

The Market Place

- Global equities fell 2.5% last week
- All major indices saw declines driven by escalating tensions in the Middle East
- Brent crude rose 1.4% to \$92.16 a barrel
- Gold rose 2.5% to \$1981.40 per ounce

US

US equities fell 2.4% last week

US President Joe Biden appealed directly to Americans to support funding for Israel and Ukraine's war efforts, warning that Hamas and Russia pose parallel threats to US democracy. The US is seeing stepped-up drone attacks in Iraq and Syria, while an American destroyer in the Red Sea intercepted cruise missiles and drones fired toward Israel by Houthi rebels in Yemen

Federal Reserve Chair Jerome Powell signalled a November hike is unlikely, leaving the door open for more rate increases. The Fed Open Market Committee is "proceeding carefully", but "the evidence is not that policy is too tight right now," Powell said

The US 10-year treasury is close to reaching 5%, a level not seen since the end of June 2007

Europe

European equities fell 3.5% last week

The FT reported that the ECB's Yannis Stournaras said the Middle East turmoil shifted the balance against any further tightening. "We are in the dark – it is better to keep all of our options open," he said

European CPI year-on-year for September was 4.3% (as expected)

UK

UK equities fell 2.5% last week

The UK's Labour Party overturned huge Conservative majorities to win two parliamentary seats. Its win in Mid Bedfordshire was the most significant deficit the party has overcome in a by-election since 1945. In Tamworth, Labour won a 23.9-point swing from the Tories. Both add to Keir Starmer's hopes of success at a future general election

UK consumer confidence fell 9 points in October to -30, the most significant drop since the start of the pandemic

Asia / ROW

Global emerging market equities fell 2.7%

Japanese equities fell 2.3%. The Bank of Japan (BOJ) announced an unscheduled bond-purchase operation after benchmark yields touched a fresh decade high. While the move did not immediately impact JGBs, Japan's sovereign debt is under renewed pressure as traders test the BOJ's tolerance in the lead-up to its 30th-31st October policy meeting

Chinese equities fell 4.7% last week. The PBOC injected the most short-term cash into the banking system on record through reverse repurchase contracts, keeping funding costs low to support the economy. Lenders also kept the one and five-year loan prime rates at 3.45% and 4.2%, respectively

Chinese GDP year-on-year was 4.9% (vs 4.4% expected)



Performance

| Asset Class/Region | Currency | | | | |
|-------------------------------------|----------|----------------------------|------------------|----------|-----------|
| | | Week ending 20 Oct 2023 | Month to date | YTD 2023 | 12 Months |
| Developed Market Equities | | | | | |
| United States | USD | -2.4% | -1.4% | 11.0% | 16.6% |
| United Kingdom | GBP | -2.5% | -2.4% | 2.7% | 10.8% |
| Continental Europe | EUR | -3.5% | -3.7% | 5.1% | 12.3% |
| Japan | JPY | -2.3% | -2.9% | 22.0% | 22.1% |
| Asia Pacific (ex Japan) | USD | -2.8% | -2.7% | -3.2% | 11.1% |
| Australia | AUD | -2.1% | -2.1% | 1.5% | 6.8% |
| Global | USD | -2.5% | -2.1% | 8.7% | 16.8% |
| Emerging markets equities | | | | | |
| Emerging Europe | USD | 0.0% | -0.6% | 14.3% | 47.0% |
| Emerging Asia | USD | -3.0% | -2.5% | -1.5% | 12.9% |
| Emerging Latin America | USD | -2.3% | -5.2% | 7.0% | 4.2% |
| BRICs | USD | -3.2% | -3.6% | -4.7% | 7.1% |
| China | USD | -4.7% | -5.2% | -12.2% | 7.8% |
| MENA countries | USD | -0.7% | -4.4% | -3.8% | -12.4% |
| South Africa | USD | -2.9% | -1.2% | -11.0% | 3.0% |
| India | USD | -1.0% | -0.5% | 8.3% | 11.8% |
| Global emerging markets | USD | -2.7% | -2.8% | -1.0% | 9.9% |
| Bonds | | | | | |
| US Treasuries | USD | -1.4% | -1.4% | -2.7% | 0.1% |
| US Treasuries (inflation protected) | USD | -0.8% | -0.7% | -1.6% | 0.5% |
| US Corporate (investment grade) | USD | -1.9% | -2.2% | -1.7% | 4.3% |
| US High Yield | USD | -1.2% | -1.9% | 4.0% | 7.3% |
| UK Gilts | GBP | -2.1% | -1.8% | -5.9% | -4.7% |
| UK Corporate (investment grade) | GBP | -1.5% | -1.5% | -0.2% | 5.0% |
| Euro Government Bonds | EUR | -0.8% | -0.3% | -0.3% | -0.9% |
| Euro Corporate (investment grade) | EUR | -0.6% | -0.4% | 1.9% | 4.5% |
| Euro High Yield | EUR | -0.9% | -1.2% | 4.9% | 10.2% |
| Japanese Government | JPY | -0.8% | -0.9% | -1.4% | -2.5% |
| Australian Government | AUD | -1.5% | -1.1% | -0.7% | 0.3% |
| Global Government Bonds | USD | -1.0% | -1.2% | -4.6% | 1.1% |
| Global Bonds | USD | -1.1% | -1.5% | -3.1% | 3.1% |
| Global Convertible Bonds | USD | -1.0% | -2.2% | -0.5% | 5.8% |
| Emerging Market Bonds | USD | -1.5% | -2.4% | -2.6% | 8.7% |



Performance

| Asset Class/Region | Currency | | | | |
|---------------------------------------|----------|----------------------------|------------------|----------|-----------|
| | | Week ending 20 Oct 2023 | Month to date | YTD 2023 | 12 Months |
| Property | | | | | |
| US Property Securities | USD | -3.8% | -4.0% | -6.8% | -0.3% |
| Australian Property Securities | AUD | -2.4% | -1.8% | -3.8% | 2.3% |
| Asia Property Securities | USD | -2.6% | -3.8% | -13.3% | -3.1% |
| Global Property Securities | USD | -3.4% | -4.5% | -7.9% | 0.9% |
| Currencies | | | | | |
| Euro | USD | 0.8% | 0.1% | -1.1% | 8.0% |
| UK Pound Sterling | USD | 0.1% | -0.4% | 0.5% | 8.0% |
| Japanese Yen | USD | -0.2% | -0.3% | -12.6% | 0.0% |
| Australian Dollar | USD | 0.4% | -1.9% | -7.3% | 0.1% |
| South African Rand | USD | 0.1% | -0.5% | -10.3% | -3.7% |
| Swiss Franc | USD | 1.0% | 2.5% | 3.3% | 12.3% |
| Chinese Yuan | USD | -0.1% | -0.2% | -5.7% | -1.4% |
| Commodities & Alternatives | | | | | |
| Commodities | USD | 0.6% | 0.3% | 1.6% | 4.3% |
| Agricultural Commodities | USD | 0.5% | 1.7% | 2.5% | 4.2% |
| Oil | USD | 1.4% | -3.3% | 7.3% | -0.2% |
| Gold | USD | 2.5% | 7.2% | 8.6% | 21.1% |



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