



Weekly Investment Update

5th April 2024



News Headlines

Eurozone Inflation – Eurozone inflation fell unexpectedly to 2.4% in March, down from 2.6% the month previously. This defied expectations of a steady rate as food and energy prices pulled the headline figure lower. Despite the encouraging reading, there is concern surrounding services inflation which has held steady at 4% for several months. Meeting next week, the European Central Bank (ECB) is unlikely to cut interest rates, having repeatedly pointed to June as the next crucial meeting for policy setting. This has led to markets pricing in virtually no possibility of rate cuts next week, with a move fully priced in for June, followed by another two or three cuts later this year.

Tensions within the Middle East – Iran has accused Israel of launching airstrikes on its embassy complex in Syria on Monday, which reportedly killed at least 7 officials and 6 Syrian citizens. This deadly escalation of regional tensions over the war in Gaza appears to raise the risk of a wider Middle East conflict as Iran has vowed to retaliate. Iran has stated that it would hold the United States 'answerable' for the attack due to its ongoing support of Israel, adding pressure to the ongoing strain between Iran and the United States.

Market Summary

Global Equities – Global equities faced a challenging week due to surging bond yields, hawkish Federal Reserve remarks and escalating tensions in the Middle East. This led to the US S&P 500 index experiencing one of its worst days this year, finishing the week -2.02%, as of Thursday's close. In spite of the optimism surrounding potential interest rate cuts from the ECB, Europe's STOXX 600 index fell by -0.34% for the week, as of Thursday's close. In spite of adverse market conditions, the commodity heavy FTSE 100 index managed a gain of +0.32% for the week as of Thursday's close, fuelled in part by surging energy prices.

Commodities – Gold prices hit a record high of £2,305 per ounce midweek, before dropping off slightly to complete the week positively +3.22%, as of Thursday's close. This comes as traders locked in profits on the back of a strengthening US dollar amid hawkish comments surrounding US interest rates.

Oil prices hit 5-month highs, with Brent Crude and WTI Crude reaching \$91 and \$86 a barrel respectively, amidst worsening geopolitical conditions in the Middle East. Increased tensions between Israel and Iran are expected to cause supply disruptions and further tighten markets.

Copper prices settled after reaching a 15-month high as investors cash in on profits ahead of inflation and trade data from China next week.

Fixed Income – Bond yields surged as comments from Federal Reserve officials suggested that they are hesitant to cut rates this year.

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.

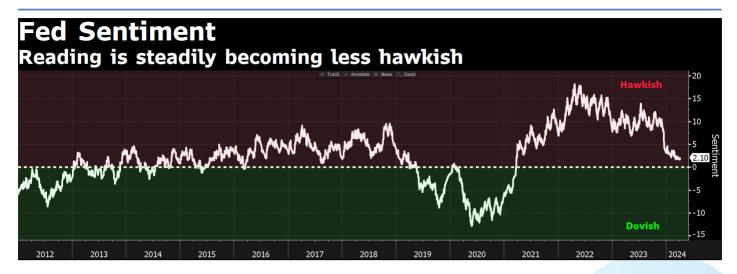
Ascencia Investment Management Limited Registered in England No: 05010380.







Chart of the Week



Source: Bloomberg - Federal Reserve sentiment is becoming less hawkish

Key Economic Releases Next Week

Monday	Tuesday	Wednesday	Thursday	Friday
		- US CPI yy	- China CPI yy	- Germany CPI yy
		- Bank of Canda rate decision	- European Central Bank rate announcement	

Market Performance - 05/04/2024

Global Market Indices	2024 YTD %*	
FTSE 100	4.31%	
S&P 500	8.32%	
STOXX 600	7.48%	
Nikkei 225	19.63%	
Hang Seng 🙀	-1.32%	
Fixed Income	Yield %	
UK 10 Yr Gilt	4.01%	
US 10 Yr Treasury	4.31%	
Commodities	2024 YTD %	
Gold	10.22%	
Currency		
GBP/USD	1.26 (05/04/2024)	
GBP/EUR	1.17 (05/04/2024)	

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.







Web: