Yield	0.75	0.64	0.41	0.23

Currencies Exchange Rate	22 Sep 23	31 Aug 23	31 Dec 22	22 Sep 22
GBP / EURO	1.15	1.17	1.13	1.14
GBP / YEN	181.68	184.25	158.48	160.38

Commodities	Price Level 22 Sep 23	Price Level 31 Aug 23	Price Level 31 Dec 22	Price Level 22 Sep 22
Gold \$	1,925.23	1,940.19	1,824.02	1,671.22
Wheat \$	579.50	573.00	792.00	910.75

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
29/09/2023	UK	GDP QoQ	0.20%	--	0.20%
29/09/2023	UK	GDP YoY	0.40%	--	0.40%
28/09/2023	GE	CPI YoY	4.60%	--	6.10%
28/09/2023	GE	CPI MoM	0.30%	--	0.30%
29/09/2023	FR	CPI YoY	5.10%	--	4.90%
28/09/2023	IT	Manufacturing Confidence	97	--	97.8
29/09/2023	IT	CPI EU Harmonized YoY	5.30%	--	5.50%
28/09/2023	SP	CPI YoY	3.50%	--	2.60%
28/09/2023	SP	CPI EU Harmonised YoY	3.30%	--	2.40%
29/09/2023	JN	Industrial Production MoM	-0.80%	--	-1.80%
29/09/2023	JN	Jobless Rate	2.60%	--	2.70%
29/09/2023	JN	Tokyo CPI Ex-Fresh Food YoY	2.60%	--	2.80%
30/09/2023	CH	Manufacturing PMI	50.1	--	49.7
26/09/2023	US	Conf. Board Consumer Confidence	105.5	103	106.1
27/09/2023	US	Durable Goods Orders	-0.50%	--	-5.20%
27/09/2023	US	MBA Mortgage Applications	--	--	5.40%
28/09/2023	US	Initial Jobless Claims	215k	--	201k
28/09/2023	US	GDP Annualized QoQ	2.20%	--	2.10%
29/09/2023	US	U. of Mich. Sentiment	67.7	--	67.7

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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