



# The Market Place

- Global equities rallied 1.7% on the week
- China locked down one-fifth of the country due to a COVID-19 outbreak
- Brent crude lost 4.6% on the week, down to \$83.6 a barrel
- Gold returned 0.2% on the week to trade at \$1754.9 an ounce

## US

US equities rallied 1.5% on the week, despite being closed for Thanksgiving on Thursday. Utilities, Metals and Miners outperformed while Oil, Gas, and Energy sectors underperformed

Federal Reserve staff economists briefed policymakers this month that the chances of a US recession in the next year had risen to almost 50% due to risks of slower consumer spending, global economic risks and further interest-rate hikes

US flash Purchasing Manager Indexes (PMI) for November prompted a significant move in markets after they significantly underwhelmed expectations. In particular, the Manufacturing PMI fell to 47.6 (vs. 50.0 expected), which is its lowest level since the initial wave of the pandemic. The Composite PMI fell to 46.3 (vs. 48.0 expected), which is its second-lowest level since the pandemic

## Europe

European equities returned 1.5% on the week with Travel, Leisure, Oil and Gas outperforming while Auto Parts and Financial Services underperformed

The German IFO's business climate indicator surprised on the upside with an 86.3 reading (vs. 85.0 expected), as did the expectations component at 80.0 (vs. 77.0 expected). This marked the second consecutive monthly improvement for both measures

Talks between European Union nations on where to set a proposed Group of Seven price cap on Russian oil are said to have become bogged down on Wednesday evening as governments are split over how to design the plan

Euro Area composite PMI unexpectedly ticked up to 47.3 (vs. 47.0 expected), with the Manufacturing and Services numbers also better than expected

## UK

UK equities rallied 1.5% on the week

The UK Government scrapped a controversial plan to give itself an intervention power over financial regulators, saying it already has the necessary authority to slash red tape and boost competitiveness of the Financial Services sector

## Asia / ROW

Chinese equities fell 3.1% on the week. One-fifth of China is in lockdown due to a recent COVID-19 outbreak causing widespread protests including in Beijing, with some in Shanghai calling on Xi Jinping to step down

Japanese equities rose 2.6% on the week. The flash PMIs from Japan showed a contraction in manufacturing for the first time in nearly two years, with the PMI falling to 49.4 in November



