Monthly Market Roundup
covering October 2022

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Overview

- October was a month of mixed fortunes for global equity markets. While Europe, the UK and the US enjoyed a recovery, Asia and Emerging markets lagged.
- High inflation and central bank interest rate hikes continue to make headlines, with real fears growing around the potential for recession in many regions.
- The cost-of-living crisis continues to impact consumer spending in many regions, with high prices showing few signs of letting up in the short term.

October saw a mixed bag of results for global equity markets. Europe rallied with all sectors finishing on positive ground. The UK recovered amid upbeat earnings and fiscal reassurance, while the US bounced back thanks to a strong quarter three earnings season. Elsewhere, Asia and Emerging markets were pulled back by the underperformance of Chinese equities. High inflation continues to be widespread as recession fears start to take root.

Europe

Despite inflation persisting and signs of economic slowdown, October was better for European markets, ending the month up. All sectors landed in positive territory.

The European Central Bank raised interest rates once again, as inflation hit a new high of 10%. The 1.5% interest rate is also the highest since 2009.

GDP slowed in the third quarter. Eurozone economists expect the region to fall into recession in the early part of 2023 as cost of living continues to pressurise household spending.

The UK

After a period of political turbulence, UK markets weathered the storm and ended October up. Liz Truss stepped down after just 44 days in charge and Rishi Sunak was appointed Prime Minister in her place. New chancellor Jeremy Hunt reversed the tax cuts announced by his predecessor, which served to soothe markets somewhat.

Inflation was up by 0.2% from August, above consensus estimates. This was mainly driven by the highest food prices since the 1980s. Retail spending was subsequently down, more than expected.

Unemployment at its lowest level since 1974 in the three months leading to August. Though the employment rate fell slightly in the same period, as well as vacancies, the latter is still close to record highs.

The US

US equity markets rallied strongly in October. This came off the back of a stronger than expected quarter three earning season. Many businesses on major indices beat earnings estimates.

Inflation remains above consensus estimates. The Federal Reserve, who have already adopted strong hawkish stance are expected hike interest rates further in response.

Large US technology stocks suffered amid an otherwise strong earnings season. Alphabet (Google's parent company) and Meta both reported losses, while Microsoft and Amazon experience slow growth.

Asia

In contrast with other global markets, Asian equities endured a tough month, ending down. This was largely driven by poorly performing Chinese equities, following the 20th Communist Party Congress.

Worsening Covid conditions, US restrictions on semi-conductor sales and geopolitical tensions were the main culprits. There was more positive news as quarter three gross domestic product (GDP) beat consensus estimates.

Elsewhere, Taiwanese stocks struggled, while Japanese and Korean stocks rebounded. Indian markets recovered slightly, despite muted macroeconomic data.

Emerging Markets

Emerging markets were impacted by underperforming Chinese stocks, ending October down. It's no surprise that EM Asia was the worst performing region.

EM Europe, Middle East and Africa (EMEA) ended the month up. The CE3 (Czech Republic, Poland and Hungary) bounced back (except the Czech Republic which was held back by a decline in its currency). Turkey and Greece also enjoyed double-digit returns.

In EM Latin America, it was a similar picture. Brazil was the biggest outperfomer as it re-elected left leaning Luiz Inácio 'Lula' da Silva in place of a far-right incumbent. Mexico also boosted the region's fortunes with robust revenues and a solid consumer sector.

Fixed income

Things were looking up for UK fixed income markets in October, after a difficult period. Sterling-denominated assets were positive, as were UK gilts after the government u-turned much of its 'mini budget'.

Outside the UK, amid persistently high consumer prices in the eurozone and the US, markets looked to price in further interest rates hikes from both central banks. US treasuries German bunds struggled as a result. Early hopes that the Federal Reserve (Fed) would adopt a less aggressive stance to hike were quashed on the release of core inflation data.

UK bond markets also recovered after a very tough September. This came off the back of the expectation that the new government will be more fiscally responsible. Sterling credit and invesment grade bonds led the way.

Environmental, Social and Governance

In ESG, October revealed that supporting the EU economy through the winter remains a priority. But when it comes to the energy crisis, the region is still some way off agreeing a management plan.

