

Weekly Economic Update

15 January 2024

FOR PROFESSIONAL ADVISERS ONLY



UK

- The FTSE 100 closed the week at 7625 down 0.85%. The 10 year UK gilt yield remained at 3.79%.
- Data released last week showed a significant slowdown in the launch of new ESG funds in the second half of 2023. The financial times reported that six new ETF funds were launched over this period compared to the 55 launched in the first half of the year. According to Morningstar, ESG broad-market funds outperformed their counterparts in 2019,2020,2021 but underperformed in 2022 and 2023.
- The US and UK initiated coordinated air strikes against Iran-backed Houthi rebels in Yemen following attacks from these rebels on commercial ships in the red sea.

GLOBAL

- In the US both inflation and core inflation surprised to the upside. CPI rose by 3.4% in December a notable acceleration from November's 3.1% figure. However, core inflation eased slightly to 3.9% down from 4%, but this was still higher than the expected figure of 3.8%.
- Despite the challenges faced by the eurozone in the latter part of last year, unemployment in the bloc hit a record low in November, decreasing from 6.5% to 6.4%, surprising many observers. Indicators are now showing growing positive sentiment in the region.
- The OECD has suggested that the Bank of Japan should increase short-term interest-rates sooner rather than later, if the current economic trends continue. Namely, inflation being at a level of 2% or higher, wage growth continuing its acceleration and the output gap closing.
- Japanese stocks extended their rally last week, hitting a 34-year peak. The Nikkei 225 index experienced a 7% increase. This upward movement has been underpinned by reforms in corporate governance, robust corporate earnings releases, and the resurgence of inflation in the region, coupled with a weakening yen.
- The SEC approved the first ETFs tied to the performance of bitcoin. On the first day of trading on Thursday around \$4.6 billion shares were traded across the 11 approved ETFs. Some enthusiasts see this as the start of a new era for cryptocurrencies, with expectations of increased involvement from both retail and institutional investors in the years ahead. However, some groups have warned of the dangers of retail involvement following recent scandals and issues.

Equity Markets	Index Level 12 Jan 24	Total Return (Sterling)		
		MtD	YtD	1 Year
FTSE All Share	4166	-1.5%	-1.5%	1.5%
FTSE 100	7625	-1.4%	-1.4%	1.7%
FTSE 250	19198	-2.4%	-2.4%	0.1%
MSCI World	3168	0.2%	0.2%	14.2%
MSCI World EM	996	-2.5%	-2.5%	-3.3%

Bond Markets	Yield 12 Jan 24	Index % Change (Sterling)		
		MtD	YtD	1 Year
FTA All Stock Gilt Index	4.16	-2.2%	-2.2%	-1.2%
FTA All Stock ILG index	1.03	-4.4%	-4.4%	-6.4%
FTA Over 5 Year ILG index	1.05	-5.5%	-5.5%	-8.8%
FTA Under 5 Year FIG Index	3.81	-0.3%	-0.3%	3.0%
FTA Over 15 Year FIG Index	4.34	-4.7%	-4.7%	-7.3%

Interest Rates & Yields	Yield 12 Jan 24	Yield 31 Dec 23	Yield 31 Dec 23	Yield 12 Jan 23
UK 15 Year Gilt Yield	4.16	3.92	3.92	3.68
US 10 Year Treasury Yield	3.94	3.88	3.88	3.44
German 10 Year Yield	2.18	2.02	2.02	2.16
Spanish 10 Year Yield	3.09	2.99	2.99	3.15
Greek 10 Year Yield	3.23	3.05	3.05	4.04
Japan 10 Year Yield	0.59	0.62	0.62	0.50

Currencies Exchange Rate	12 Jan 24	31 Dec 23	31 Dec 23	12 Jan 23
GBP / EURO	1.16	1.15	1.15	1.13
GBP / YEN	184.67	179.76	179.76	157.99

Commodities	Price Level 12 Jan 24	Price Level 31 Dec 23	Price Level 31 Dec 23	Price Level 12 Jan 23
Gold \$	2,049.06	2,062.98	2,062.98	1,897.09
Wheat \$	596.00	628.00	628.00	742.75

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
16/01/2024	UK	Jobless Claims Change	--	11.7k	16.0k
17/01/2024	UK	CPI YoY	3.80%	--	3.90%
17/01/2024	UK	CPI MoM	0.20%	--	-0.20%
17/01/2024	UK	CPI Core YoY	4.90%	--	5.10%
16/01/2024	GE	ZEW Survey Expectations	11.7	15.2	12.8
16/01/2024	GE	ZEW Survey Current Situation	-77	-77.3	-77.1
16/01/2024	GE	CPI YoY	3.70%	3.70%	3.70%
16/01/2024	GE	CPI MoM	0.10%	0.10%	0.10%
16/01/2024	IT	CPI EU Harmonized YoY	0.50%	0.50%	0.50%
17/01/2024	JN	Core Machine Orders MoM	-0.80%	--	0.70%
18/01/2024	JN	Industrial Production MoM	--	--	-0.90%
17/01/2024	CH	GDP YoY	5.30%	--	4.90%
17/01/2024	US	Retail Sales Advance MoM	0.40%	--	0.30%
17/01/2024	US	MBA Mortgage Applications	-	--	9.90%
18/01/2024	US	Initial Jobless Claims	205k	--	202k
19/01/2024	US	U. of Mich. Sentiment	70	--	69.7

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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