

# The Market Place

- Global equities fell 2.5% on the week
- Four European Parliament officials, including vice-president Eva Kaili, were charged with corruption offences as part of an investigation into claims that Qatar attempted to buy influence in a key upcoming vote
- Brent crude fell 11.1% on the week to \$76.1 a barrel
- Gold remained flat on the week at \$1797.3 an ounce

## US

US equities returned -3.4% on the week

The Federal Reserve meets this week for its decision on the policy rate with markets expecting a 50bps rise for the headline rate. Although this will be a downshift in the rate of hikes from the 75bps seen in past meetings, the policy rate is still expected to continue to rise steadily to a peak of around 5%

Despite the aggressive hiking policy, the US economy continues to show signs of strength with the Institute of Supply Management services index coming in at 56.5, surpassing the consensus estimate of 53.5

Other areas showed more signs of weakness as Blackstone, the private equity firm, was forced to limit withdrawals from a \$69bn real estate fund due to liquidity issues

## Europe

European equities returned -0.9% on the week

Strong economic headwinds in Europe failed to prevent a revision upwards in Euro Area growth for Q3, with the latest data showing a +0.3% expansion (vs. +0.2% previous estimate)

With the European Central Bank also expected to raise the headline rate by 50bps later this week, the three-year expected inflation rate remained firmly at 3.0%, a full percentage point above target

## UK

UK equities fell 1.0% on the week

UK Gross Domestic Product grew by 0.5% between September and October (vs 0.4% expected) reversing the 0.6% contraction seen in September. However, in the three months leading up to October, the economy contracted by 0.3% vs the previous quarter

UK construction Purchasing Managers' Index fell further than expected but just about remained in expansionary territory with a decline to 50.4 (vs. 52.0 expected)

## Asia / ROW

Global emerging market equities rose 0.5% on the week

Chinese equities rose 6.8% on the week as China announced a significant loosening of COVID-19 restrictions, saying it would allow home quarantine for some COVID-19 patients and close contacts and would ditch COVID-19 testing requirements in most public venues

China's stringent lockdown has meant that they have avoided the high levels of inflation seen globally. In November year-on-year Consumer Price Index fell to +1.6% from +2.1% in October, which was seen as offering policymakers more space to stimulate the economy if required

Elevated inflation saw Japan's real wages (-2.6% year-on-year) post their biggest fall in more than seven years (vs -2.2% expected)



# Performance

Asset Class/Region	Currency				
		Week ending 9 Dec 2022	Month to date	YTD 2022	12 Months
<b>Developed Market Equities</b>					
United States	USD	-3.4%	-3.5%	-16.6%	-14.7%
United Kingdom	GBP	-1.0%	-1.2%	7.3%	8.3%
Continental Europe	EUR	-0.9%	-0.2%	-9.7%	-7.8%
Japan	JPY	0.4%	-1.2%	1.0%	1.2%
Asia Pacific (ex Japan)	USD	1.3%	2.0%	-15.4%	-16.3%
Australia	AUD	-1.2%	-1.0%	1.2%	2.2%
Global	USD	-2.5%	-2.1%	-16.3%	-14.7%
<b>Emerging markets equities</b>					
Emerging Europe	USD	-0.2%	-0.3%	-72.9%	-73.1%
Emerging Asia	USD	1.4%	2.0%	-18.9%	-20.2%
Emerging Latin America	USD	-3.4%	-3.7%	9.3%	10.4%
BRICs	USD	2.9%	3.5%	-19.3%	-21.6%
China	USD	6.8%	7.8%	-20.0%	-23.7%
MENA countries	USD	-4.2%	-4.3%	-8.0%	-6.6%
South Africa	USD	2.1%	-4.1%	-4.1%	-2.2%
India	USD	-2.3%	-2.5%	-2.4%	-1.9%
Global emerging markets	USD	0.5%	0.6%	-18.4%	-19.3%
<b>Bonds</b>					
US Treasuries	USD	-0.4%	0.7%	-10.9%	-11.0%
US Treasuries (inflation protected)	USD	-1.6%	0.4%	-11.3%	-10.3%
US Corporate (investment grade)	USD	-0.2%	1.4%	-14.1%	-14.0%
US High Yield	USD	-0.1%	0.7%	-10.0%	-9.3%
UK Gilts	GBP	-0.3%	-0.6%	-21.8%	-24.4%
UK Corporate (investment grade)	GBP	0.2%	0.2%	-18.1%	-19.7%
Euro Government Bonds	EUR	-0.4%	0.3%	-14.2%	-15.7%
Euro Corporate (investment grade)	EUR	-0.1%	0.6%	-12.0%	-12.6%
Euro High Yield	EUR	-0.4%	0.0%	-10.8%	-10.7%
Japanese Government	JPY	0.3%	0.5%	-4.0%	-4.2%
Australian Government	AUD	0.6%	1.4%	-7.1%	-6.9%
Global Government Bonds	USD	-0.2%	1.7%	-15.9%	-16.4%
Global Bonds	USD	-0.1%	1.7%	-15.7%	-16.0%
Global Convertible Bonds	USD	-0.8%	1.3%	-18.2%	-18.3%
Emerging Market Bonds	USD	0.1%	1.6%	-23.4%	-23.8%



# Performance

Asset Class/Region	Currency				
		Week ending 9 Dec 2022	Month to date	YTD 2022	12 Months
<b>Property</b>					
US Property Securities	USD	-1.8%	-2.3%	-23.0%	-18.9%
Australian Property Securities	AUD	-1.3%	-2.9%	-21.8%	-20.2%
Asia Property Securities	USD	4.1%	2.5%	-8.0%	-10.5%
Global Property Securities	USD	-0.4%	-0.4%	-21.7%	-19.3%
<b>Currencies</b>					
Euro	USD	0.2%	2.2%	-7.4%	-6.6%
UK Pound Sterling	USD	0.1%	2.9%	-9.2%	-7.0%
Japanese Yen	USD	-1.3%	2.1%	-15.7%	-16.8%
Australian Dollar	USD	0.0%	1.3%	-6.5%	-4.9%
South African Rand	USD	0.9%	-2.1%	-8.1%	-8.0%
Swiss Franc	USD	0.5%	2.0%	-2.3%	-0.9%
Chinese Yuan	USD	1.4%	1.9%	-8.7%	-8.3%
<b>Commodities &amp; Alternatives</b>					
Commodities	USD	-3.8%	-4.7%	15.0%	19.5%
Agricultural Commodities	USD	-0.8%	-2.7%	4.9%	7.7%
Oil	USD	-11.1%	-10.9%	-2.2%	2.3%
Gold	USD	0.0%	2.5%	-1.7%	1.1%
Hedge funds	USD	-0.2%	0.0%	-4.3%	-4.2%

# Global Matters Weekly

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