



# The Market Place

- Global equities returned 3.0% last week, marking the first fourth consecutive weekly advance this year
- Stocks rallied after US data showed signs that inflation, while still elevated on an annualised basis, had started to slow
- Brent crude rose 3.4% last week to \$98.15 a barrel
- Gold rose 1.5% last week to \$1802.4 per ounce

## US

US equities returned 3.3% last week

Monthly headline Consumer Price Index saw -0.02% deflation in July – the first time that prices have fallen on a monthly basis since May 2020, led mainly by a sharp monthly fall in energy prices (-4.6%), which experienced their largest decline since April 2020

US producer prices fell by 0.5% in July, beneath expectations for a 0.2% rise, and marks the biggest monthly decline since April 2020

Weekly initial jobless claims for the week ending 6 August came in at 262k (vs. 265k expected)

Global equity funds saw inflows of \$7.1 billion in the week ending 10 August, and US stocks saw inflows of \$11 billion, the biggest in eight weeks

House Speaker Nancy Pelosi's visit to Taiwan has made geopolitics with China 'particularly complicated' as President Joe Biden weighs the future of tariffs on more than \$300 billion in Chinese goods

US nonfarm productivity fell by 4.6% in Q2, in line with expectations, though unit labour cost rose by a faster-than-expected 10.8% (vs. 9.5% expected)

## Europe

European equities returned 1.4% last week

European natural gas futures rose by 6.86% to €205 per megawatt-hour, which is their highest level since March – German power prices for 2023 rose a further 4.8% to €427 per megawatt-hour

Euro-area industrial production beat expectations in June, rising 2.4% from a year earlier, compared with an estimated 1%

## UK

UK equities returned 1.0% last week

The July Royal Institute of Chartered Surveyors House Price Index came in at 63 vs. an estimated 60. The UK housing market came under further pressure from the cost-of-living crisis in July, as sales and buyer demand fell

UK government departments require a £44 billion cash boost if they are to fully offset the impact of soaring prices, according to the Institute for Fiscal Studies

The UK economy shrank 0.1% in the second quarter, its first contraction since the pandemic, driven primarily by a decline in household spending

## Asia / ROW

Global emerging market equities returned 1.6% last week

Japanese equities returned 1.3% last week

Chinese equities fell 0.01% last week

The People's Bank of China reported that consumer prices in China will probably remain in a reasonable range and will likely reach its 3% full-year inflation target

China's consumer price rose 2.7% year-on-year in July (vs 2.9% expected), up from 2.5% in June, recording its strongest growth since July 2020

Chinese state-owned firms China Life, PetroChina and Sinopec all announced plans to delist from US exchanges

Russia's economy shed four years of growth in the first full quarter after it invaded Ukraine. Economists forecast Gross Domestic Product will probably shrink 4.7% year on year



# Performance

Asset Class/Region	Currency				
		Week ending 12 Aug 2022	Month to date	YTD 2022	12 Months
Developed Market Equities					
United States	USD	3.3%	3.7%	-9.6%	-3.0%
United Kingdom	GBP	1.0%	1.2%	6.5%	11.0%
Continental Europe	EUR	1.4%	0.8%	-10.2%	-7.6%
Japan	JPY	1.3%	1.7%	0.4%	3.4%
Asia Pacific (ex Japan)	USD	1.0%	1.8%	-14.1%	-17.5%
Australia	AUD	0.3%	1.3%	-3.5%	-3.5%
Global	USD	3.0%	3.3%	-11.4%	-7.6%
Emerging markets equities					
Emerging Europe	USD	5.3%	5.4%	-75.7%	-76.4%
Emerging Asia	USD	0.6%	1.6%	-16.9%	-20.0%
Emerging Latin America	USD	7.9%	8.8%	12.8%	0.4%
BRICs	USD	1.1%	2.0%	-18.4%	-25.0%
China	USD	-0.1%	0.0%	-19.7%	-29.3%
MENA countries	USD	1.9%	3.0%	6.8%	10.4%
South Africa	USD	6.7%	7.7%	0.0%	-3.7%
India	USD	1.6%	3.0%	-3.5%	2.3%
Global emerging markets	USD	1.6%	2.6%	-15.7%	-18.9%
Bonds					
US Treasuries	USD	-0.1%	-1.0%	-8.3%	-8.6%
US Treasuries (inflation protected)	USD	0.2%	-1.4%	-6.9%	-4.8%
US Corporate (investment grade)	USD	0.6%	-0.3%	-11.9%	-11.9%
US High Yield	USD	0.9%	1.6%	-7.7%	-6.2%
UK Gilts	GBP	-1.2%	-1.9%	-13.9%	-15.8%
UK Corporate (investment grade)	GBP	-0.4%	-1.2%	-12.2%	-14.1%
Euro Government Bonds	EUR	-0.7%	-1.1%	-9.6%	-11.9%
Euro Corporate (investment grade)	EUR	0.0%	-0.5%	-8.2%	-9.8%
Euro High Yield	EUR	0.8%	1.7%	-8.6%	-8.9%
Japanese Government	JPY	0.1%	0.3%	-2.1%	-2.6%
Australian Government	AUD	-1.9%	-2.2%	-9.0%	-11.7%
Global Government Bonds	USD	0.2%	-0.7%	-13.1%	-15.5%
Global Bonds	USD	0.3%	-0.6%	-13.0%	-15.2%
Global Convertible Bonds	USD	1.3%	3.1%	-16.0%	-19.2%
Emerging Market Bonds	USD	0.8%	1.3%	-22.7%	-24.4%

# Performance

Asset Class/Region	Currency				
		Week ending 12 Aug 2022	Month to date	YTD 2022	12 Months
Property					
US Property Securities	USD	5.0%	2.8%	-11.2%	-0.5%
Australian Property Securities	AUD	-1.7%	-2.6%	-18.3%	-9.3%
Asia Property Securities	USD	0.0%	-1.2%	-6.3%	-13.0%
Global Property Securities	USD	3.8%	1.9%	-12.3%	-8.1%
Currencies					
Euro	USD	0.7%	0.6%	-9.9%	-12.6%
UK Pound Sterling	USD	0.4%	-0.3%	-10.4%	-12.2%
Japanese Yen	USD	1.2%	-0.2%	-13.9%	-17.4%
Australian Dollar	USD	2.9%	1.9%	-2.3%	-3.1%
South African Rand	USD	3.7%	2.8%	-1.6%	-8.9%
Swiss Franc	USD	2.2%	1.1%	-3.2%	-2.0%
Chinese Yuan	USD	0.3%	0.0%	-5.7%	-3.9%
Commodities & Alternatives					
Commodities	USD	4.5%	0.7%	25.1%	37.2%
Agricultural Commodities	USD	5.1%	3.4%	10.1%	20.2%
Oil	USD	3.4%	-10.8%	26.2%	37.6%
Gold	USD	1.5%	2.1%	-1.5%	2.9%
Hedge funds	USD	0.5%	0.6%	-3.9%	-3.8%





# Global Matters Weekly

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