

The Market Place

- Global equities fell 0.5%
- OPEC+ announced extended production cuts through 2025 and plans to phase out voluntary cuts by the end of the year
- Brent crude fell 0.6% to \$81.62 per barrel
- Gold fell 0.3% to \$2,327.33 per ounce

US

US equities fell 0.5%

Headline PCE met expectations at 0.3% month-on-month and 2.7% year-on-year. Core PCE was 0.2% month-on-month and 2.8% year-on-year as expected. However, real personal spending fell by 0.1%, indicating potential consumer weakness

The US Conference Board's consumer confidence index rose unexpectedly to 102.0 in May, easing fears of a significant economic slowdown and tempering expectations for future rate cuts

The Richmond Fed's manufacturing index rose to 0 in May, its strongest level in seven months

Europe

European equities fell 0.3%

May flash HICP exceeded expectations at 2.6% year-on-year, with the core number also higher at 2.9%, casting doubt on the ECB's rate cut plans

German inflation rose to 2.8% on the EU-harmonised measure, above expectations, causing markets to anticipate a less aggressive rate-cutting cycle from the ECB in the coming months

Euro Area unemployment rate fell to 6.4% in April, its lowest since the euro's inception

The ECB's April Consumer Expectations Survey revealed lower inflation expectations for 1 and 3 years at 2.9% and 2.4%, respectively

France's credit rating was downgraded from AA to AA- by S&P due to the government's post COVID-19 deficit issues

UK

UK equities fell 0.6%

Bank of England (BoE) figures showed a slight drop in mortgage approvals, despite an increase in lending. In April, there were 61.1k mortgage approvals for house purchases, slightly down from 61.3k in March, the highest level since September 2022. However, net mortgage borrowing increased significantly to £2.4bn from £0.5bn the previous month

Asia / ROW

Global emerging market equities fell 3.1%

Japanese equities rose 1.2%, while Chinese equities fell 3.0%

Japan's services PPI grew by 2.8% year-on-year in April, the fastest in nine years, and industrial production fell by 0.1%. Retail sales grew by 1.2%

China's manufacturing PMI declined to 49.5 (vs 50.5 expected), and the non-manufacturing PMI to 51.1 (vs 51.5 expected). Nevertheless, the weaker data has been seen as raising the likelihood that there might be more stimulus

The Caixin manufacturing PMI for May improved to 51.7, the highest since June 2022



Performance

| Asset Class/Region | Currency | Cumulative returns | | | |
|-------------------------------------|----------|-------------------------|---------------|----------|-----------|
| | | Week ending 31 May 2024 | Month to date | YTD 2024 | 12 Months |
| Developed Market Equities | | | | | |
| United States | USD | -0.5% | 4.9% | 11.1% | 27.6% |
| United Kingdom | GBP | -0.6% | 1.9% | 9.0% | 15.8% |
| Continental Europe | EUR | -0.3% | 3.6% | 10.0% | 17.8% |
| Japan | JPY | 1.2% | 1.2% | 18.4% | 33.1% |
| Asia Pacific (ex Japan) | USD | -2.5% | 1.9% | 4.4% | 12.2% |
| Australia | AUD | -0.3% | 0.9% | 3.2% | 12.9% |
| Global | USD | -0.5% | 4.5% | 9.5% | 24.9% |
| Emerging markets equities | | | | | |
| Emerging Europe | USD | -2.3% | 3.4% | 15.1% | 41.6% |
| Emerging Asia | USD | -3.1% | 1.4% | 5.8% | 12.6% |
| Emerging Latin America | USD | -2.9% | -3.1% | -10.2% | 12.6% |
| BRICs | USD | -2.9% | 1.1% | 5.0% | 13.2% |
| China | USD | -3.0% | 2.4% | 6.8% | 4.3% |
| MENA countries | USD | -2.6% | -5.6% | -6.0% | 0.0% |
| South Africa | USD | -6.2% | -0.1% | -4.3% | 12.6% |
| India | USD | -2.2% | 0.1% | 4.0% | 21.9% |
| Global emerging markets | USD | -3.1% | 0.6% | 3.4% | 12.4% |
| Bonds | | | | | |
| US Treasuries | USD | -0.1% | 1.5% | -1.8% | -0.4% |
| US Treasuries (inflation protected) | USD | 0.3% | 1.8% | -0.1% | 1.4% |
| US Corporate (investment grade) | USD | 0.0% | 1.9% | -0.6% | 4.7% |
| US High Yield | USD | 0.0% | 1.1% | 1.7% | 11.2% |
| UK Gilts | GBP | -0.3% | 0.8% | -3.8% | 2.9% |
| UK Corporate (investment grade) | GBP | -0.2% | 1.0% | -0.9% | 8.7% |
| Euro Government Bonds | EUR | -0.4% | -0.1% | -2.1% | 1.9% |
| Euro Corporate (investment grade) | EUR | -0.1% | 0.2% | -0.2% | 5.2% |
| Euro High Yield | EUR | 0.1% | 1.0% | 2.6% | 10.7% |
| Global Government Bonds | USD | -0.2% | 1.0% | -4.2% | -1.3% |
| Global Bonds | USD | -0.1% | 1.4% | -3.0% | 1.3% |
| Global Convertible Bonds | USD | -0.3% | 0.9% | -1.5% | 6.2% |
| Emerging Market Bonds | USD | 0.0% | 1.7% | 0.6% | 9.3% |

Performance

| Asset Class/Region | Currency | Currency returns | | | |
|---------------------------------------|----------|-------------------------|---------------|----------|-----------|
| | | Week ending 31 May 2024 | Month to date | YTD 2024 | 12 Months |
| Property | | | | | |
| US Property Securities | USD | 1.7% | 4.6% | -3.4% | 8.5% |
| Australian Property Securities | AUD | 0.0% | 1.9% | 9.1% | 19.0% |
| Asia Property Securities | USD | -1.7% | -3.1% | -7.8% | -3.5% |
| Global Property Securities | USD | 0.8% | 2.9% | -2.8% | 9.9% |
| Currencies | | | | | |
| Euro | USD | 0.0% | 1.6% | -2.0% | 2.0% |
| UK Pound Sterling | USD | 0.0% | 1.8% | -0.3% | 2.8% |
| Japanese Yen | USD | -0.2% | 0.2% | -10.4% | -11.1% |
| Australian Dollar | USD | 0.2% | 2.4% | -2.8% | 2.7% |
| South African Rand | USD | -2.3% | -0.1% | -3.0% | 5.0% |
| Swiss Franc | USD | 1.2% | 1.6% | -7.1% | 1.2% |
| Chinese Yuan | USD | 0.0% | 0.0% | -1.9% | -1.8% |
| Commodities & Alternatives | | | | | |
| Commodities | USD | -1.7% | 1.3% | 8.7% | 16.5% |
| Agricultural Commodities | USD | -1.7% | 3.6% | 7.0% | 13.1% |
| Oil | USD | -0.6% | -7.1% | 5.9% | 12.3% |
| Gold | USD | -0.3% | 1.4% | 12.8% | 18.4% |

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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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