



» Weekly Investment Update

26th January 2024

News Headlines

US Economy – The economy in the US expanded more than expected over the fourth quarter of 2023. Data showed that the economy grew at an annualised rate of 3.3%, surpassing economists' forecasts of 2%. Robust consumer and government spending saw the economy continue its run of resilience despite ongoing concerns of a slowdown.

ECB Interest Rate – The European Central Bank decided to leave interest rates at a 22-year high on Thursday, remaining at 4%. The bank said that interest rates remain at sufficient levels to bring inflation down to the target rate of 2%. The bank's President, Christine Lagarde, gave less pushback than initially assumed against expectations of rate cuts over spring, which has been interpreted as dovish by markets.

Chinese Stimulus – The People's Bank of China announced stimulus measures in an effort to spur the lagging economy. The central bank cut cash reserve requirements for banks across the country, with the central bank's governor stating that the new measures would inject around 1 trillion yuan (\$141 billion) into the economy.

Market Summary

Global Equities – Global equities continued to rally throughout the week. In the US, the S&P 500 index closed at a fresh record high for five consecutive sessions at the close on Thursday, driven by an upside surprise in US gross domestic product for Q4 2023 leading investors to believe a "soft landing" is possible for the economy. In Europe, equities rallied too, with the Stoxx 50 hitting its highest level since 2001, while Germany's DAX index hit all-time highs. There was similar positive sentiment in Asia after the People's Bank of China announced stimulus measures.

Commodities – Commodity prices rose in general throughout the week as at Thursday's close. Oil prices (Brent Crude & WTI) surged and settled near two-month highs towards the end of the week as positive news flow from the US and China. Gold prices stayed within a tight range throughout the week in anticipation of Federal Reserve meeting and key inflation data next week.

Fixed Income – Bonds stayed relatively flat throughout the week. Dovish interpretations of the ECB's interest rate decision meeting saw sovereign bond yields across Europe decline.

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

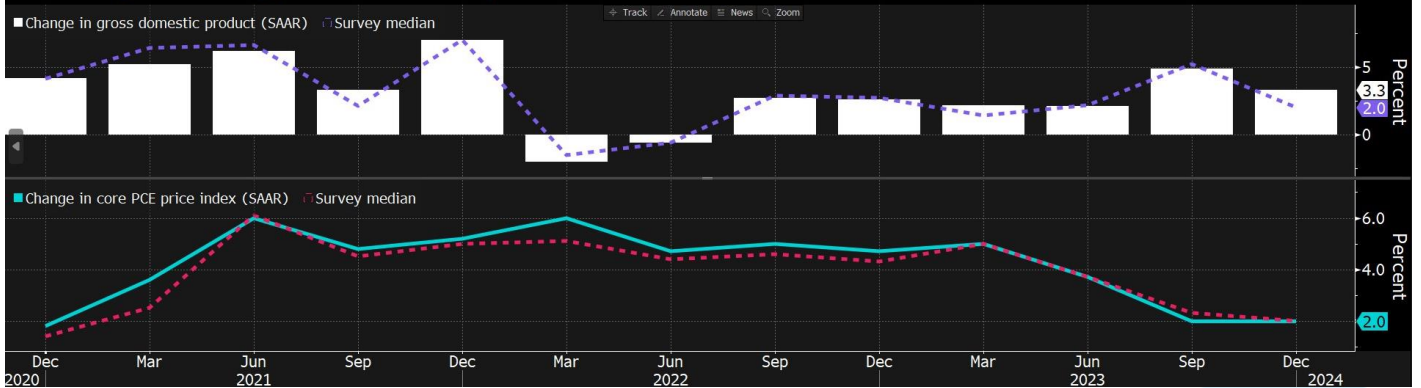


Web:

www.ascenciaim.co.uk

Chart of the Week

Bigger Expansion US 4Q GDP growth surprises with a robust 3.3% rate



Source: Bloomberg – US Q4 gross domestic product surprises to the upside

Key Economic Releases Next Week

Monday	Tuesday	Wednesday	Thursday	Friday
- Japan unemployment rate	- US consumer confidence	- FOMC rate announcement - China NBS manufacturing PMI	- BoE rate decision	

Market Performance – 26/01/2024

Global Market Indices	2024 YTD %*
FTSE 100	-2.57%
S&P 500	2.68%
STOXX 600	-0.01%
Nikkei 225	8.28%
Hang Seng	-4.90%
Fixed Income	Yield %
UK 10 Yr Gilt	3.94%
US 10 Yr Treasury	4.11%
Commodities	2024 YTD %
Gold	-1.94%
Currency	
GBP/USD	1.27 (26/01/2024)
GBP/EUR	1.17 (26/01/2024)

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