

# The Market Place

- Global equities returned +1.7% last week
- US debt ceiling raised to prevent default
- Brent crude fell 1.1% last week to \$76.13 per barrel
- Gold returned 0.1% last week to \$1947.97 per ounce

## US

US equities rose 1.9% last week despite being closed on Monday 29 May for US federal holiday, Memorial Day

The Senate approved legislation to suspend the US debt ceiling and impose restraints on government spending through the 2024 election, averting a potentially catastrophic default

US payrolls eclipsed expectations in May, surging by 339k (vs estimate of 195k) and a revised 294K in the prior month, with the jobless rate also topping estimates rising to 3.7%

Artificial Intelligence has investors pouring a record amount of money into tech stocks, with the US tech Index now at an all-time high relative to the US 2000 small-cap index

## Europe

European equities were flat last week

Euro-area inflation slowed in May to 6.1% (vs 6.3% estimated)

Spain's Prime Minister, Pedro Sánchez, called a snap election after the far-right opposition triumphed in local polls

German Consumer Price Index for May fell 0.1% (vs 0.6% estimated), Manufacturing PMI 3.1 (vs 46.9 estimates)

## UK

UK equities returned -0.3% last week after being closed on Monday 29 May

UK Manufacturing Purchasing Manager Index (PMI) for May beat expectations coming in at 47.1 (vs 46.9 estimates)

UK Business confidence in May retreated to its long-term average of 28%, after three months of rising optimism, according to a monthly sentiment index compiled by Lloyds Bank

## Asia / ROW

Global emerging market equities rose 1.3% last week

Japanese equities rose 1.8%

Last week Chinese equities rose 1.5%. China is said to be working on a new package to support the property sector. Regulators are considering reducing the down payment in some neighbourhoods of major cities, lowering agent commissions, and further relaxing curbs for residential purchases

China's Caixin Manufacturing PMI unexpectedly gained to 50.9 in May, signalling expansion (vs 49.5 estimates)

Global food costs fell to the lowest level in two years in May, reviving hopes that sticky inflation on supermarket shelves will start to ease. A UN index of food-commodity prices fell 2.6% as declines in grains, vegetable oil, and dairy offset higher sugar and meat costs

# Performance

Asset Class/Region	Currency				
		Week ending 2 June 2023	Month to date	YTD 2023	12 Months
<b>Developed Market Equities</b>					
United States	USD	1.9%	2.5%	12.1%	3.8%
United Kingdom	GBP	-0.3%	2.2%	3.6%	4.4%
Continental Europe	EUR	0.0%	2.2%	12.2%	9.3%
Japan	JPY	1.8%	2.4%	16.9%	16.4%
Asia Pacific (ex Japan)	USD	1.3%	2.6%	2.5%	-4.5%
Australia	AUD	-0.1%	0.8%	3.5%	4.2%
Global	USD	1.7%	2.6%	11.4%	3.9%
<b>Emerging markets equities</b>					
Emerging Europe	USD	2.8%	5.0%	10.9%	23.2%
Emerging Asia	USD	1.4%	2.5%	3.8%	-4.4%
Emerging Latin America	USD	1.5%	5.7%	11.9%	1.8%
BRICs	USD	1.4%	3.7%	-2.0%	-6.0%
China	USD	1.5%	4.5%	-5.0%	-9.9%
MENA countries	USD	-1.0%	0.1%	0.0%	-14.2%
South Africa	USD	2.5%	4.6%	-9.7%	-16.6%
India	USD	0.6%	0.5%	3.3%	5.9%
Global emerging markets	USD	1.3%	2.7%	3.8%	-4.6%
<b>Bonds</b>					
US Treasuries	USD	0.7%	-0.3%	2.2%	-2.2%
US Treasuries (inflation protected)	USD	0.3%	-0.3%	1.9%	-4.6%
US Corporate (investment grade)	USD	1.0%	-0.1%	2.8%	-1.2%
US High Yield	USD	1.2%	0.8%	4.6%	0.7%
UK Gilts	GBP	1.9%	0.4%	-2.9%	-15.9%
UK Corporate (investment grade)	GBP	1.3%	0.2%	0.4%	-8.7%
Euro Government Bonds	EUR	1.9%	0.0%	2.9%	-5.4%
Euro Corporate (investment grade)	EUR	1.0%	-0.1%	2.3%	-2.7%
Euro High Yield	EUR	0.5%	0.2%	4.0%	1.0%
Japanese Government	JPY	0.0%	0.0%	2.6%	-1.0%
Australian Government	AUD	0.4%	-0.2%	3.4%	2.3%
Global Government Bonds	USD	1.2%	0.1%	1.3%	-4.9%
Global Bonds	USD	1.1%	0.1%	2.1%	-3.9%
Global Convertible Bonds	USD	1.2%	1.5%	2.9%	-1.6%
Emerging Market Bonds	USD	1.5%	0.6%	1.6%	-2.7%



# Performance

Asset Class/Region	Currency				
		Week ending 2 June 2023	Month to date	YTD 2023	12 Months
<b>Property</b>					
US Property Securities	USD	3.3%	2.3%	2.3%	-11.5%
Australian Property Securities	AUD	0.6%	1.0%	4.4%	-4.9%
Asia Property Securities	USD	1.7%	2.7%	-6.2%	-11.8%
Global Property Securities	USD	2.8%	2.5%	0.1%	-12.5%
<b>Currencies</b>					
Euro	USD	-0.1%	0.7%	0.0%	-0.3%
UK Pound Sterling	USD	0.9%	0.5%	2.9%	-1.0%
Japanese Yen	USD	0.5%	-0.1%	-6.4%	-7.2%
Australian Dollar	USD	1.5%	2.3%	-3.0%	-8.9%
South African Rand	USD	0.7%	1.2%	-12.8%	-20.8%
Swiss Franc	USD	-0.3%	0.6%	1.5%	5.5%
Chinese Yuan	USD	-0.3%	0.3%	-2.7%	-6.0%
<b>Commodities &amp; Alternatives</b>					
Commodities	USD	-0.5%	2.6%	-8.8%	-20.6%
Agricultural Commodities	USD	1.0%	2.6%	-2.5%	-12.4%
Oil	USD	-1.1%	4.8%	-11.4%	-35.3%
Gold	USD	0.1%	-0.9%	6.8%	4.3%
Hedge funds	USD	0.2%	0.2%	0.0%	-1.3%



# Global Matters Weekly

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For more information, please contact your adviser or alternatively contact:

Belvest Investment Services Limited  
研富投資服務有限公司  
9th Floor, Centre Mark II  
305-313 Queen's Road Central  
Sheung Wan, Hong Kong

Tel +852 2827 1199  
Fax +852 2827 0270  
belvest@bis.hk  
[www.bis.hk](http://www.bis.hk)

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