

The Market Place

- Global equities returned 2.2% last week
- The US-China relationship came into view again this week, reporting that the Biden administration's Commerce Department could enforce additional restrictions on exports of Artificial Intelligence (AI) chips by Nvidia and other manufacturers to China
- Brent crude rose by 1.4% to \$74.9 per barrel
- Gold fell by 0.1% to \$1919.35 per ounce

US

US equities rose by 2.4% last week

May Core Personal Consumption Expenditures data showed a slightly below consensus reading at 4.6% year-on-year

Weekly jobless claims dropped back to 239k (vs. 265k expected), ending a run of five consecutive weekly gains

The Conference Board's consumer confidence indicator for June rose to 109.7 (vs. 104.0 expected), its highest reading since January 2022

New home sales in May rebounded to an annualised rate of 763k vs. 675k expected

Europe

European equities returned 2.3% last week

Year-on-year core Harmonised Index of Consumer Prices inflation for the Euro Area came in slightly below expectations at 5.4% (vs. 5.5% expected)

European Central Bank President Lagarde reiterated expectations for a July rate hike, though beyond that, she said decisions will be made on a meeting-by-meeting basis

Germany's Ifo business climate indicator fell to 88.5 in June (vs. 90.7 expected), the second consecutive decline, and now leaves it at its lowest level since November last year

The European Commission's consumer confidence indicator for the Euro Area hit a 16-month high last week

UK

UK equities returned 0.9% last week

UK mortgage approvals saw a larger than expected increase in May to 50.5k (vs. 49.7k expected)

The latest GfK (Growth from Knowledge) consumer confidence index showed a fifth consecutive increase and reached its highest level in 17 months

M4 money supply came in unchanged on a year-on-year basis, the lowest it has been since September 2015

Asia / ROW

Global emerging market equities were flat last week

Japanese equities rose by 1.2% last week, whilst Chinese equities were flat

China's factory activity remained in contraction territory in June, as the official manufacturing Purchasing Manager's Index came in at 49.0. The services sector also recorded its weakest reading since China abandoned its strict COVID-19 restrictions

Chinese data is at a point where markets are now expecting additional policy support from the administration to support the recovery despite the People's Bank of China (PBOC) cutting key lending rates last month

Consumer prices in Tokyo rose 3.1% year-on-year in June



Performance

Asset Class/Region	Currency				
		Week ending 30 June 2023	Month to date	YTD 2023	12 Months
Developed Market Equities					
United States	USD	2.4%	6.6%	16.6%	19.0%
United Kingdom	GBP	0.9%	1.2%	2.6%	8.1%
Continental Europe	EUR	2.3%	2.7%	12.7%	19.4%
Japan	JPY	1.2%	7.5%	22.7%	25.7%
Asia Pacific (ex Japan)	USD	0.2%	3.1%	3.0%	0.8%
Australia	AUD	1.6%	1.8%	4.5%	14.8%
Global	USD	2.2%	6.0%	15.1%	18.5%
Emerging markets equities					
Emerging Europe	USD	0.3%	6.9%	12.9%	41.6%
Emerging Asia	USD	0.0%	2.7%	4.0%	-0.9%
Emerging Latin America	USD	-0.6%	12.0%	18.5%	29.8%
BRICs	USD	0.6%	5.4%	-0.4%	-5.3%
China	USD	0.0%	4.0%	-5.5%	-16.8%
MENA countries	USD	-0.1%	3.1%	3.0%	-4.1%
South Africa	USD	1.5%	9.5%	-5.5%	-1.9%
India	USD	2.1%	4.5%	7.4%	18.3%
Global emerging markets	USD	0.0%	3.8%	4.9%	1.7%
Bonds					
US Treasuries	USD	-0.4%	-0.7%	1.8%	-1.9%
US Treasuries (inflation protected)	USD	-0.3%	-0.3%	2.0%	-1.3%
US Corporate (investment grade)	USD	0.0%	0.3%	3.2%	1.4%
US High Yield	USD	0.8%	1.6%	5.4%	8.9%
UK Gilts	GBP	-0.1%	-0.4%	-3.6%	-14.9%
UK Corporate (investment grade)	GBP	-0.4%	-1.1%	-1.0%	-6.9%
Euro Government Bonds	EUR	-0.3%	-0.3%	2.6%	-4.7%
Euro Corporate (investment grade)	EUR	-0.2%	-0.4%	2.0%	0.0%
Euro High Yield	EUR	-0.1%	0.5%	4.4%	8.8%
Japanese Government	JPY	-0.2%	0.2%	2.8%	0.1%
Australian Government	AUD	-0.1%	-2.3%	1.3%	0.8%
Global Government Bonds	USD	-0.4%	-0.2%	0.9%	-2.8%
Global Bonds	USD	-0.3%	0.2%	2.2%	-1.1%
Global Convertible Bonds	USD	0.8%	3.5%	4.8%	7.1%
Emerging Market Bonds	USD	0.1%	2.3%	3.3%	6.1%



Performance

Asset Class/Region	Currency				
		Week ending 30 June 2023	Month to date	YTD 2023	12 Months
Property					
US Property Securities	USD	5.2%	4.8%	4.8%	-1.4%
Australian Property Securities	AUD	2.6%	-1.6%	1.6%	3.1%
Asia Property Securities	USD	0.5%	1.9%	-7.0%	-11.3%
Global Property Securities	USD	3.5%	3.5%	1.1%	-4.0%
Currencies					
Euro	USD	0.3%	2.6%	1.9%	4.1%
UK Pound Sterling	USD	0.1%	2.7%	5.1%	4.4%
Japanese Yen	USD	-0.3%	-3.2%	-9.2%	-6.0%
Australian Dollar	USD	-0.2%	3.2%	-2.2%	-3.5%
South African Rand	USD	-0.2%	5.2%	-9.4%	-13.5%
Swiss Franc	USD	0.4%	2.2%	3.0%	6.6%
Chinese Yuan ^{*as at 21.06.2023}	USD	-1.0%*	-2.0%	-4.9%	-7.7%
Commodities & Alternatives					
Commodities	USD	-0.7%	4.5%	-7.1%	-9.6%
Agricultural Commodities	USD	-3.6%	5.7%	0.5%	0.1%
Oil	USD	1.4%	3.1%	-12.8%	-34.8%
Gold	USD	-0.1%	-2.3%	5.2%	6.0%
Hedge funds	USD	0.0%	0.6%	0.5%	1.2%

Global Matters Weekly

3 July 2023

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