One of the biggest issues is that a price cap is still yet to be agreed for gas. This is despite 15 EU member states calling for an explicit cap. Pressure is mounting on the EU to find a solution to protect the region from further price rises this winter.

On regulatory and investment side, the industry is continually moving toward greater transparency in how ESG objectives are integrated into investment decisions. Recently released Global Real Asset ESG Benchmark (GRESB) insights are being used to engage engage with fund managers as a way to assess the performance of private real estate funds.

Europe

- ECB raises interest rates to highest level since 2009
- Inflation hits 10.7%
- GDP growth of 0.2% in quarter three

European shares ended higher in October despite continued high inflation and data showing an economic slowdown. From a sector perspective, all were in positive territory, with energy and industrials leading the gains.

The European Central Bank (ECB) raised interest rates by 75 basis points to the highest level since 2009, 1.5%. This was in line with market expectations. The ECB indicated further increases were likely to tackle inflation but at a slower rate, despite signs of an upcoming recession in the area. The ECB also announced the scheme of ultra-cheap loans (TLTRO III) to be less attractive to incentivise banks to repay early. This was to try to reduce the ECB's balance sheet.

Eurozone inflation hit another new record of 10.7% in October, higher than consensus estimates. Energy and food prices continued to be the main drivers with alcohol and tobacco also contributing significantly. Economists expect the eurozone to fall into recession at the start of next year as rising cost of living forces households to cut spending, while energy costs force industrial groups to scale back or shut production.

Gross domestic product (GDP) growth in the eurozone slowed in the third quarter, rising 0.2% compared to the previous quarter of 0.8%, Eurostat figures showed. The figure was in line with expectations, with growth in Germany accelerating whilst France, Italy and Spain saw a sharp slowdown.

The flash purchasing managers' composite index (PMI) for the eurozone fell to 47.1. This was the fourth consecutive month below the 50 mark, and its lowest level since November 2020. The composite PMI, which measures activity at both services and manufacturing companies across the eurozone, was below 50, indicating businesses are contracting. This was worse than consensus estimates adding to fears that eurozone is heading for a recession in the fourth quarter of this year.

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UK

- Rishi Sunak becomes new Prime Minister
- Unemployment at lowest level since 1974
- UK inflation increases to 10.1% in September

The UK equity market closed higher as some early upbeat earnings reports from companies outweighed concerns about an economic slowdown.

Rishi Sunak became the new Prime Minister (PM) of the UK after Liz Truss resigned following a difficult 44-day spell as PM. The new PM said he would prioritise economic stability and confidence but warned of difficult decisions to come.

The new Chancellor Jeremy Hunt reversed most of the tax cuts announced following the 'mini budget' and appears committed to presenting a 'credible, transparent and fully-costed' plan to reduce debt as a share of GDP over the medium-term. Following these changes, Gilt yields fell back to levels before the tax cuts announced by Liz Truss, with the pound also rising.

UK inflation was 10.1% in September, an increase from 9.9% in August, higher than consensus forecasts. It was driven by the highest food price increases since the 1980s and it is the second time this year it has risen above 10%. The September inflation figure is particularly important as it it's used to uprate pensions and benefits for April next year.

ONS data showed UK unemployment fell to 3.5% in the three months to August, the lowest level since 1974. The employment rate fell by 0.3% to 75.5% in the three months to August, the first quarterly drop since the economy reopened post-Covid. The number of vacancies also fell for a third consecutive quarter although it remains near record highs.

The Office for National Statistics (ONS) showed UK public sector borrowing increased in September to £20bn. This is larger than the £14.8bn forecast in March by the Office for Budget Responsibility as higher debt interest payments pushed up payments.

British retail sales fell more than expected in September due to increasing inflation, low consumer confidence and the impact of Queen Elizabeth's funeral. ONS data showed the quantity of goods bought dropped 1.4% between August and September, worse than the consensus estimate fall of 0.5%. This has increased fears that the UK is heading for a recession.

