



The Market Place

- Global equities returned 1.2% last week
- 'War rooms' have been established inside several of the world's largest banks as the US runs the risk of being unable to cover its debt by 1 June 2023
- Brent crude rose 1.9% last week to \$75.58 per barrel
- Gold fell 1.6% last week to \$1977.81 per ounce

US

US equities rose 1.7% last week, with the benchmark index breaching the 4,200 level in intraday trading for the first time since late August 2022

Crunch talks on whether to raise the US debt ceiling concluded without a deal on Friday, hours after Republican negotiators stormed out complaining that President Biden's team were being unreasonable

Chairman Powell stated in a speech on Friday that "rates may not need to rise as high given credit stress", with the Federal Reserve to remain data dependent

Europe

European equities returned 0.9% last week

European Central Bank President Christine Lagarde says the ECB's fight to tame inflation isn't over and more action is still needed

Eurozone industrial production sank 4.1% sequentially in March after rising 1.5% in February 2023. On a year-over-year basis, industrial output declined 1.4% after increasing 2.0% in the preceding month

UK

UK equities returned 0.1% last week

The government has offered the owner of Jaguar Land Rover £500million in subsidies in an effort to persuade the carmaker to build a new electric battery plant in the UK

Britain and the European Union have taken a 'significant step' towards closer post-Brexit ties on financial services regulation, according to a treasury minister

The UK and other G7 countries are planning collective action against Russia and China if they threaten trade boycotts for political reasons, announcing a new body to deal with 'economic coercion'

Asia / ROW

Global emerging market equities returned 0.5% last week

Japanese equities returned 0.7% last week. Sentiment was supported by data showing that the Japanese economy grew by more than expected over the first quarter of the year, boosted by a post-COVID-19 revival in consumption

Chinese equities fell 0.8% last week amid concerns that the country's post-COVID-19 recovery is losing steam



Performance

Asset Class/Region	Currency				
		Week ending 19 May 2023	Month to date	YTD 2023	12 Months
Developed Market Equities					
United States	USD	1.7%	0.6%	9.7%	8.8%
United Kingdom	GBP	0.1%	-1.2%	5.6%	9.9%
Continental Europe	EUR	0.9%	1.3%	13.8%	15.0%
Japan	JPY	3.1%	5.1%	15.7%	19.5%
Asia Pacific (ex Japan)	USD	0.7%	0.0%	2.3%	-0.2%
Australia	AUD	0.5%	0.0%	5.4%	7.8%
Global	USD	1.2%	0.4%	10.1%	9.1%
Emerging markets equities					
Emerging Europe	USD	-3.3%	-0.6%	6.3%	22.8%
Emerging Asia	USD	1.0%	0.3%	2.7%	-0.7%
Emerging Latin America	USD	-0.4%	3.6%	10.5%	7.9%
BRICs	USD	-0.8%	-0.8%	-1.9%	-0.2%
China	USD	-0.8%	-2.4%	-3.0%	-2.5%
MENA countries	USD	-0.6%	-0.4%	2.3%	-11.6%
South Africa	USD	-1.4%	-9.7%	-9.4%	-11.6%
India	USD	-1.2%	-0.4%	0.7%	9.1%
Global emerging markets	USD	0.5%	0.2%	2.9%	-0.8%
Bonds					
US Treasuries	USD	-1.4%	-1.5%	2.1%	-2.4%
US Treasuries (inflation protected)	USD	-1.1%	-1.2%	2.3%	-4.0%
US Corporate (investment grade)	USD	-1.4%	-2.0%	2.2%	-0.4%
US High Yield	USD	-0.4%	-0.9%	3.8%	3.5%
UK Gilts	GBP	-2.0%	-2.5%	-2.2%	-18.0%
UK Corporate (investment grade)	GBP	-1.2%	-1.4%	1.2%	-9.1%
Euro Government Bonds	EUR	-1.0%	-0.8%	1.7%	-9.0%
Euro Corporate (investment grade)	EUR	-0.8%	-0.5%	1.7%	-4.2%
Euro High Yield	EUR	0.3%	0.6%	3.7%	1.3%
Japanese Government	JPY	0.0%	0.0%	2.7%	-1.0%
Australian Government	AUD	-1.5%	-1.4%	3.6%	1.9%
Global Government Bonds	USD	-1.7%	-2.0%	1.4%	-5.7%
Global Bonds	USD	-1.5%	-2.0%	2.0%	-4.2%
Global Convertible Bonds	USD	0.3%	0.5%	2.5%	0.1%
Emerging Market Bonds	USD	-2.0%	-1.8%	0.6%	-1.3%



Performance

Asset Class/Region	Currency				
		Week ending 19 May 2023	Month to date	YTD 2023	12 Months
Property					
US Property Securities	USD	-2.1%	-3.1%	-0.1%	-8.8%
Australian Property Securities	AUD	-0.4%	0.9%	6.1%	-2.8%
Asia Property Securities	USD	-2.3%	-3.9%	-5.5%	-10.1%
Global Property Securities	USD	-1.8%	-3.2%	-1.0%	-10.6%
Currencies					
Euro	USD	-0.3%	-1.9%	1.0%	2.2%
UK Pound Sterling	USD	0.1%	-0.9%	3.1%	-0.3%
Japanese Yen	USD	-1.5%	-1.3%	-4.9%	-7.4%
Australian Dollar	USD	0.3%	0.7%	-2.2%	-5.6%
South African Rand	USD	-0.5%	-5.8%	-12.2%	-18.4%
Swiss Franc	USD	-0.1%	-0.7%	2.6%	8.1%
Chinese Yuan	USD	-0.8%	-1.4%	-1.6%	-4.3%
Commodities & Alternatives					
Commodities	USD	0.9%	-2.8%	-8.1%	-18.3%
Agricultural Commodities	USD	-1.6%	-1.8%	-4.6%	-17.1%
Oil	USD	1.9%	-5.0%	-12.0%	-32.5%
Gold	USD	-1.6%	-0.6%	8.4%	7.3%
Hedge funds	USD	-0.2%	-0.1%	0.2%	-0.3%

Global Matters Weekly

22 May 2023

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