



# » Weekly Investment Update

24<sup>th</sup> November 2023

## News Headlines

**Autumn Budget** – UK Chancellor of the Exchequer, Jeremy Hunt, delivered his Autumn budget to parliament, setting out spending and tax plans that he hopes will revitalise Britain's struggling economy. In his address, Hunt declared tax cuts for workers and made investment incentives for businesses permanent. Furthermore, Hunt proposed significant increases in welfare and state pension payments. The announced tax cuts will be rushed to start in January ahead of an expected 2024 election, with the goal of narrowing the gap with the Labour Party. Despite these new tax cuts, the Office for Budget Responsibility noted that the overall burden of taxation is projected to rise in each of the next 5 years, to reach a record 38% of GDP.

**Israel-Hamas Ceasefire** – Israel and the Palestinian group Hamas have reached a four-day truce that will see Israel halt air traffic over the north and south of Gaza. Additionally, Israel have also agreed not to attack or arrest anyone in Gaza, and they have also confirmed that Palestinians can move freely along the main road in which many have used to escape the conflict. As part of the deal, 50 women and children held hostage will be released in exchange for 150 Palestinian women and teenagers that are currently in Israeli detention. While world powers have cautiously welcomed the agreement, both sides have emphasised that this pause is only temporary and that the conflict will resume after the four days have passed.

## Market Summary

**Global Equities** – Global equity markets extended their strongest month since late 2020. US stocks concluded positively on Wednesday (US markets were closed on Thursday due to the public holiday). This positive trend was fuelled by optimism that the Federal Reserve may be done raising interest rates as well as encouraging economic reports indicating a moderation in the economy, yet with sufficient strength to avert a recession. Subsequently, the S&P 500 index and NASDAQ 100 index both closed the week with gains of +0.96% and +1.04% respectively, as of Wednesday's close. European stocks closed at near two-month highs on Thursday, as minutes from the European Central Bank (ECB) demonstrated a cautious optimism about their inflation fighting efforts. Consequently, the European STOXX 600 index finished the week up +0.73%, as of Thursday's close.

**Commodities** – Oil prices initially made big gains, however, unexpected turbulence rocked markets following OPEC's announcement of a postponed meeting, raising doubts around OPEC+'s commitment to keeping supplies in check. The combination of this uncertainty and an upsurge in US crude inventories led to a decline in oil prices. However, prices quickly recovered, with WTI Crude and Brent Crude oil both finishing the week positively +0.99% and +1.67% respectively, as of Wednesday's close.

Gold prices edged up slightly as the US dollar dropped, however, investors remain largely on the sidelines as uncertainty grows around the Federal Reserve's rate path. Lithium prices fell, bringing the losses for the year to -75% as supply expectations plummet.

**Fixed Income** – Slightly stronger than expected German, French and UK Purchasing Managers' Index (PMI) data pushed European bond yields higher, as investors fear that further monetary tightening may be required. However, a weakening dollar saw US Treasury yields fall as investors struggle to predict when the Federal Reserve will start to cut interest rates.

The information provided is not to be treated as specific advice. It has no regard for the specific investment objectives, financial situation or needs of any specific person or entity. The investments discussed in this document may not be suitable for all investors. This is for professional advisers only and clients should refer directly to an independent financial adviser. Ascencia Investment Management Limited is a subsidiary of Frenkel Topping Group Plc and is authorised and regulated by the Financial Conduct Authority No: 409409. Ascencia Investment Management Limited Registered in England No: 05010380.



**Address:**  
Frenkel House, 15 Carolina Way, Salford, Manchester, M50 2ZY



**Enquiries:**  
0161 886 8000  
enquiries@ascenciaim.co.uk



**Web:**  
www.ascenciaim.co.uk

## Chart of the Week

### Oil Traders Test OPEC+ Resolve Previous supply cuts have come as WTI drops below \$75



Source: Bloomberg – Oil traders test OPEC+'s resolve on supply cuts

## Key Economic Releases Next Week

Monday	Tuesday	Wednesday	Thursday	Friday
	- US consumer confidence	- Germany CPI	- Eurozone inflation yy - Japan unemployment rate	

## Market Performance – 24/11/2023

Global Market Indices	2023 YTD %*
FTSE 100	3.76%
S&P 500	20.43%
STOXX 600	11.20%
Nikkei 225	30.71%
Hang Seng	-7.02%
Fixed Income	Yield %
UK 10 Yr Gilt	4.27%
US 10 Yr Treasury	4.45%
Commodities	2023 YTD %
Gold	8.90%
Currency	
GBP/USD	1.25 (24/11/2023)
GBP/EUR	1.15 (24/11/2023)

Source: FE Analytics/ Bloomberg

\*Total Return/Local currency

The information provided is not to be treated as specific advice. It has no regard for the specific investment objectives, financial situation or needs of any specific person or entity. The investments discussed in this document may not be suitable for all investors. This is for professional advisers only and clients should refer directly to an independent financial adviser. Ascencia Investment Management Limited is a subsidiary of Frenkel Topping Group Plc and is authorised and regulated by the Financial Conduct Authority No: 409409. Ascencia Investment Management Limited Registered in England No: 05010380.



**Address:**  
Frenkel House, 15 Carolina Way, Salford, Manchester, M50 2ZY



**Enquiries:**  
0161 886 8000  
enquiries@ascenciaim.co.uk



**Web:**  
www.ascenciaim.co.uk