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US

- US equities rebound from September's lows, underpinned by better-than-expected earnings season
- Some US Federal Reserve officials are considering slowing monetary tightening
- Large technology stocks disappoint

US equities rebounded from last month's market lows. This was supported by a better-than-expected quarter three earnings season, with almost three quarters of the companies in the S&P 500 beating estimates. This led to a high single-digit rise in the nation's 500 large cap companies.

Of the three major US indices, the Dow Jones Industrials Average index was the strongest, enjoying its best monthly gain since 1976. There was a rally in the cheaper 'value' equities that make up a large part of the index which contributed. Meanwhile the technology-heavy NASDAQ composite rallied at a more moderate pace, as 'growth' stocks continued to feel the pinch of higher interest rates.

The level of inflation remains above target, so more interest rate hikes are expected from the US Federal Reserve (Fed) in the final two Federal Market Committee meetings of the year. But headline consumer price inflation (CPI) data fell for the third consecutive month since June's high of 9.1%. Some Fed officials are considering slowing the pace of monetary tightening (raising interest rates) to avoid a sharp economic contraction. This meant that investors' hopes of a pause in the Fed's hikes in 2023 grew. News of the Organisation of the Petroleum Exporting Countries' (OPEC's) production cuts despite supplies already being strained prompted concerns of already high consumer prices edging further up.

Amidst a solid earnings season, we've so far seen disappointment for the large US technology stocks. Alphabet, Google's parent company, reported a 27% decline in profits, while Meta announced a drop of more than 50%.

Microsoft experienced its slowest revenue growth in five years and Amazon reported deceleration in key business lines. The multinational e-commerce company also pointed to US dollar strength as a reason for lacklustre net sales, costing $900 million more than expected, as exports paid for in other countries' weaker currencies bring in fewer dollars.

Apple's results stood out in that they were mixed, although a recent Covid-19 outbreak in one of its iPhone production factories is a short-term concern. US companies with significant exposure to China were also impacted, namely Tesla and Starbucks.

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Asia

- Asian equities fell in value, weighed down by underperformance in China
- Xi Jinping wins third term as leader in the 20th Party Congress
- Strength elsewhere amid signs of easing inflation and talk of softer hiking cycles

Asian equities fell over the month, dragged down by an underperforming Chinese equity market as investors digested the 20th Communist Party Congress.

Chinese stocks faced a double-digit decline on worsening Covid-19 conditions, geopolitical tension and post-Party Congress concerns. US-China woes continued as the Biden administration issued restrictions on advanced semiconductor sales to China, as well as on American employees of Chinese semi firms.

The 20th Party Congress saw no real changes to China's economic ambitions and policies. Instead, governance and national security experienced some fundamental changes. With Xi Jinping and his loyalists in charge, concerns surround how they'll fare in response to challenges and how far they'll take their distinctively Xi-era policies such as 'zero-Covid'.

Some positive news was digested however, namely quarter three GDP growing 3.9% year-on-year as opposed to expectations of 3.3%, although it remains at a historically low level. Macau also announced the resumption of its electronic travel permit from November, the first time since the start of the pandemic.

Equities in Taiwan finished the month lower, with all sectors bar real estate ending in the red. For the fifth consecutive month Taiwan faced net foreign outflows as investor confidence in the tech-heavy equity market continued to be limited in the face of rising bond yields.

Industrial production fell well below consensus forecasts. Manufacturing Purchasing Manager's Index (PMI) also contracted due to lingering concerns of slowing external demand.

Some positives can be taken from better-than-expected quarter three GDP and a falling unemployment rate. Domestic demand showed strength despite slowing exports.

Korea enjoyed a sharp rebound in its equity markets, aided by a stabilising foreign exchange market and robust foreign money inflow. Consumer inflation also moderated by 10 basis points to 5.6%. This helped to reassure markets, although another one-off 50 basis point rate hike was implemented over the month to try to further temper rising prices. Quarter three GDP growth moderated in line with expectations as labour market conditions remained robust.

Indian stocks rose modestly despite some lacklustre macroeconomic data. All sectors barring consumer staples finished up, with energy leading the way. September annualised inflation data surprised to the upside, coming in at 7.4% as it continued its rise since July. This triggered the Monetary Policy Committee to convene for an additional meeting in November to discuss the inflation miss.

