



The Market Place

- Global equities returned 0.2% last week
- Hedge funds returned one of their best years ever for clients in 2023, producing gains of \$128bn after fees
- Brent crude rose 0.3% to \$78.6 a barrel
- Gold fell 1.0% to \$2029.5 per ounce

US

US equities returned 1.2%

The University of Michigan's preliminary consumer sentiment index for January showed sentiment was up to 78.8 (vs. 70.1 expected), which is the highest level for the index since July 2021. Coupled with lowered inflation expectations, this is indicative of a 'goldilocks' scenario

The amount of Federal Reserve cuts expected by December came down by 32.9bps over the week to 135bps, equivalent to more than a full 25bp hike being removed

The Securities and Exchange Commission is introducing the biggest shake up of the treasuries market in decades by migrating trading to a central counterparty clearing house, which should minimise contagion should a financial institution collapse

Europe

European equities fell 1.3%

The amount of ECB cuts priced by December came down by 20.9bps to 132bps

ECB President Christine Lagarde signalled it was "likely" that interest rates would be cut in summer and not the spring as markets had come to expect

UK

UK equities fell 2.3%

Home sellers made an average £103K profit last year, the highest average in nine years as property prices continue to rise

The annual rate of inflation unexpectedly ticked higher in December to 4.0% from 3.9%, however the less volatile core inflation reading was unchanged at 5.1%

Retail sales came in far weaker than expected in December, falling 3.2%, the biggest month-on-month fall since January 2021

Asia / ROW

Global emerging markets fell 2.5%

Japanese equities returned 0.6% and touched a 34 year high last week

Chinese equities fell 5.8% last week, slumping to a 19-year low

Japan's core consumer price index (CPI) rose 2.3% year on year in December, down from November's 2.5% reading



Performance

Asset Class/Region	Currency				
		Week ending 19 Jan 2024	Month to date	YTD 2024	12 Months
Developed Market Equities					
United States	USD	1.2%	1.5%	1.5%	25.6%
United Kingdom	GBP	-2.3%	-3.4%	-3.4%	0.1%
Continental Europe	EUR	-1.3%	-1.7%	-1.7%	8.6%
Japan	JPY	0.6%	6.1%	6.1%	34.3%
Asia Pacific (ex Japan)	USD	-2.6%	-5.7%	-5.7%	-6.1%
Australia	AUD	-1.0%	-2.2%	-2.2%	4.0%
Global	USD	0.2%	0.2%	0.2%	20.2%
Emerging markets equities					
Emerging Europe	USD	-1.7%	-0.5%	-0.5%	24.2%
Emerging Asia	USD	-2.5%	-5.6%	-5.6%	-6.2%
Emerging Latin America	USD	-3.3%	-5.5%	-5.5%	17.5%
BRICs	USD	-3.7%	-5.6%	-5.6%	-10.7%
China	USD	-5.8%	-10.0%	-10.0%	-28.1%
MENA countries	USD	-0.9%	1.1%	1.1%	6.2%
South Africa	USD	-4.9%	-10.0%	-10.0%	-13.5%
India	USD	-1.5%	-0.3%	-0.3%	18.0%
Global emerging markets	USD	-2.5%	-5.1%	-5.1%	-3.1%
Bonds					
US Treasuries	USD	-1.0%	-1.4%	-1.4%	-0.1%
US Treasuries (inflation protected)	USD	-0.7%	-0.6%	-0.6%	0.8%
US Corporate (investment grade)	USD	-0.9%	-1.0%	-1.0%	3.2%
US High Yield	USD	-0.5%	-0.7%	-0.7%	8.6%
UK Gilts	GBP	-1.0%	-3.3%	-3.3%	-2.7%
UK Corporate (investment grade)	GBP	-0.8%	-2.3%	-2.3%	3.2%
Euro Government Bonds	EUR	-0.8%	-1.5%	-1.5%	1.0%
Euro Corporate (investment grade)	EUR	-0.5%	-1.1%	-1.1%	4.1%
Euro High Yield	EUR	-0.3%	0.1%	0.1%	8.9%
Japanese Government	JPY	-0.9%	-0.3%	-0.3%	0.0%
Australian Government	AUD	-1.0%	-1.6%	-1.6%	-1.4%
Global Government Bonds	USD	-1.6%	-2.7%	-2.7%	-2.3%
Global Bonds	USD	-1.4%	-2.2%	-2.2%	0.1%
Global Convertible Bonds	USD	-1.1%	-2.8%	-2.8%	2.7%
Emerging Market Bonds	USD	-1.4%	-2.3%	-2.3%	3.3%



Performance

Asset Class/Region	Currency				
		Week ending 19 Jan 2024	Month to date	YTD 2024	12 Months
Property					
US Property Securities	USD	-1.9%	-2.3%	-2.3%	4.8%
Australian Property Securities	AUD	-2.7%	-4.3%	-4.3%	1.7%
Asia Property Securities	USD	-4.4%	-6.3%	-6.3%	-12.5%
Global Property Securities	USD	-2.8%	-3.8%	-3.8%	1.4%
Currencies					
Euro	USD	-0.5%	-1.6%	-1.6%	0.7%
UK Pound Sterling	USD	-0.4%	-0.6%	-0.6%	2.5%
Japanese Yen	USD	-2.1%	-4.9%	-4.9%	-13.2%
Australian Dollar	USD	-1.4%	-3.6%	-3.6%	-4.5%
South African Rand	USD	-1.9%	-4.0%	-4.0%	-8.8%
Swiss Franc	USD	-1.8%	-3.4%	-3.4%	5.4%
Chinese Yuan	USD	-0.4%	-1.3%	-1.3%	-5.8%
Commodities & Alternatives					
Commodities	USD	-0.5%	-0.6%	-0.6%	-5.4%
Agricultural Commodities	USD	1.3%	-0.3%	-0.3%	1.3%
Oil	USD	0.3%	2.0%	2.0%	-8.8%
Gold	USD	-1.0%	-1.6%	-1.6%	5.7%



Global Matters Weekly

22 January 2024

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