

The Market Place

- Global equities fell 2.1% last week
- Early voting in the US midterm elections has begun, with Republicans expected to take control of the house and gain a slim minority in the Senate
- Brent crude rose by 2.9% over the week to \$98.6 a barrel
- Gold rose by 2.3% to \$1681.9 per ounce

US

US equities fell 3.3% last week as Federal Reserve (Fed) Chairman Jerome Powell heavily emphasised his commitment to a more hawkish monetary policy should high inflation persist

The tightness in the US labour market remained prevalent as job openings in September unexpectedly rose in September to 10.72m (vs. 9.75m expected). With unemployment still low, the figure for job openings per unemployed worker was at 1.86

Automatic Data Processing Inc.'s private payroll report from the US showed growth of 239k jobs in October (vs. 185k expected)

The Fed hiked the benchmark federal funds rate by a widely expected 75bps for the third successive time. This brought the benchmark rate to 3.25% as the Fed seeks to cool inflation through the raising of borrowing costs and the lowering of asset prices

Europe

European equities rose by 1.4% last week

In Europe the headline Consumer Price Index reading for October rose to 10.7% according to the flash reading, which was above the +10.3% expected and was the highest inflation level since the formation of the single currency

Despite the strong economic headwinds, Euro Area Gross Domestic Product grew faster than expected in Q3, with the preliminary flash estimate showing growth of 0.2% (vs. +0.1% expected)

UK

UK equities returned 4.1% last week

The Bank of England delivered a 75bps rate hike as expected, taking the Bank Rate to a post-2008 high of 3%. Comments from the Monetary Policy Committee in the aftermath of the hike indicated a more dovish tone for future meetings

Despite the aggressive tightening from the Bank of England, the UK private sector remained optimistic with The Chartered Institute of Procurement & Supply (CIPS) Construction and Services Purchasing Managers' Indices (PMI) both surprising to the upside at 53.2 and 48.8 respectively

Asia / ROW

Global emerging market equities rose 4.7% over the week

Japanese equities rose by 0.9% last week

Bank of Japan Governor Haruhiko Kuroda reiterated the Bank's dovish policy, saying that they were not thinking of rate hikes or changing their yield curve control policies now

Japan's Composite and Services PMI both hit a four-month high in October, climbing to 51.8 and 53.2 respectively

Reports that China was looking at easing COVID-19 restrictions in the country proved to be unfounded, as a spokesman for the Chinese Foreign Ministry denied that such a move was being considered

The impact of the restrictions was underscored by data showing that Caixin services PMI for October further contracted to 48.4, the lowest reading since May after deteriorating to 49.3 in September



Performance

Asset Class/Region	Currency				
		Week ending 4 Nov 2022	Month to date	YTD 2022	12 Months
Developed Market Equities					
United States	USD	-3.3%	-2.6%	-20.1%	-18.5%
United Kingdom	GBP	4.1%	3.5%	5.0%	7.1%
Continental Europe	EUR	1.4%	1.2%	-14.5%	-14.1%
Japan	JPY	0.9%	-0.7%	-1.4%	-4.3%
Asia Pacific (ex Japan)	USD	4.5%	4.2%	-26.5%	-28.3%
Australia	AUD	1.6%	0.4%	-3.7%	-3.0%
Global	USD	-2.1%	-1.6%	-21.3%	-21.0%
Emerging markets equities					
Emerging Europe	USD	5.8%	4.6%	-75.6%	-78.5%
Emerging Asia	USD	5.0%	4.9%	-29.7%	-31.3%
Emerging Latin America	USD	7.1%	4.9%	18.5%	20.8%
BRICs	USD	7.7%	7.9%	-28.4%	-33.1%
China	USD	11.0%	12.6%	-35.6%	-41.1%
MENA countries	USD	-1.2%	-1.3%	-1.7%	-4.0%
South Africa	USD	4.6%	6.0%	-11.3%	-13.7%
India	USD	2.2%	1.6%	-4.0%	-6.4%
Global emerging markets	USD	4.7%	4.4%	-26.3%	-28.2%
Bonds					
US Treasuries	USD	-0.9%	-0.7%	-14.4%	-14.4%
US Treasuries (inflation protected)	USD	-1.1%	-1.0%	-14.2%	-13.4%
US Corporate (investment grade)	USD	-0.6%	-0.3%	-19.8%	-20.0%
US High Yield	USD	-1.2%	-0.8%	-13.2%	-12.7%
UK Gilts	GBP	-1.4%	-0.5%	-23.8%	-23.8%
UK Corporate (investment grade)	GBP	-0.2%	0.3%	-21.0%	-21.3%
Euro Government Bonds	EUR	-1.6%	-0.8%	-17.2%	-18.0%
Euro Corporate (investment grade)	EUR	-0.4%	-0.2%	-14.7%	-15.2%
Euro High Yield	EUR	0.5%	0.1%	-13.1%	-13.0%
Japanese Government	JPY	-0.4%	-0.6%	-4.5%	-4.6%
Australian Government	AUD	-0.6%	-0.5%	-10.2%	-9.3%
Global Government Bonds	USD	-1.2%	-0.6%	-21.2%	-21.9%
Global Bonds	USD	-1.1%	-0.5%	-21.2%	-22.0%
Global Convertible Bonds	USD	-0.4%	-0.2%	-22.6%	-26.2%
Emerging Market Bonds	USD	-0.4%	0.2%	-30.3%	-30.6%



Performance

Asset Class/Region	Currency				
		Week ending 4 Nov 2022	Month to date	YTD 2022	12 Months
Property					
US Property Securities	USD	-1.8%	-1.5%	-26.5%	-21.5%
Australian Property Securities	AUD	0.1%	-1.5%	-25.0%	-21.5%
Asia Property Securities	USD	1.0%	2.9%	-20.9%	-24.1%
Global Property Securities	USD	-0.8%	-0.3%	-27.6%	-25.6%
Currencies					
Euro	USD	-0.2%	0.4%	-12.8%	-14.1%
UK Pound Sterling	USD	-2.2%	-1.2%	-16.3%	-16.0%
Japanese Yen	USD	0.5%	1.1%	-21.7%	-22.7%
Australian Dollar	USD	0.7%	0.9%	-11.4%	-12.8%
South African Rand	USD	1.2%	2.4%	-11.2%	-14.9%
Swiss Franc	USD	0.0%	0.4%	-8.6%	-8.4%
Chinese Yuan	USD	1.0%	1.7%	-11.5%	-10.9%
Commodities & Alternatives					
Commodities	USD	5.2%	4.6%	23.6%	23.4%
Agricultural Commodities	USD	4.3%	2.4%	9.0%	13.9%
Oil	USD	2.9%	3.9%	26.7%	22.4%
Gold	USD	2.3%	2.8%	-8.1%	-6.2%
Hedge funds	USD	0.1%	0.1%	-4.4%	-5.5%



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For more information, please contact your adviser or alternatively contact:

Belvest Investment Services Limited
研富投資服務有限公司
9th Floor, Centre Mark II
305-313 Queen's Road Central
Sheung Wan, Hong Kong

Tel +852 2827 1199
Fax +852 2827 0270
belvest@bis.hk
www.bis.hk

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