Meanwhile, industrial production fell sharply, entering negative territory for the first time since February 2021.

The expected slowdown in the Japanese central bank's rate hike pace helped spark a rebound in the country's stocks this month, as did the strength in the corporate earnings which have so far been announced.

Australian equities bounced back in a similar vein, buoyed by a stabilised unemployment rate and higher monthly retail sales. CPI inflation continued to rise though, reaching its highest level (7.3%) since 1990.

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Emerging Markets

- Emerging markets finished the month in the red, dragged down by China
- Xi Jinping wins third term as leader in the 20th Party Congress
- Latin America the top region, with Mexico and Brazil leading gains

The decline in Chinese equities impacted emerging market equities. EM's heavyweight dragged stocks lower, despite the outperformance of Brazil, Mexico and the CE3 (Poland, Hungary and the Czech Republic).

EM Asia was the worst performing region, finishing in the red due to a double-digit decline in China and some moderate weakness in Taiwan.

Global investors were disappointed by the 20th Party Congress. Despite offering support for the technology sector there was no pivot away from China's 'zero-Covid' policy. The reshuffling of the leadership positioned Xi Jinping among his loyalists, thereby failing to boost confidence in any policy changes.

President Biden's new restrictions on Chinese access to US semiconductor technology further heightened geopolitical tensions between the world's two largest economies. It also acted as a headwind for equities. Taiwan retreated on weaker exports, while South Korean equities rose solidly over the month, as did the Philippines. Malaysia and India modestly advanced.

Equities in EM EMEA rose in value, with Turkey, Poland, Hungary and Greece all enjoying double-digit returns. Turkey was the strongest country in EM thanks to solid exports to Russia and a resilient lira.

The central European markets bounced back from recent lows, driven by strength in the financial sector. The CE3 particularly rallied strongly, with Hungary and Poland up double digits, although the Czech Republic was held back by a decline in its currency. Markets were relieved by the decision of both Poland's and Hungary's central banks to keep their base rates on hold. The former announced that it felt that its hiking cycle was over.

European short-term gas prices dropped as gas storage reached almost full capacity thanks to the unusually warm weather.

Turning to Latin America, Brazil was at the forefront of events. Former president Luiz Inácio 'Lula' da Silva beat far-right incumbent Jair Bolsonaro in the presidential election. The 1.8% margin that Lula won by was the tightest since democracy was introduced in 1985. It reflects the stiff opposition the new President will have to his policies in the legislative body when he takes office in the new year. Right-wing lawmakers close to Bolsonaro won the majority in Congress.

Mexico also helped to propel the Latin American region to the top of EM performers. Robust revenues and better-than-expected margins drove solid quarter three corporate earnings amid solid consumer fundamentals and a resilient manufacturing sector.

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Fixed Income

- A more rewarding month for UK bond markets as a new administration restored a degree of market credibility by making a series of fiscal U-turns on the mini budget.
- Inflationary pressures continued to build in Europe. The European Central Bank (ECB) raised interest rates by 75bps, with more hikes expected despite recession concerns.
- Positive returns from corporate bond markets led by high yield.

It was a positive month for sterling-denominated assets. The turmoil that followed September's mini budget subsided as the UK government u-turned on many of their original fiscal plans. UK gilts recorded their best monthly performance, up 3.30%, since January 2020.

Outside the UK, the primary focus remained on inflation and interest rates. Consumer prices in both the US and the eurozone showed little sign of abating. Markets priced in further rate hikes from the US Federal Reserve and the European Central Bank, so US treasuries and German bunds fell in value, declining by 1.52% and 0.55% respectively.

Expectations that the Fed could adopt a less aggressive approach to monetary tightening were lifted early in the month. This was as the Reserve Bank of Australia hiked rates by only 25bps instead of an expected 50bps.

But these hopes faded upon the release of US CPI data which showed core inflation (excluding volatile items such as food and energy) jumping to 6.6% - the fastest rate since 1982. The stronger-than-expected outturn quashed hopes of a Fed "pivot" (a reversal of its policy outlook) anytime soon/ It also cemented market expectations that US interest rates would rise by 75bps in November with smaller hikes to follow thereafter.

