

Weekly Market Update

This week highlighted cautious optimism across global markets, driven by US Presidential election, corporate earnings, economic data, and central bank policies.

US

The US presidential election spurred market volatility, but equities rose overall, reflecting investor anticipation of potential policy changes.

The Federal Reserve reduced interest rates by 0.25%.

The US trade deficit increased more than anticipated in September, marking another pressure point for the dollar amid election uncertainties. Additionally, initial jobless claims showed slight upticks, adding to concerns about slowing economic momentum.

Trump's return to the White House is boosting the America First trade, a strategy that favours US assets over international ones.

UK

The Bank of England reduced interest rates by 0.25 percentage points to 4.75%, aiming to support economic growth amid fiscal policy adjustments.

UK retailers were weak last week driven by concern over staff costing, post the Autumn budget.

Sterling weakened against major currencies due to monetary easing and global risk aversion.

Europe

The Eurozone's October PMIs signalled ongoing challenges, with manufacturing coming in at 46.0 and services at 51.6, yielding a composite PMI of 50.0 amid weak demand and low confidence.

The Producer Price Index (PPI) fell by -3.4% year-on-year, continuing a deflationary trend in the region's manufacturing costs due to lower energy and intermediate goods prices.

France is hoping to persuade Poland into joining forces to block a trade deal between the EU and Latin America's Mercosur bloc that has been a quarter of a century in the making.

Asia/ROW

Chinese market showed resilience despite weak manufacturing data, supported by hopes for policy easing.

The Chinese yuan experienced fluctuations against the dollar, influenced by trade data and global economic developments.

The Bank of Japan indicated that rising minimum wages could drive inflation, particularly in the services sector, influencing future policy decisions.

Countries like Mexico and Brazil faced currency pressures and adjusted monetary policies in response to global economic shifts and domestic challenges.



Performance

Asset Class/Region	Currency				
		Week ending 11 Nov 2024	Month to date	YTD 2024	12 Months
Developed Market Equities					
United States	USD	4.7%	5.1%	26.7%	38.2%
United Kingdom	GBP	-1.2%	-0.4%	7.7%	13.2%
Continental Europe	EUR	-1.0%	-0.1%	7.0%	16.1%
Japan	JPY	3.7%	1.7%	18.4%	21.7%
Asia Pacific (ex Japan)	USD	1.6%	1.9%	16.2%	25.2%
Australia	AUD	2.3%	1.8%	12.8%	23.2%
Global	USD	3.6%	4.0%	21.1%	33.2%
Emerging markets equities					
Emerging Europe	USD	3.4%	3.5%	6.6%	15.2%
Emerging Asia	USD	1.3%	1.6%	17.9%	25.4%
Emerging Latin America	USD	1.3%	-0.2%	-17.2%	-5.0%
BRICs	USD	0.8%	1.3%	15.7%	19.8%
China	USD	1.8%	2.9%	25.2%	21.4%
MENA countries	USD	0.8%	0.9%	1.4%	8.7%
South Africa	USD	-1.2%	0.4%	18.8%	28.2%
India	USD	-1.0%	-0.6%	10.9%	23.9%
Global emerging markets	USD	1.2%	1.5%	13.3%	21.4%
Bonds					
US Treasuries	USD	1.0%	0.0%	1.4%	6.1%
US Treasuries (inflation protected)	USD	0.8%	0.3%	3.3%	6.7%
US Corporate (investment grade)	USD	1.2%	0.6%	4.1%	11.1%
US High Yield	USD	0.7%	0.8%	8.3%	14.8%
UK Gilts	GBP	0.2%	0.0%	-2.8%	3.0%
UK Corporate (investment grade)	GBP	0.3%	0.5%	1.5%	8.0%
Euro Government Bonds	EUR	0.3%	0.2%	1.1%	6.3%
Euro Corporate (investment grade)	EUR	0.5%	0.6%	4.0%	8.5%
Euro High Yield	EUR	0.2%	0.2%	7.6%	12.8%
Global Government Bonds	USD	0.1%	-0.2%	-1.1%	5.4%
Global Bonds	USD	0.2%	-0.1%	0.3%	7.1%
Global Convertible Bonds	USD	1.6%	1.4%	6.7%	15.7%
Emerging Market Bonds	USD	1.3%	0.7%	6.5%	15.8%

Performance

Asset Class/Region	Currency				
		Week ending 11 Nov 2024	Month to date	YTD 2024	12 Months
Property					
US Property Securities	USD	3.5%	2.3%	14.1%	32.7%
Australian Property Securities	AUD	-1.5%	-2.2%	17.3%	33.3%
Asia Property Securities	USD	0.2%	0.4%	-2.4%	5.8%
Global Property Securities	USD	1.8%	1.2%	9.3%	25.9%
Currencies					
Euro	USD	-1.2%	-1.4%	-3.2%	0.0%
UK Pound Sterling	USD	-0.2%	0.3%	1.0%	4.9%
Japanese Yen	USD	0.2%	-0.3%	-7.7%	-1.1%
Australian Dollar	USD	0.2%	0.1%	-3.8%	2.6%
South African Rand	USD	0.3%	0.3%	3.7%	4.9%
Swiss Franc	USD	-0.6%	-1.2%	-4.2%	2.6%
Chinese Yuan	USD	-0.8%	-0.9%	-1.2%	1.3%
Commodities & Alternatives					
Commodities	USD	0.6%	0.7%	5.1%	3.3%
Agricultural Commodities	USD	1.4%	1.4%	4.1%	3.2%
Oil	USD	1.1%	1.0%	-4.1%	-7.1%
Gold	USD	-1.9%	-2.0%	30.1%	37.4%

Global Matters Weekly

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