

The Market Place

- Global equities fell 2.5% last week
- All major world indices declined last week, and Bitcoin hit a two-month low
- Brent crude fell 2.3% to \$84.8 a barrel
- Gold fell 1.3% to \$1889.3 per ounce

US

US equities fell 2.1% last week, with metal, materials and oil/ gas outperforming; whilst banks and homebuilders declined

July meeting minutes showed that most Fed officials see "significant" upside risks to inflation that may require more tightening

US core retail sales month-on-month for July were 1% (-0.3% expected)

US initial jobless claims were 239k last week (vs 240k expected)

Europe

European equities fell 2.2% last week, with retail and telecoms outperforming industrial goods and travel/ leisure

It was a quiet week for volumes with Assumption Day celebrated in Italy on 12 August

UK

UK equities fell 3.4 % last week

The June Average Earning Index and Bonus was 8.2% (vs 7.3% expected)

Consumer Price Index (month-on-month for July was -0.4% (vs -0.5% expected)

Core retail sales month-on-month for July was -1.2% (vs -0.5% expected)

Annual inflation slowed in July to 6.8% from 7.9% in June, driven lower by falling energy and food prices

Asia / ROW

Crude oil inventories were -5.96m barrels (vs -2.32m expected)

Global Emerging Market Equities fell 3.3% last week

Japanese equities fell 2.9% despite a stronger Q2 Gross Domestic Purchase (GDP) of 1.5% (vs 0.8% expected)

Chinese equities fell 5.6% last week

Japan's GDP grew by an annualized 6.0% quarter-on-quarter in the three months to the end of June 2023, far exceeding the 2.9% expansion forecast by economists

China's Central Bank unexpectedly lowered key interest rates as it ramped up stimulus to support a weakening economy. The Peoples Bank of China cut the rate on its one-year Medium-term Lending Facility loans by 15bps to 2.5% and lowered the seven-day reverse repo rate by 10bps to 1.8%. Fixed-asset investment from January to July was also worse than expected. Separately, authorities are considering cutting the stamp duty on stock trades for the first time since 2008

China's state-owned property developers are sending warnings of widespread losses, fuelling concerns that the crisis is expanding. Goldman Sachs has cut its China stock targets on contagion risk from the property slump



Performance

Asset Class/Region	Currency				
		Week ending 18 Aug 2023	Month to date	YTD 2023	12 Months
Developed Market Equities					
United States	USD	-2.1%	-4.7%	14.7%	3.2%
United Kingdom	GBP	-3.4%	-4.9%	-0.3%	-0.5%
Continental Europe	EUR	-2.2%	-4.6%	9.5%	6.8%
Japan	JPY	-2.9%	-3.7%	20.0%	15.5%
Asia Pacific (ex Japan)	USD	-3.7%	-8.2%	0.0%	-3.2%
Australia	AUD	-2.4%	-3.2%	4.0%	5.2%
Global	USD	-2.5%	-5.3%	12.6%	4.3%
Emerging markets equities					
Emerging Europe	USD	-3.9%	-4.3%	18.8%	42.8%
Emerging Asia	USD	-3.5%	-8.0%	1.6%	-2.9%
Emerging Latin America	USD	-2.7%	-7.9%	14.8%	12.2%
BRICs	USD	-4.0%	-8.6%	-1.8%	-4.4%
China	USD	-5.6%	-11.1%	-6.9%	-7.9%
MENA countries	USD	-0.4%	-2.7%	3.5%	-11.5%
South Africa	USD	-5.8%	-14.1%	-8.5%	-8.9%
India	USD	-0.8%	-3.1%	7.0%	4.3%
Global emerging markets	USD	-3.3%	-7.7%	2.8%	-1.9%
Bonds					
US Treasuries	USD	-0.4%	-1.4%	0.0%	-4.1%
US Treasuries (inflation protected)	USD	-0.7%	-1.9%	0.2%	-6.1%
US Corporate (investment grade)	USD	-0.7%	-2.2%	1.4%	-2.4%
US High Yield	USD	-0.8%	-1.1%	5.7%	2.1%
UK Gilts	GBP	-1.3%	-3.2%	-6.0%	-16.8%
UK Corporate (investment grade)	GBP	-1.2%	-2.2%	-0.8%	-7.8%
Euro Government Bonds	EUR	-0.2%	-0.9%	1.5%	-7.8%
Euro Corporate (investment grade)	EUR	-0.1%	-0.5%	2.6%	-2.6%
Euro High Yield	EUR	-0.3%	-0.3%	5.2%	3.3%
Japanese Government	JPY	-0.4%	-0.6%	0.5%	-3.2%
Australian Government	AUD	-0.5%	-0.6%	1.2%	-1.3%
Global Government Bonds	USD	-0.7%	-2.1%	-1.1%	-5.0%
Global Bonds	USD	-0.8%	-2.2%	0.5%	-3.5%
Global Convertible Bonds	USD	-2.1%	-4.8%	3.4%	0.2%
Emerging Market Bonds	USD	-2.2%	-3.3%	1.8%	0.4%



Performance

Asset Class/Region	Currency				
		Week ending 18 Aug 2023	Month to date	YTD 2023	12 Months
Property					
US Property Securities	USD	-3.2%	-5.5%	1.9%	-13.4%
Australian Property Securities	AUD	1.4%	-1.3%	4.1%	-4.4%
Asia Property Securities	USD	-4.1%	-7.7%	-10.5%	-12.7%
Global Property Securities	USD	-3.2%	-5.9%	-0.9%	-12.4%
Currencies					
Euro	USD	-0.7%	-1.2%	1.5%	7.8%
UK Pound Sterling	USD	0.4%	-0.9%	5.3%	6.8%
Japanese Yen	USD	-0.1%	-2.0%	-9.7%	-6.5%
Australian Dollar	USD	-1.2%	-4.6%	-5.9%	-7.2%
South African Rand	USD	-0.1%	-6.0%	-10.1%	-11.0%
Swiss Franc	USD	-0.5%	-1.4%	4.5%	8.5%
Chinese Yuan	USD	-0.6%	-1.9%	-5.3%	-6.8%
Commodities & Alternatives					
Commodities	USD	-1.4%	-2.1%	-1.8%	-4.0%
Agricultural Commodities	USD	0.0%	-1.3%	3.0%	5.2%
Oil	USD	-2.3%	-0.9%	-1.3%	-12.2%
Gold	USD	-1.3%	-4.1%	3.6%	7.5%
Hedge funds (data as of 27 July 2023)	USD	0.0%	0.0%	1.0%	0.0%

Global Matters Weekly

21 August 2023

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