In the eurozone, debate intensified as to how high interest rates may go. The likelihood is that the region is heading into recession, although latest German growth figures beat consensus expectations. While the European Central Bank did deliver a rate hike of 75bps in October, and signalled plans for more increases to come, the wording of its statement was less aggressive than expected. With the flash CPI reading for the euro area hitting a record high of 10.7% in October, the ECB also took the first step towards shrinking its €8.8 trillion balance sheet.

Following a torrid September, it was a more rewarding month for UK bond markets. The Bank of England is widely expected to increase interest rates by 75bps in early November. But the appointment of Rishi Sunak as the new UK prime minister helped restore confidence that the government would take a more cautious fiscal approach.

Against this backdrop, sterling credit registered broad gains with investment grade bonds leading the way. According to data from ICE BofA, the Sterling Corporate index returned 5.19%. By comparison, the Euro Corporate index added a modest 0.19%, whereas the US corporate index fell by 1.11% (all returns in local currencies). Credit spreads (the additional yield over government bonds) for investment grade narrowed.

There were widespread gains for high yield credit. The ICE BofA European Currency (€/£) High Yield index returned 1.74% and the US High Yield index gaining 2.85%. There was also a narrowing in credit spreads.

After a slow start, issuance of euro/sterling high grade corporate bonds saw solid volumes in October. This was split between financials (€15.7 billion) and non-financials (€22.3 billion), according to data from Barclays. Unsurprisingly, sterling issuance, following the crisis in LDI (Liability-Driven Investment) funds and resulting market volatility, fell sharply to just £1 billion, mainly consisting of utility deals.

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Environmental, Social and Governance

- EU is still some way off agreeing a plan to manage the energy crisis
- There's still no explicit price cap for gas but the EU must find a solution that's fair for all member states
- On the ESG investment side, recent real estate insights aim to help private investors assess performance on a portfolio level.

Progress, but no white smoke on capping gas prices in Europe

The energy crisis has meant that much of the focus has shifted from energy transition to energy resilience. Supporting the EU economy through the winter is a key political issue. Despite significant meetings already taking place, the EU is still some way off agreeing a fully-fledged plan to manage the energy crisis.

So far, the European Commission has tabled a regulation to try to bring down gas prices. Most of the ideas contained in the new regulation are consensual but fairly technical fixes, including:

- new complementary benchmark for LNG, to address issues currently seen in the existing Title Transfer Facility (TTF) benchmark
- establish a maximum dynamic price at which spot market transactions for natural gas can take place in the TTF
- reduce price volatility by requiring trading venues to establish a new temporary intra-day volatility management mechanism ('circuit breaker'); and
- joint purchasing of gas has the potential to reduce uncoordinated bidding for gas supplies between Member States

But the elephant in the room is the lack of an explicit price cap for gas. Despite 15 member states calling for the European Commission to table a proposal to explicitly cap gas prices, it has been reticent to do so. In a non-paper presented to member states, the Commission highlighted some of the issues with a price cap based on the 'Iberian model' (it would be expensive and could be subject to extensive leakage).

Resentment is growing within the bloc though. Germany, one of the main opponents to the cap, announced a 200bn EUR support package for its companies and households. So, pressure is mounting for an EU-wide solution that wouldn't disadvantage member states with less fiscal headroom.

A deal on some technical elements of the package could be signed off by the end of November. But there's still no clear way forward on the price cap. This means the EU could potentially be exposed to further sudden gas prices rises going into winter.

ESG and real estate

On the regulatory and investment side, regulations, investor requirements and market expectations continue to grow. The industry is continually moving toward greater levels of transparency and disclosure in how financial market participants integrate and implement ESG objectives into investment decisions. In real estate for example, a tangible asset class, a lot of emphasis is placed on asset level disclosure given the direct nature of the business.

In October, the Global Real Asset ESG Benchmark (GRESB) released their latest insights based on the 2022 reporting cycle. Over 1,820 entities from a total of 74 countries participated, representing USD 6.9 trillion in growth asset value (GAV) and submitting over 150,000 assets.

