

# Weekly Investment Update

14<sup>th</sup> April 2023



## News Headlines

**US Inflation** – March’s US CPI (Consumer Price Index) came in below expectations this week, showing month-on-month CPI rose just 0.05% versus expectations of 0.2%. March’s figure marks the weakest monthly inflation since last July as energy prices decreased markedly. Core inflation, which excludes food and energy prices, came in pretty much as expected, posting a monthly increase of 0.38%. This equates to an annualised figure of 4.7%, which is still high enough to dissuade the Federal Reserve from pausing interest rate hikes in May’s meeting, as an increase of 0.25% is still predicted.

**UK Growth** – Britain’s economy unexpectedly stalled in February. Gross domestic product (GDP) was unchanged from January, unable to eek out the 0.1% growth forecast. Ongoing strikes in the public sector halted many public services, with strikes by teachers and civil servants hitting services output hardest. The International Monetary Fund (IMF) also released its latest predictions for the global economy, with the UK being slightly upgraded from the last predictions. The UK is now set to shrink by 0.3% in 2023, set to be the worst performer among the world’s 20 biggest economies (G20), which includes sanction-hit Russia.

**China Exports** – In a further positive sign for the Chinese economy, exports out of China unexpectedly rose in March, providing the first gain in six months. Exports jumped 14.8% year-on-year last month, beating expectations of a decline, which lead to a trade surplus of \$88.2 billion for the month.

## Market Summary

**Global Equities** – Risk appetite returned towards the end of the week, aided by weak US data which supported the idea that the US Federal Reserve may soon ease up on their interest rate increases. Producer price inflation in the US came in lower than expected, while the headline and core figures came in at their slowest monthly pace since 2020. Global equities provided healthy returns, with the MSCI World index posting a gain of 1.43% for the week as at Thursday’s close. A standout performer was Japan’s Nikkei 225, finishing up 2.49% for the week as at Thursday’s close. The Nikkei has been propelled by receding odds that the Bank of Japan will suddenly shift its monetary policy and confirmation that legendary investor, Warren Buffet, has increased Berkshire Hathaway’s position in its Japanese equities.

**Commodities** – The price of gold continues to climb against the US dollar after data out of the US reduced expectations of continuing interest rate increases by the Federal Reserve going forward. Gold is hovering around \$2,050 per ounce, within touching distance of the all-time highs of \$2,075 per ounce seen in August 2020. Oil prices (Brent Crude & WTI) are on track for a fourth consecutive weekly gain after OPEC said that supply is about to tighten even further. As a whole, commodity prices increased throughout the week, with the Bloomberg Commodity index returning 1.39% for the week as at Thursday’s close.

**Fixed Income** – Bond returns remained relatively flat, as the Bloomberg Global Aggregate declined slightly by -0.23% for the week as at Thursday’s close.

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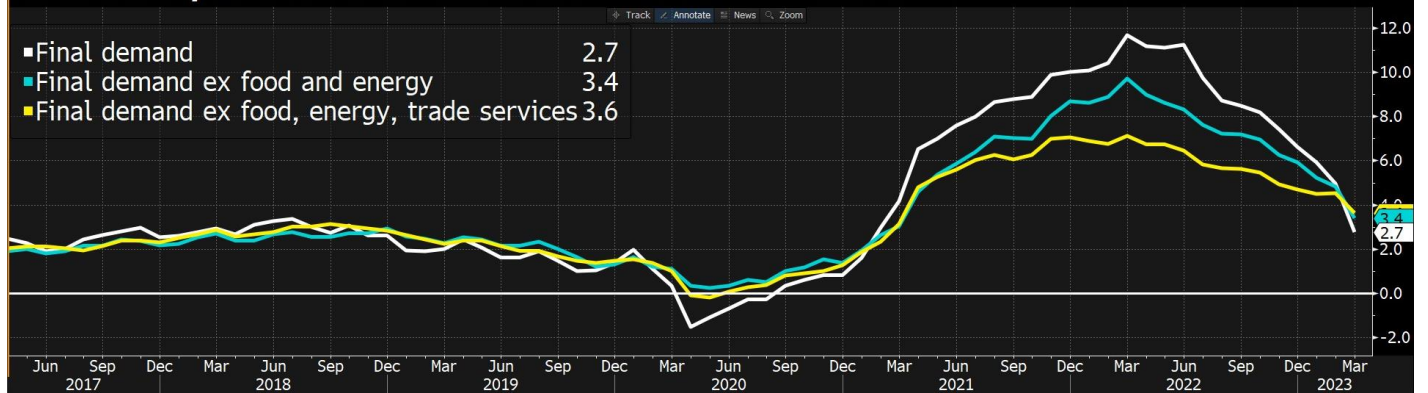
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## Chart of the Week

### US Producer Price Inflation Slows Headline, core and other measures decline



Source: Bloomberg – US inflation figures come in lower in March

## Key Economic Releases Next Week

Monday	Tuesday	Wednesday	Thursday	Friday
	- China GDP yy	- UK CPI yy - Europe inflation yy		- Japan CPI

## Market Performance – 14/04/2023

Global Market Indices	2023 YTD %*
FTSE 100	%
S&P 500	%
STOXX 600	%
Nikkei 225	%
Hang Seng	%
Fixed Income	Yield %
UK 10 Yr Gilt	%
US 10 Yr Treasury	%
Commodities	2023 YTD %
Gold	%
Currency	
GBP/USD	1. (14/04/2023)
GBP/EUR	1. (14/04/2023)

Source: FE Analytics/ Bloomberg.com

\*Total Return/Local currency

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