

The Market Place

- Global equities returned 2.7% last week
- US Secretary of State Antony Blinken met Qin Gang, China's top foreign policy official in Beijing, to stabilise strained ties between the world's biggest economies
- Brent crude rose by 2.4% to \$76.61 per barrel
- Gold fell by 0.2% to \$1957.98 per ounce

US

US equities rose by 2.6% last week

The US year-on-year headline Consumer Price Inflation rate fell to just +4.0% (vs. +4.1% expected), which is the slowest inflation has been in 26 months

The Federal Reserve ended a series of ten successive rate hikes but suggested that more may well be required, signalling two more hikes this year

Europe

European equities returned 1.7% last week

The European Central Bank (ECB) announced another 25bps hike as expected, which took the deposit rate up to 3.5% and its highest level since 2001

ECB President Christine Lagarde later said that "barring a material change to our baseline, it is very likely the case that we will continue to increase rates in July"

The German ZEW Market Survey showed a rebound in the expectations component to -8.5 (vs. -13.5 expected), ending three consecutive months of decline

UK

UK equities returned 0.9% last week

The UK labour market remains tight as the unemployment rate fell back to 3.8% over the three months to April (vs. +4.0% expected)

Wage growth excluding bonuses was up by +7.2% (vs. +6.9% expected)

Bank of England Governor Andrew Bailey acknowledged that inflation was "taking a lot longer than expected" to come down. Markets are now pricing in more than five 25bps hikes by the December meeting, which would take the Bank Rate up to 5.75%

Asia / ROW

Global emerging market equities returned 2.9% last week

Japanese equities rose by 3.4% last week

The People's Bank of China made their first stimulatory move, cutting its 1-year medium-term lending facility rate by 10bps to 2.65%

Year-to-date property investment was down by -7.2% on a year-on-year basis, which again was worse than the -6.7% reading expected by the consensus

The Bank of Japan maintained its current pace of yield curve control in line with market expectations as the central bank waits to ensure Japan sustainably achieves 2% inflation



Performance

Asset Class/Region	Currency				
		Week ending 16 June 2023	Month to date	YTD 2023	12 Months
Developed Market Equities					
United States	USD	2.6%	5.6%	15.5%	21.7%
United Kingdom	GBP	0.9%	2.7%	4.1%	11.8%
Continental Europe	EUR	1.7%	3.3%	13.3%	21.5%
Japan	JPY	3.4%	8.0%	23.2%	26.6%
Asia Pacific (ex Japan)	USD	3.1%	7.3%	7.3%	5.4%
Australia	AUD	1.8%	2.3%	5.0%	15.1%
Global	USD	2.7%	5.9%	14.9%	21.0%
Emerging markets equities					
Emerging Europe	USD	1.6%	9.4%	15.6%	43.3%
Emerging Asia	USD	3.1%	7.1%	8.4%	3.8%
Emerging Latin America	USD	2.2%	13.3%	19.9%	25.0%
BRICs	USD	3.9%	9.6%	3.6%	1.9%
China	USD	4.8%	11.5%	1.4%	-5.5%
MENA countries	USD	1.3%	3.7%	3.5%	-6.1%
South Africa	USD	4.8%	17.4%	1.3%	1.9%
India	USD	2.0%	2.7%	5.5%	17.9%
Global emerging markets	USD	2.9%	7.7%	8.8%	5.2%
Bonds					
US Treasuries	USD	0.0%	-0.5%	2.0%	-0.4%
US Treasuries (inflation protected)	USD	0.2%	-0.1%	2.2%	-2.1%
US Corporate (investment grade)	USD	0.4%	0.1%	3.0%	2.5%
US High Yield	USD	0.5%	1.6%	5.4%	7.7%
UK Gilts	GBP	-0.9%	-0.9%	-4.1%	-14.2%
UK Corporate (investment grade)	GBP	-0.9%	-0.9%	-0.7%	-6.3%
Euro Government Bonds	EUR	-0.1%	-0.5%	2.4%	-2.6%
Euro Corporate (investment grade)	EUR	-0.3%	-0.5%	1.9%	0.9%
Euro High Yield	EUR	0.3%	1.1%	4.9%	6.5%
Japanese Government	JPY	0.2%	0.2%	2.8%	0.0%
Australian Government	AUD	-0.5%	-2.4%	1.1%	2.9%
Global Government Bonds	USD	0.2%	0.3%	1.5%	-1.6%
Global Bonds	USD	0.4%	0.5%	2.5%	0.4%
Global Convertible Bonds	USD	1.8%	4.3%	5.7%	8.1%
Emerging Market Bonds	USD	0.6%	1.7%	2.8%	4.8%



Performance

Asset Class/Region	Currency				
		Week ending 16 June 2023	Month to date	YTD 2023	12 Months
Property					
US Property Securities	USD	1.2%	4.7%	4.6%	2.8%
Australian Property Securities	AUD	0.9%	-1.0%	2.3%	5.5%
Asia Property Securities	USD	1.2%	6.0%	-3.2%	-4.8%
Global Property Securities	USD	1.1%	4.9%	2.5%	-0.1%
Currencies					
Euro	USD	1.7%	2.8%	2.1%	3.5%
UK Pound Sterling	USD	1.9%	3.6%	6.0%	3.6%
Japanese Yen	USD	-1.8%	-1.5%	-7.6%	-7.1%
Australian Dollar	USD	1.9%	6.2%	0.7%	-2.4%
South African Rand	USD	2.9%	8.7%	-6.4%	-12.3%
Swiss Franc	USD	1.0%	2.3%	3.2%	8.0%
Chinese Yuan	USD	0.1%	-0.2%	-3.2%	-5.9%
Commodities & Alternatives					
Commodities	USD	4.4%	7.7%	-4.2%	-15.3%
Agricultural Commodities	USD	6.1%	10.7%	5.2%	-4.9%
Oil	USD	2.4%	5.4%	-10.8%	-36.1%
Gold	USD	-0.2%	-0.4%	7.3%	5.8%
Hedge funds	USD	0.3%	0.8%	0.6%	0.8%



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

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