

The Market Place

- Global equities rose 2.0%
- After 14 years of Conservative leadership, the Labour Party won the general election, with Sir Keir Starmer becoming the new UK Prime Minister
- Brent crude rose 0.2% last week to \$86.54 per barrel
- Gold rose 2.8% to \$2,392.16 per ounce, the best week since early April

US

US equities rose 2.0%

The ISM Manufacturing Index for June fell to 48.5 (below expectations of 49.1), with subcomponents for new orders and employment also showing contraction. However, the inflation aspect showed improvement, with the prices paid component dropping to a six-month low of 52.1

Fed Chair Jerome Powell's positive comments on disinflation were balanced by a tighter labour market indicated by the JOLTS report. Job openings unexpectedly rose to 8.14 million in May, and the hires rate increased to 3.6%. The quits rate remained steady at 2.2% for the seventh consecutive month, indicating a stable labour market

The ISM Services Index dropped to 48.8, its lowest since May 2020. Initial weekly jobless claims increased to 238k, raising the four-week moving average to 238.5k, the highest since August. Continuing claims also rose to 1.858 million, the highest since November 2021. ADP's report showed private payroll growth at a five-month low of 150k in June

The Atlanta Fed's GDP Now estimate for Q2 was revised down to an annualised rate of 1.5%, aligning closely with Q1's 1.4% growth

Payrolls increased by 206k, but revisions for the previous two months were down by 111k. Private payrolls rose by 136k and unemployment edged up to 4.1%

Europe

European equities rose 1.0%

The flash CPI (Consumer prices Index) for June showed headline inflation falling to 2.5%, as expected, but core CPI was slightly higher at 2.9%. This reduced the likelihood of a rate cut at the next European Central Bank meeting, although a cut by September is still seen as likely

The Euro Area's final composite PMI (Purchasing Managers Index) for June was 50.9, slightly above the flash estimate but marking the first decline this year

UK

UK equities rose 0.5%

Growth in the UK's manufacturing sector slowed in June, with the manufacturing PMI at 50.9, indicating continued expansion despite cost pressures

Asia

Global emerging market equities rose 1.9%

Japanese equities rose 2.7% last week and Chinese equities rose 1.2%

South Korea's inflation slowed to 2.4% year-on-year in June, lower than the expected 2.6%

In China, the Caixin services PMI fell to 51.2 from 54 in May, raising concerns about a broader economic slowdown

Japan's services activity contracted for the first time in nearly two years, with the Jibun Bank services PMI dropping to 49.4 from 53.8 in May. Household spending in Japan also fell unexpectedly by 1.8% year-on-year in May, complicating the Bank of Japan's interest rate decisions



Performance

Asset Class/Region	Currency				
		Week ending 5 July 2024	Month to date	YTD 2024	12 Months
Developed Market Equities					
United States	USD	2.0%	2.0%	17.3%	26.5%
United Kingdom	GBP	0.5%	0.5%	8.4%	15.1%
Continental Europe	EUR	1.0%	1.0%	9.8%	15.6%
Japan	JPY	2.7%	2.7%	23.3%	27.9%
Asia Pacific (ex Japan)	USD	1.9%	1.9%	10.6%	13.9%
Australia	AUD	0.7%	0.7%	5.0%	12.1%
Global	USD	2.0%	2.0%	14.0%	22.8%
Emerging markets equities					
Emerging Europe	USD	1.9%	1.9%	17.4%	34.9%
Emerging Asia	USD	2.1%	2.1%	13.4%	15.9%
Emerging Latin America	USD	2.3%	2.3%	-13.8%	-4.3%
BRICs	USD	1.5%	1.5%	7.9%	9.1%
China	USD	1.2%	1.2%	6.0%	-2.0%
MENA countries	USD	-0.3%	-0.3%	-3.7%	-2.1%
South Africa	USD	1.6%	1.6%	6.2%	13.8%
India	USD	1.2%	1.2%	12.5%	25.3%
Global emerging markets	USD	1.9%	1.9%	9.6%	13.3%
Bonds					
US Treasuries	USD	0.6%	0.6%	-0.2%	2.6%
US Treasuries (inflation protected)	USD	0.7%	0.7%	1.3%	3.7%
US Corporate (investment grade)	USD	0.9%	0.9%	1.0%	6.5%
US High Yield	USD	0.3%	0.3%	2.9%	10.8%
UK Gilts	GBP	0.5%	0.5%	-2.2%	5.8%
UK Corporate (investment grade)	GBP	0.7%	0.7%	0.7%	11.9%
Euro Government Bonds	EUR	0.4%	0.4%	-1.5%	3.3%
Euro Corporate (investment grade)	EUR	0.4%	0.4%	0.9%	6.8%
Euro High Yield	EUR	0.4%	0.4%	3.5%	10.9%
Global Government Bonds	USD	0.6%	0.6%	-3.7%	-0.2%
Global Bonds	USD	0.8%	0.8%	-2.0%	2.5%
Global Convertible Bonds	USD	0.4%	0.4%	-0.8%	2.4%
Emerging Market Bonds	USD	0.5%	0.5%	1.9%	8.4%

Performance

Asset Class/Region	Currency				
		Week ending 5 July 2024	Month to date	YTD 2024	12 Months
Property					
US Property Securities	USD	-0.1%	-0.1%	-1.0%	5.0%
Australian Property Securities	AUD	1.4%	1.4%	9.7%	20.1%
Asia Property Securities	USD	1.5%	1.5%	-10.2%	-8.4%
Global Property Securities	USD	0.9%	0.9%	-1.5%	6.1%
Currencies					
Euro	USD	1.0%	1.0%	-2.2%	-0.3%
UK Pound Sterling	USD	1.2%	1.2%	0.3%	0.7%
Japanese Yen	USD	0.0%	0.0%	-12.5%	-10.1%
Australian Dollar	USD	1.0%	1.0%	-1.4%	1.2%
South African Rand	USD	0.3%	0.3%	0.4%	3.3%
Swiss Franc	USD	0.1%	0.1%	-6.5%	0.1%
Chinese Yuan	USD	0.0%	0.0%	-2.3%	-0.2%
Commodities & Alternatives					
Commodities	USD	1.5%	1.5%	9.3%	11.2%
Agricultural Commodities	USD	1.7%	1.7%	1.9%	0.6%
Oil	USD	0.2%	0.2%	12.3%	12.9%
Gold	USD	2.8%	2.8%	16.0%	24.5%



Global Matters Weekly

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