

# Weekly Market Update

The global economic outlook remains cautious, with inflation concerns persistently challenging growth prospects. Central banks, including the Fed and ECB, are adopting gradual approaches to policy normalisation, while geopolitical risks weigh on market sentiment.

## US

Federal Reserve minutes from November's meeting highlighted a gradual approach to monetary policy normalisation, with upgraded growth and inflation forecasts and diminishing downside risks to economic activity and the labour market.

The Personal Consumption Expenditure inflation measures for October were mixed, with headline PCE at 0.24% month-on-month (highest in six months) and core PCE at 0.27%. Concerns persist over rising short-term inflation trends.

Consumer confidence reached a 16-month high of 111.7 in November

Weekly initial jobless claims for the week ending 23 November came in at 213k (vs. 215k expected), the lowest since April, while continuing claims rose to 1.907m, the highest since November 2021.

## UK

Mortgage approvals rose to £68.3k in October, the highest since August 2022, indicating resilience in the housing market despite inflation fears.

UK retailers reported a 4.5% decline in footfall for November (four weeks to November 23) compared to the previous year, driven by weak consumer confidence, bad weather, and post-budget jitters. Despite this, retailers are optimistic about the holiday season trading period.

Large UK listed stocks rose slightly, boosted by energy stocks and corporate earnings.

The Bank of England's Financial Policy Committee highlighted increased global economic risks due to geopolitical tensions, global trade tensions and elevated government debt levels.

## Europe

Economic Confidence remained subdued in November (95.8 vs. 95.7 prior), showing limited optimism across the region.

ECB officials emphasised a cautious approach to monetary policy amid market expectations of rate cuts in December.

Eurozone inflation rose to 2.3%, exceeding the ECB's target, while Core inflation (which excludes volatile items like energy, food, alcohol, and tobacco) remained steady at 2.7%. Analysts forecast core inflation to trend downward, bolstering the case for further ECB easing in 2024.

French bond yields briefly surpassed those of Greece for the first time, reflecting fears over France's fiscal stability amid budget disputes and political uncertainty.

## Asia/ROW

Tokyo CPI rose to 2.6% year-on-year in November (vs. 2.2% expected), reinforcing expectations of Bank of Japan tightening in December.

Japan's Industrial Production grew by 3.0% in October, though below expectations of 4.0%, pointing to a moderate recovery in manufacturing.

Reports of an Israel-Hezbollah ceasefire eased geopolitical tensions, pulling crude oil prices lower.

The unemployment rate in Japan ticked up slightly to 2.5% in October, maintaining overall labour market stability



# Performance

Asset Class/Region	Currency				
		Week ending 29 Nov 2024	Month to date	YTD 2024	12 Months
<b>Developed Market Equities</b>					
United States	USD	1.1%	5.8%	27.6%	33.9%
United Kingdom	GBP	0.3%	2.6%	10.9%	15.7%
Continental Europe	EUR	0.3%	0.1%	7.3%	12.0%
Japan	JPY	-0.6%	-0.5%	15.8%	16.1%
Asia Pacific (ex Japan)	USD	-0.2%	-2.2%	11.4%	17.2%
Australia	AUD	0.5%	3.8%	15.1%	24.3%
Global	USD	1.2%	4.6%	21.8%	28.3%
<b>Emerging markets equities</b>					
Emerging Europe	USD	0.5%	1.1%	4.1%	5.6%
Emerging Asia	USD	-0.5%	-3.7%	11.7%	15.9%
Emerging Latin America	USD	-3.9%	-5.5%	-21.6%	-14.7%
BRICs	USD	0.4%	-3.2%	10.5%	13.4%
China	USD	0.7%	-4.4%	16.3%	14.4%
MENA countries	USD	-0.8%	-1.2%	-0.7%	5.0%
South Africa	USD	-1.9%	-4.5%	13.0%	18.5%
India	USD	0.8%	-0.8%	10.6%	19.7%
Global emerging markets	USD	-0.8%	-3.6%	7.7%	12.3%
<b>Bonds</b>					
US Treasuries	USD	1.4%	0.8%	2.2%	5.3%
US Treasuries (inflation protected)	USD	1.0%	0.5%	3.5%	6.0%
US Corporate (investment grade)	USD	1.5%	1.2%	4.6%	8.5%
US High Yield	USD	0.4%	1.1%	8.7%	12.6%
UK Gilts	GBP	1.1%	1.6%	-1.2%	3.4%
UK Corporate (investment grade)	GBP	0.9%	1.8%	2.7%	7.4%
Euro Government Bonds	EUR	1.2%	2.3%	3.3%	6.7%
Euro Corporate (investment grade)	EUR	0.7%	1.6%	5.1%	8.0%
Euro High Yield	EUR	0.1%	0.5%	7.9%	11.3%
Global Government Bonds	USD	1.9%	0.3%	-0.6%	3.0%
Global Bonds	USD	1.8%	0.3%	0.7%	4.4%
Global Convertible Bonds	USD	1.2%	3.2%	8.6%	14.3%
Emerging Market Bonds	USD	1.1%	1.3%	7.1%	12.5%

# Performance

Asset Class/Region	Currency				
		Week ending 29 Nov 2024	Month to date	YTD 2024	12 Months
<b>Property</b>					
US Property Securities	USD	1.7%	4.3%	16.3%	28.6%
Australian Property Securities	AUD	2.0%	2.5%	22.9%	35.5%
Asia Property Securities	USD	1.6%	-3.6%	-6.3%	-0.7%
Global Property Securities	USD	1.9%	1.9%	10.1%	20.4%
<b>Currencies</b>					
Euro	USD	1.4%	-2.7%	-4.5%	-3.7%
UK Pound Sterling	USD	1.5%	-1.1%	-0.3%	0.2%
Japanese Yen	USD	3.4%	1.7%	-5.9%	-1.6%
Australian Dollar	USD	0.3%	-0.7%	-4.6%	-1.5%
South African Rand	USD	0.6%	-2.0%	1.4%	3.6%
Swiss Franc	USD	1.4%	-1.8%	-4.7%	-0.7%
Chinese Yuan	USD	0.0%	-1.8%	-2.0%	-1.6%
<b>Commodities &amp; Alternatives</b>					
Commodities	USD	-1.2%	0.1%	4.6%	1.6%
Agricultural Commodities	USD	0.5%	0.9%	3.6%	2.5%
Oil	USD	-3.0%	-0.3%	-5.3%	-12.2%
Gold	USD	-2.7%	-3.5%	28.1%	29.2%



# Global Matters Weekly

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