



Weekly Investment Update

8th March 2024



News Headlines

Federal Reserve Sentiment – Speaking at the Senate Banking Committee meeting on Thursday, Federal Reserve Chair Jerome Powell suggested that the central bank is close to the confidence it needs to begin lowering interest rates. Powell doesn't believe that the central bank is repeating an earlier error of waiting too long to respond to shifts on the economy during the Covid pandemic. Senate Banking Chair Sherrod Brown called for rate cuts, stating that "keeping rates too high for too long strangles the economy", and that costs are remaining at high levels due to price gouging by corporations.

UK Spring Budget – Chancellor of the Exchequer Jeremy Hunt announced his financial update in the spring budget on Wednesday. Key points from the update include a new British ISA allowance of £5,000 for savers to invest in UK-focused shares, 2 pence cut to National Insurance, and a new increased salary threshold for claiming child benefit. The Office for Budget Responsibility predicts that the UK economy will grow by 0.8% this year, and 1.9% in 2025. Inflation in the UK is forecast to fall below the 2% target by the end of June this year, falling to 2.5% next year.

European Central Bank – The European Central Bank decided to hold its key interest rates at record highs this week. The bank lowered its annual inflation forecast, and President Lagarde suggested that market pricing for a June interest rate cut was coming into line with policymakers' outlook. Economic growth for 2024 has now been updated from 0.8% to 0.6%.

Market Summary

Global Equities – Global equities provided positive returns for the week as at Thursday's close. In the US, the S&P 500 and Nasdaq indices both hit fresh record highs on the back of the Federal Reserve's more dovish statements on Thursday, however, the S&P 500 is at its most overbought position since January 2020. In Europe, the Stoxx 600 index breached the 500-point level for the first time, reflecting the upbeat sentiment after inflation showed signs of cooling. In Japan, the Nikkei 225 index hit record-highs once again but fell slightly afterwards as expectations mounted that the Bank of Japan could finally exit negative interest rates this month.

Commodities – Gold surged to all-time highs against the US dollar, set for its biggest weekly jump in 5 months on Friday, fuelled by rising expectation of US interest rate cuts and safe-haven demand.

Fixed Income – Bond yields declined, pushing the capital value higher, after key central banks eased up on their hawkish rhetoric.

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.

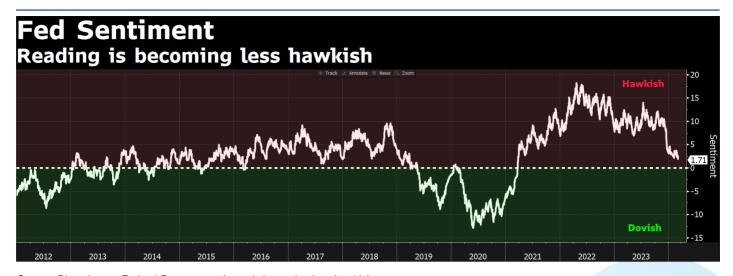
Until Ascencia Investment Management Limited Registered in England No: 05010380.







Chart of the Week



Source: Bloomberg - Federal Reserve sentiment is becoming less hawkish

Key Economic Releases Next Week

Monday	Tuesday	Wednesday	Thursday	Friday
- US FOMC rate announcement	- US CPI yy - Germany CPI yy		- US PPI yy	

Market Performance - 08/03/2024

Global Market Indices	2024 YTD %*	
FTSE 100	0.37%	
S&P 500	8.43%	
STOXX 600	5.48%	
Nikkei 225	18.40%	
Hang Seng 🔽	-4.45%	
Fixed Income	Yield %	
UK 10 Yr Gilt	3.97%	
US 10 Yr Treasury	4.09%	
Commodities	2024 YTD %	
Gold	4.58%	
Currency		
GBP/USD	1.28 (08/03/2024)	
GBP/EUR	1.17 (08/03/2024)	
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.







Enquiries: