

# The Market Place

- Global equities fell 0.4% last week
- President Biden will continue to meet with Republican Speaker of the House Kevin McCarthy this week as negotiations continue over a deal to raise the debt ceiling and avoid a default of US Government debt
- Brent crude fell by 1.5% to \$74.17 per barrel
- Gold fell by 0.3% to \$2010.77 per ounce

## US

US equities fell 0.3% last week

Headline year-on-year Consumer Price Index (CPI) came in at 4.9% in April, marking the first time in two years it had fallen beneath 5%

Core inflation remained stubbornly persistent at 5.0%, which is still too fast for comfort for the Federal Reserve

The Senior Loan Officer Opinion Survey saw a net percentage of banks tightening lending standards on commercial and industrial (C&I) loans to medium/large businesses rise to 46% from 44.8% in Q4

## Europe

European equities returned 0.4% last week

The European Central Bank's (ECB) latest consumer expectations survey for March showed inflation expectations were moving higher again after their recent decline, with the one-year expectation up to 5.0%, and the three-year expectation up to 2.9%

The ECB has reaffirmed its hawkish position saying it might still be hiking in September. President Lagarde herself reiterated that the ECB's fight against inflation "is not over"

## UK

UK equities fell 0.2% last week

The Bank of England (BoE) announced another 25bps hike that took the Bank Rate up to a post-2008 high of 4.5%

The BoE also announced significant upwards revisions to their forward Gross Domestic Product (GDP) growth projections rising to 0.25% for 2023 and 0.75% for 2024 and 2025

UK GDP expanded by 0.1% in the first quarter of 2023

## Asia / ROW

Global emerging market equities fell 0.9% last week

Japanese equities rose by 1.2% last week

China's exports (USD) recorded a second straight month of growth, advancing 8.5% year-on-year in April (vs. 8.0% expected), compared with an increase of +14.8% last month

Chinese imports contracted 7.9% in April, higher than the market expected decline of 0.2% indicating that domestic demand remains tepid

China's CPI rose 0.1% year-on-year in April (vs. 0.3% expected), its lowest rate since February 2021. The Producer Price Index fell 3.6% over the same period

Household spending in Japan unexpectedly fell 1.9% year-on-year in March



# Performance

Asset Class/Region	Currency				
		Week ending 12 May 2023	Month to date	YTD 2023	12 Months
<b>Developed Market Equities</b>					
United States	USD	-0.3%	-1.0%	7.9%	6.2%
United Kingdom	GBP	-0.2%	-1.3%	5.6%	11.1%
Continental Europe	EUR	0.4%	0.4%	12.8%	14.6%
Japan	JPY	1.0%	1.9%	12.2%	17.8%
Asia Pacific (ex Japan)	USD	-1.3%	-0.7%	1.6%	2.4%
Australia	AUD	0.8%	-0.5%	4.9%	9.4%
Global	USD	-0.4%	-0.8%	8.7%	8.3%
<b>Emerging markets equities</b>					
Emerging Europe	USD	3.1%	2.9%	9.9%	33.0%
Emerging Asia	USD	-1.3%	-0.6%	1.7%	1.3%
Emerging Latin America	USD	2.8%	4.0%	10.9%	14.1%
BRICs	USD	-0.7%	0.0%	-1.1%	4.0%
China	USD	-2.3%	-1.6%	-2.3%	3.0%
MENA countries	USD	0.9%	0.2%	2.9%	-12.8%
South Africa	USD	-6.9%	-8.4%	-8.2%	-8.4%
India	USD	-0.3%	0.8%	1.9%	10.3%
Global emerging markets	USD	-0.9%	-0.3%	2.4%	1.5%
<b>Bonds</b>					
US Treasuries	USD	-0.2%	-0.1%	3.6%	-1.0%
US Treasuries (inflation protected)	USD	-0.3%	-0.1%	3.4%	-2.7%
US Corporate (investment grade)	USD	-0.1%	-0.6%	3.7%	0.1%
US High Yield	USD	0.0%	-0.4%	4.3%	3.2%
UK Gilts	GBP	-0.1%	-0.6%	-0.2%	-17.6%
UK Corporate (investment grade)	GBP	0.1%	-0.2%	2.4%	-9.0%
Euro Government Bonds	EUR	0.2%	0.2%	2.7%	-8.8%
Euro Corporate (investment grade)	EUR	0.1%	0.2%	2.5%	-3.9%
Euro High Yield	EUR	0.2%	0.3%	3.4%	0.8%
Japanese Government	JPY	0.3%	0.0%	2.7%	-1.0%
Australian Government	AUD	0.0%	0.1%	5.2%	3.8%
Global Government Bonds	USD	-0.4%	-0.3%	3.1%	-3.7%
Global Bonds	USD	-0.5%	-0.5%	3.5%	-2.5%
Global Convertible Bonds	USD	-0.4%	0.2%	2.2%	1.3%
Emerging Market Bonds	USD	0.2%	0.2%	2.6%	0.7%



# Performance

Asset Class/Region	Currency				
		Week ending 12 May 2023	Month to date	YTD 2023	12 Months
<b>Property</b>					
US Property Securities	USD	-1.5%	-1.0%	2.1%	-7.6%
Australian Property Securities	AUD	-0.1%	1.2%	6.4%	0.4%
Asia Property Securities	USD	-2.1%	-1.7%	-3.4%	-4.8%
Global Property Securities	USD	-1.8%	-1.5%	0.8%	-7.9%
<b>Currencies</b>					
Euro	USD	-1.6%	-1.6%	1.3%	4.8%
UK Pound Sterling	USD	-1.5%	-1.0%	2.9%	2.1%
Japanese Yen	USD	-0.7%	0.3%	-3.4%	-5.4%
Australian Dollar	USD	-1.6%	0.4%	-2.6%	-3.2%
South African Rand	USD	-4.7%	-5.3%	-11.8%	-16.6%
Swiss Franc	USD	-0.8%	-0.7%	2.7%	11.8%
Chinese Yuan	USD	-0.7%	-0.7%	-0.9%	-2.5%
<b>Commodities &amp; Alternatives</b>					
Commodities	USD	-1.8%	-3.7%	-8.9%	-16.7%
Agricultural Commodities	USD	-2.2%	-0.2%	-3.0%	-14.6%
Oil	USD	-1.5%	-6.8%	-13.7%	-31.0%
Gold	USD	-0.3%	1.0%	10.2%	10.1%
Hedge funds	USD	0.1%	0.0%	0.3%	0.1%

# Global Matters Weekly

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