# Performance

| Asset Class/Region                  | Currency |                            |                  |          |           |
|-------------------------------------|----------|----------------------------|------------------|----------|-----------|
|                                     |          | Week ending<br>25 Nov 2022 | Month<br>to date | YTD 2022 | 12 Months |
| <b>Developed Market Equities</b>    |          |                            |                  |          |           |
| United States                       | USD      | 1.5%                       | 4.1%             | -14.7%   | -13.4%    |
| United Kingdom                      | GBP      | 1.5%                       | 5.9%             | 7.5%     | 8.8%      |
| Continental Europe                  | EUR      | 1.5%                       | 7.3%             | -9.3%    | -8.2%     |
| Japan                               | JPY      | 2.6%                       | 4.6%             | 3.8%     | 2.3%      |
| Asia Pacific (ex Japan)             | USD      | 0.1%                       | 14.2%            | -19.5%   | -21.0%    |
| Australia                           | AUD      | 1.5%                       | 6.2%             | 1.8%     | 2.5%      |
| Global                              | USD      | 1.7%                       | 6.3%             | -15.1%   | -14.2%    |
| <b>Emerging markets equities</b>    |          |                            |                  |          |           |
| Emerging Europe                     | USD      | 4.6%                       | 17.6%            | -72.6%   | -73.1%    |
| Emerging Asia                       | USD      | -0.2%                      | 14.4%            | -23.3%   | -25.0%    |
| Emerging Latin America              | USD      | 0.4%                       | -2.9%            | 9.7%     | 12.1%     |
| BRICs                               | USD      | -1.6%                      | 11.1%            | -26.3%   | -29.9%    |
| China                               | USD      | -3.1%                      | 20.5%            | -31.1%   | -36.0%    |
| MENA countries                      | USD      | -1.4%                      | -3.5%            | -4.0%    | -4.2%     |
| South Africa                        | USD      | 1.7%                       | 16.7%            | -2.3%    | 1.1%      |
| India                               | USD      | 1.0%                       | 4.3%             | -1.4%    | -2.4%     |
| Global emerging markets             | USD      | -0.1%                      | 11.1%            | -21.6%   | -22.8%    |
| <b>Bonds</b>                        |          |                            |                  |          |           |
| US Treasuries                       | USD      | 0.9%                       | 2.3%             | -11.8%   | -11.3%    |
| US Treasuries (inflation protected) | USD      | 1.5%                       | 1.2%             | -12.3%   | -11.6%    |
| US Corporate (investment grade)     | USD      | 1.4%                       | 4.8%             | -15.4%   | -14.7%    |
| US High Yield                       | USD      | 0.9%                       | 1.8%             | -10.6%   | -9.2%     |
| UK Gilts                            | GBP      | 0.6%                       | 3.6%             | -20.7%   | -21.2%    |
| UK Corporate (investment grade)     | GBP      | 1.1%                       | 4.7%             | -18.0%   | -18.3%    |
| Euro Government Bonds               | EUR      | 0.4%                       | 2.2%             | -14.7%   | -15.4%    |
| Euro Corporate (investment grade)   | EUR      | 0.6%                       | 2.5%             | -12.8%   | -12.9%    |
| Euro High Yield                     | EUR      | 1.2%                       | 3.8%             | -10.8%   | -10.5%    |
| Japanese Government                 | JPY      | -0.4%                      | -0.3%            | -4.2%    | -4.2%     |
| Australian Government               | AUD      | 0.2%                       | 1.1%             | -8.8%    | -7.7%     |
| Global Government Bonds             | USD      | 0.8%                       | 4.7%             | -17.1%   | -16.5%    |
| Global Bonds                        | USD      | 1.0%                       | 5.1%             | -16.8%   | -16.2%    |
| Global Convertible Bonds            | USD      | 0.7%                       | 4.6%             | -18.9%   | -20.6%    |
| Emerging Market Bonds               | USD      | 1.9%                       | 7.3%             | -25.3%   | -24.2%    |



# Performance

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|---------------------------------------|----------|----------------------------|------------------|----------|-----------|
|                                       |          | Week ending<br>25 Nov 2022 | Month<br>to date | YTD 2022 | 12 Months |
| <b>Property</b>                       |          |                            |                  |          |           |
| US Property Securities                | USD      | 1.7%                       | 4.4%             | -22.1%   | -18.9%    |
| Australian Property Securities        | AUD      | 2.6%                       | 4.6%             | -20.3%   | -18.6%    |
| Asia Property Securities              | USD      | 2.2%                       | 15.3%            | -11.3%   | -14.6%    |
| Global Property Securities            | USD      | 1.7%                       | 7.7%             | -21.7%   | -20.3%    |
| <b>Currencies</b>                     |          |                            |                  |          |           |
| Euro                                  | USD      | 0.7%                       | 5.2%             | -8.6%    | -7.2%     |
| UK Pound Sterling                     | USD      | 1.8%                       | 5.5%             | -10.6%   | -9.2%     |
| Japanese Yen                          | USD      | 0.8%                       | 6.8%             | -17.3%   | -17.1%    |
| Australian Dollar                     | USD      | 1.1%                       | 5.4%             | -7.3%    | -6.2%     |
| South African Rand                    | USD      | 0.9%                       | 7.4%             | -6.9%    | -6.9%     |
| Swiss Franc                           | USD      | 0.8%                       | 5.9%             | -3.6%    | -1.0%     |
| Chinese Yuan                          | USD      | -0.6%                      | 1.9%             | -11.3%   | -10.9%    |
| <b>Commodities &amp; Alternatives</b> |          |                            |                  |          |           |
| Commodities                           | USD      | -1.2%                      | 0.1%             | 18.2%    | 16.1%     |
| Agricultural Commodities              | USD      | -0.7%                      | 0.4%             | 6.9%     | 6.9%      |
| Oil                                   | USD      | -4.6%                      | -11.8%           | 7.5%     | 1.7%      |
| Gold                                  | USD      | 0.2%                       | 7.3%             | -4.1%    | -1.9%     |
| Hedge funds                           | USD      | 0.2%                       | -0.1%            | -4.6%    | -5.1%     |



# Global Matters Weekly

28 November 2022

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