

The Market Place

- Global equities were flat last week
- Some of the world's leading central banks jointly announced an effort to ease liquidity pressures by enhancing US dollar swap line arrangements. The latest intervention comes after the collapse of Silicon Valley Bank (SVB) Financial and the turmoil surrounding Credit Suisse
- Brent crude fell by -11.9% to \$72.97 per barrel
- Gold rose by 6.5% to \$1989.25 per ounce in its best weekly performance since COVID-19, amidst the risk-off tone throughout markets

US

US equities returned 1.5% last week

The US Federal Home Loan Banks (FHLB) raised \$88.7bn in a bond sale last week, exceeding their initial target. The FHLB system is a tool designed to be a lender of short-term funding to private banks to lessen the load on the Fed. SVB had tapped the FHLB before the Fed stepped in and took control of the situation and given the large bond sale, it is likely that other regional banks are still looking for liquidity

Headline Consumer Price Index (CPI) came in at 0.37% for the month of February, taking the annual rate down to 6.0%. However, core CPI was stronger than expected at 0.45% for the month and 5.2% year-on-year

Producer prices in February were lower than expected, with headline Payment Protection Insurance falling -0.1% on the month (versus +0.3% expected), taking the year-on-year measure down to +4.6%

Weekly initial jobless claims for the week ending 11 March came in at 192k (vs 205k expected)

Europe

European equities returned -3.4% last week

The ECB followed through on their previous commitment to hike by 50bps at last week's meeting, taking the deposit rate up to a post-2008 high of 3%. Their statement dropped the previous hawkish guidance that they expect to raise rates further and instead, the message was that they'd take a "data-dependent" approach at subsequent meetings

With Credit Suisse seeing pressure from a lack of depositor and investor confidence, the SNB offered the Swiss bank a 50bn franc credit line

UK

UK equities returned -5.2% last week

The unemployment rate remained at 3.7% (vs 3.8% expected) over the three months ending January, and the number of payrolled employees in February was up +98k (vs +65k expected)

There were signs of slowing wage growth, with regular pay growth (excluding bonuses) down to +6.5% across the three months to January relative to the previous year

The government's Spring Budget outlined a variety of reforms designed to encourage growth – including a more generous tax treatment of pensions designed to keep workers in the labour market. The government also announced that the current support for energy bills would be extended for a further three months

Asia / ROW

Global emerging market equities returned -0.3% last week

Japanese equities fell by -3.5% last week

Retail sales in China rose 3.5% year-on-year in February, as Beijing abandoned its strict zero-COVID-19 policy. Meanwhile, industrial production for January – February increased by 2.4% year-on-year, a little softer than the +2.6% expected but an increase from its December reading



Performance

Asset Class/Region	Currency				
		Week ending 17 Mar 2023	Month to date	YTD 2023	12 Months
Developed Market Equities					
United States	USD	1.5%	-1.3%	2.3%	-10.2%
United Kingdom	GBP	-5.2%	-6.6%	-0.9%	3.7%
Continental Europe	EUR	-3.4%	-4.4%	4.2%	0.0%
Japan	JPY	-3.5%	-1.7%	3.6%	6.0%
Asia Pacific (ex Japan)	USD	0.6%	-0.8%	0.5%	-10.6%
Australia	AUD	-2.1%	-2.7%	0.8%	0.9%
Global	USD	0.0%	-2.0%	2.4%	-9.4%
Emerging markets equities					
Emerging Europe	USD	-6.0%	-7.1%	-1.6%	-0.1%
Emerging Asia	USD	1.0%	-0.2%	0.9%	-11.9%
Emerging Latin America	USD	-4.8%	-5.0%	-2.1%	-7.7%
BRICs	USD	0.2%	-1.0%	-3.3%	-10.0%
China	USD	1.9%	-0.8%	-0.6%	-8.8%
MENA countries	USD	-4.8%	-3.0%	-5.4%	-22.0%
South Africa	USD	-4.6%	-5.1%	-8.7%	-25.5%
India	USD	-2.5%	-1.1%	-5.3%	-7.9%
Global emerging markets	USD	-0.3%	-1.1%	-0.3%	-12.6%
Bonds					
US Treasuries	USD	1.6%	3.1%	3.4%	-4.8%
US Treasuries (inflation protected)	USD	0.4%	1.4%	1.9%	-9.7%
US Corporate (investment grade)	USD	0.6%	1.6%	2.5%	-5.9%
US High Yield	USD	-0.4%	-1.0%	1.5%	-5.1%
UK Gilts	GBP	3.0%	4.7%	3.9%	-15.4%
UK Corporate (investment grade)	GBP	0.5%	1.4%	3.0%	-10.7%
Euro Government Bonds	EUR	2.4%	3.6%	3.7%	-11.7%
Euro Corporate (investment grade)	EUR	0.5%	0.9%	1.5%	-8.0%
Euro High Yield	EUR	-1.1%	-1.3%	1.7%	-4.7%
Japanese Government	JPY	1.2%	1.3%	2.2%	-2.2%
Australian Government	AUD	1.3%	3.0%	4.4%	-2.4%
Global Government Bonds	USD	2.0%	3.6%	3.1%	-9.9%
Global Bonds	USD	1.6%	2.8%	2.9%	-9.4%
Global Convertible Bonds	USD	-1.2%	-2.4%	-0.4%	-11.8%
Emerging Market Bonds	USD	0.3%	0.7%	0.8%	-11.4%



Performance

Asset Class/Region	Currency				
		Week ending 17 Mar 2023	Month to date	YTD 2023	12 Months
Property					
US Property Securities	USD	-1.1%	-7.1%	-2.2%	-21.6%
Australian Property Securities	AUD	-2.3%	-4.9%	2.1%	-14.9%
Asia Property Securities	USD	0.6%	-0.7%	-3.8%	-11.3%
Global Property Securities	USD	0.2%	-4.3%	-1.2%	-20.0%
Currencies					
Euro	USD	0.0%	0.6%	-0.4%	-4.1%
UK Pound Sterling	USD	1.0%	0.7%	0.7%	-7.5%
Japanese Yen	USD	2.0%	2.8%	-0.8%	-10.3%
Australian Dollar	USD	1.4%	-0.7%	-1.6%	-9.2%
South African Rand	USD	-0.6%	-0.2%	-7.3%	-19.1%
Swiss Franc	USD	-1.0%	1.0%	-0.6%	0.7%
Chinese Yuan	USD	0.4%	0.7%	0.1%	-7.8%
Commodities & Alternatives					
Commodities	USD	-3.5%	-5.4%	-9.1%	-13.5%
Agricultural Commodities	USD	0.3%	-1.9%	-3.1%	-10.4%
Oil	USD	-11.9%	-13.0%	-15.1%	-31.6%
Gold	USD	6.5%	8.7%	9.1%	2.4%
Hedge funds	USD	-1.1%	-1.5%	-0.4%	-2.4%



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