

Weekly Economic Update

2 October 2023

FOR PROFESSIONAL ADVISERS ONLY



Mobius Life

UK

- The FTSE 100 closed the week at 7608 down 0.99%. The 10 year UK gilt yield moved from 4.25% to 4.44%.
- The Bank of England is proposing changes to insurance investment rules, aiming to enable more international investments for insurers post-Brexit. The proposed reforms include expanding eligible assets for matching adjustments and simplifying the system. The reforms are part of the UK's overhaul of the EU's Solvency II rules, post-Brexit.
- Last week the financial times reported that the FCA is going to begin reviewing the process that is used to value private market assets by the end of the year. They will be looking at who is accountable for valuations, how valuations are passed upwards to relevant committees and boards as well as other existing governance protocols.
- JP Morgan's Chase Bank is the latest high street lender to ban the purchase of cryptocurrencies citing fears around the use of such currencies for criminal purposes. The block will come into effect on October 16.
- UK regulators have greenlit Equinor's Rosebank oil and gas project in the North Sea, located 80 miles off Shetland. It's expected to yield 300 million barrels of oil.

GLOBAL

- Even as interest rates and mortgage rates have been on the rise in the United States, reaching their highest level since 2000, house prices still managed to reach a historic peak in July. Year-to-date, house prices saw a 5.3% increase, setting a new record high.
- Argentina's poverty rate surged by 40.1% in Q2 2023, with extreme poverty climbing to 9.3%. This troubling trend coincided with Argentina's inflation rate hitting 124%.
- Last Tuesday marked the launch of Indonesia's inaugural carbon trading exchange, signifying the country's dedication to reducing emissions by over 30% by 2030. According to the FT, the first day saw 13 transactions involving the trading of 450,000 tonnes of carbon dioxide credits. As one of the world's major contributors to carbon emissions, Indonesia has set its sights on reaching net-zero emissions by the year 2060.
- Donald Trump, along with his business organization and eldest sons, has been found guilty of fraud. They faced allegations of significantly exaggerating the worth of properties in both Mar-a-Lago and Manhattan, with the aim of securing hundreds of millions of dollars in loans under more favourable terms.

Equity Markets	Index Level 29 Sep 23	Total Return (Sterling)		
		MtD	YtD	1 Year
FTSE All Share	4127	1.8%	4.5%	14.4%
FTSE 100	7608	2.4%	5.5%	14.9%
FTSE 250	18279	-1.5%	-0.5%	12.5%
MSCI World	2853	-0.7%	10.6%	10.0%
MSCI World EM	953	1.1%	1.3%	1.9%

Bond Markets	Yield 29 Sep 23	Index % Change (Sterling)		
		MtD	YtD	1 Year
FTA All Stock Gilt Index	4.66	-0.9%	-4.1%	-1.6%
FTA All Stock ILG index	1.25	-3.1%	-7.2%	-5.1%
FTA Over 5 Year ILG index	1.26	-4.2%	-9.4%	-7.5%
FTA Under 5 Year FIG Index	4.53	0.8%	1.0%	3.8%
FTA Over 15 Year FIG Index	4.79	-3.8%	-11.1%	-10.7%

Interest Rates & Yields	Yield 29 Sep 23	Yield 31 Aug 23	Yield 31 Dec 22	Yield 29 Sep 22
UK 15 Year Gilt Yield	4.75	4.59	3.99	4.32
US 10 Year Treasury Yield	4.57	4.11	3.87	3.79
German 10 Year Yield	2.84	2.47	2.57	2.18
Spanish 10 Year Yield	3.93	3.48	3.66	3.37
Greek 10 Year Yield	4.34	3.77	4.57	4.89
Japan 10 Year Yield	0.77	0.64	0.41	0.25

Currencies Exchange Rate	29 Sep 23	31 Aug 23	31 Dec 22	29 Sep 22
GBP / USD	1.22	1.27	1.21	1.11
GBP / EURO	1.15	1.17	1.13	1.13
GBP / YEN	182.36	184.25	158.48	159.86

Commodities	Price Level 29 Sep 23	Price Level 31 Aug 23	Price Level 31 Dec 22	Price Level 29 Sep 22
Gold \$	1,848.63	1,940.19	1,824.02	1,660.54
Wheat \$	541.50	573.00	792.00	896.25

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
04/10/2023	FR	HCOB France Services PMI	43.9	--	43.9
04/10/2023	US	Durable Goods Orders	0.20%		0.20%
04/10/2023	US	MBA Mortgage Applications	--	--	-1.30%
04/10/2023	US	ADP Employment Change	150k	--	177k
05/10/2023	US	Initial Jobless Claims	210k	--	204k
06/10/2023	US	Change in Nonfarm Payrolls	170k	--	187k
06/10/2023	US	Unemployment Rate	3.70%	--	3.80%

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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