

Weekly Market Update

Emerging markets are becoming increasingly attractive to investors, reflecting a shift in global economic focus amidst persistent geopolitical challenges.

US

Retail sales unexpectedly increased by 0.4% in September, up 0.1% from the prior month and the third consecutive monthly increase

The Philadelphia Federal Reserve Manufacturing Index, a significant Indicator of general business conditions in the region, surged to 10.3 in October, surpassing all expectations. Any reading above zero indicates improving conditions. The Empire State Index, a similar gauge of factory activity in New York, showed business activity contracted in October after a large improvement in the previous month

Concerns are rising among US banks about potentially reducing interest payments on corporate deposits to protect profit margins

Political uncertainties are creating fragile confidence in economic recovery, affecting business and consumer sentiment

UK

Chancellor Rachel Reeves is preparing for a significant Autumn Budget aimed at closing a £40 billion funding gap, which may involve tax increases

Inflation eased to 1.7% in September, increasing the likelihood for further interest rate cuts

British retail sales rose for the third consecutive month, surpassing expectations, defying expectations of a slowdown

Europe

The European Central Bank lowered interest rates to 3.25%, indicating a strategy to combat slowing inflation

Concerns remain over rising food prices, which overshadow improvements in headline inflation figures

The Eurozone's economic outlook is mixed, with some signs of recovery but persistent risks from global economic pressures

The euro fell to a two-month low against the dollar as market expectations of further rate cuts grew

Asia/ROW

China's economy grew by 4.6% year-on-year in Q3, its slowest pace since early last year and slowing from 4.7% in Q2

The Japanese yen continued its decline, falling below ¥150 against the US dollar as market participants doubt the Bank of Japan's commitment to interest rate hikes

Emerging markets are witnessing a surge in investment interest as global financial conditions evolve

Global commodity prices are fluctuating due to geopolitical tensions, affecting various economies differently



Performance

| Asset Class/Region | Currency | | | | |
|-------------------------------------|----------|----------------------------|------------------|----------|-----------|
| | | Week ending 18 Oct 2024 | Month to date | YTD 2024 | 12 Months |
| Developed Market Equities | | | | | |
| United States | USD | 0.9% | 1.8% | 23.9% | 37.3% |
| United Kingdom | GBP | 1.3% | 1.6% | 11.5% | 14.1% |
| Continental Europe | EUR | 0.2% | 0.2% | 11.0% | 21.2% |
| Japan | JPY | -0.6% | 1.6% | 16.1% | 19.9% |
| Asia Pacific (ex Japan) | USD | -0.4% | -1.6% | 18.1% | 28.1% |
| Australia | AUD | 0.8% | 0.2% | 12.5% | 21.5% |
| Global | USD | 0.6% | 0.8% | 19.9% | 33.6% |
| Emerging markets equities | | | | | |
| Emerging Europe | USD | -0.9% | -5.1% | 6.7% | 18.2% |
| Emerging Asia | USD | -0.5% | -1.1% | 20.2% | 28.9% |
| Emerging Latin America | USD | 0.2% | -2.1% | -14.3% | 5.1% |
| BRICs | USD | -1.8% | -3.5% | 18.2% | 23.8% |
| China | USD | -2.8% | -3.0% | 25.5% | 22.7% |
| MENA countries | USD | -0.2% | -2.2% | -0.4% | 8.7% |
| South Africa | USD | 1.5% | 0.5% | 22.0% | 37.1% |
| India | USD | -0.4% | -4.0% | 14.4% | 26.7% |
| Global emerging markets | USD | -0.4% | -1.3% | 15.3% | 25.6% |
| Bonds | | | | | |
| US Treasuries | USD | 0.1% | -1.6% | 2.4% | 9.9% |
| US Treasuries (inflation protected) | USD | -0.2% | -1.0% | 3.8% | 9.7% |
| US Corporate (investment grade) | USD | 0.1% | -1.1% | 4.6% | 15.0% |
| US High Yield | USD | 0.3% | -0.1% | 7.9% | 17.3% |
| UK Gilts | GBP | 1.4% | 0.0% | -0.3% | 9.3% |
| UK Corporate (investment grade) | GBP | 1.3% | 0.7% | 3.2% | 13.5% |
| Euro Government Bonds | EUR | 1.0% | 0.3% | 2.3% | 10.4% |
| Euro Corporate (investment grade) | EUR | 0.7% | 0.5% | 4.3% | 10.7% |
| Euro High Yield | EUR | 0.5% | 0.6% | 7.3% | 14.1% |
| Global Government Bonds | USD | 0.0% | -2.4% | 0.4% | 9.4% |
| Global Bonds | USD | 0.1% | -2.0% | 1.6% | 11.7% |
| Global Convertible Bonds | USD | -0.6% | -0.5% | 5.4% | 14.7% |
| Emerging Market Bonds | USD | 0.3% | -1.0% | 6.8% | 20.1% |

Performance

| Asset Class/Region | Currency | | | | |
|---------------------------------------|----------|----------------------------|------------------|----------|-----------|
| | | Week ending 18 Oct 2024 | Month to date | YTD 2024 | 12 Months |
| Property | | | | | |
| US Property Securities | USD | 3.0% | 0.4% | 15.2% | 34.7% |
| Australian Property Securities | AUD | 0.3% | -0.4% | 22.5% | 39.9% |
| Asia Property Securities | USD | 0.0% | -3.6% | 0.9% | 9.4% |
| Global Property Securities | USD | 1.5% | -1.6% | 11.8% | 30.7% |
| Currencies | | | | | |
| Euro | USD | -0.7% | -2.5% | -1.8% | 3.1% |
| UK Pound Sterling | USD | -0.2% | -2.7% | 2.2% | 7.3% |
| Japanese Yen | USD | -0.3% | -4.2% | -5.7% | 0.3% |
| Australian Dollar | USD | -0.7% | -3.3% | -1.8% | 5.9% |
| South African Rand | USD | -1.1% | -2.0% | 3.9% | 8.2% |
| Swiss Franc | USD | -1.0% | -2.4% | -3.0% | 3.9% |
| Chinese Yuan | USD | -0.5% | -1.2% | 0.0% | 3.0% |
| Commodities & Alternatives | | | | | |
| Commodities | USD | -3.9% | -1.3% | 4.4% | -2.2% |
| Agricultural Commodities | USD | -1.8% | -2.9% | 2.4% | 0.1% |
| Oil | USD | -7.6% | 1.8% | -5.2% | -20.2% |
| Gold | USD | 2.4% | 3.1% | 31.9% | 39.6% |

Global Matters Weekly

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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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