Data from GRESB is used by over 170 institutional investors. It represents USD 51 trillion in assets under management (AUM) to engage with fund managers and have standardised metrics to assess performance of private real estate funds.

Key insights from the results enable private real estate investors to understand progress at the portfolio level as well as benchmarked data against wider peer groups. For example, the 2022 results now place greater emphasis on net zero, by presenting decarbonisation pathways specific to the real estate industry.

As real estate is of the largest consumers of energy and producers of carbon, there is significant potential for the industry to make use of these benchmarks to monitor performance as the industry transitions to a low carbon economy.

Government Bonds

Yield to maturity[1] (%)

	Current	1 month	3 months	6 months	12 months
US Treasuries 2 year	4.48	4.28	2.88	2.71	0.50
US Treasuries 10 year	4.05	3.83	2.65	2.93	1.55
US Treasuries 30 year	4.16	3.78	3.01	3.00	1.93
UK Gilts 2 year	3.33	4.23	1.71	1.59	0.71
UK Gilts 10 year	3.52	4.09	1.86	1.91	1.03
UK Gilts 30 year	3.61	3.83	2.40	2.04	1.11
German Bund 2 year	1.94	1.76	0.28	0.26	-0.59
German Bund 10 year	2.14	2.11	0.82	0.94	-0.11
German Bund 30 year	2.14	2.09	1.07	1.09	0.14

Source: Bloomberg LP, Merrill Lynch data. Data as at 31 October 2022. The yield is not guaranteed and may do down as well as up.

Corporate Bonds

Yield to maturity[1] (%)/Spread[2] (bps)

	Current		1 month		3 months		6 months		12 months	
£ AAA Investment Grade Corporate	4.66	111	5.53	134	2.98	100	2.80	96	1.41	48
£ AA	4.92	130	5.78	152	3.13	119	2.93	108	1.52	59
£ A	5.55	190	6.36	209	3.53	157	3.25	139	1.85	89
£ BBB	6.42	274	7.24	289	4.29	234	3.86	194	2.36	129
£ High Yield	10.91	730	11.43	698	8.54	676	6.74	488	4.86	368
£ BB	9.38	571	10.11	563	7.44	563	5.80	389	3.81	263
€ AAA Investment Grade Corporate	3.19	111	3.19	121	1.53	94	1.60	85	0.28	54
€ AA	3.38	133	3.34	143	1.57	109	1.52	94	0.18	57
€ A	3.89	184	3.82	192	2.04	154	1.88	129	0.43	75
€ BBB	4.68	258	4.55	259	2.75	223	2.41	175	0.79	102
€ High Yield	7.99	580	8.31	625	6.37	581	5.31	454	3.23	322
€ BB	6.70	448	7.13	502	5.22	463	4.41	361	2.42	241
European High Yield (inc € + £)	8.29	596	8.61	632	6.60	591	5.46	457	3.40	327

Source: Bloomberg LP, ICE BofA. Data as at 31 October 2022. The yield is not guaranteed and may go down as well as up.

1 Yield to maturity – is the total return anticipated on a bond if the bond is held until it matures.

2 Credit spread – difference in yields offered by corporate bonds over government bonds, that have similar maturity but different credit quality.

Global currency movements – figures to 31 October 2022

		Change Over:													
	Current value	1 Month (%)	3 Months (%)	6 Months (%)	YTD (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)
Euro/US Dollar	0.99	0.8	-3.3	-6.3	-13.1	8.9	-2.2	-4.5	14.1	-3.2	-10.2	-12.0	4.2	1.8	1.8
Euro/GB Sterling	0.86	-1.8	2.7	2.8	2.5	5.7	-5.9	1.2	4.1	15.8	-5.1	-6.5	2.3	-2.6	-2.6
Euro/Swiss Franc	0.99	2.3	1.7	-3.5	-4.6	-0.4	-3.5	-3.8	9.2	-1.5	-9.5	-2.0	1.6	-0.7	-0.7
Euro/Swedish Krona	10.91	0.3	5.1	5.3	6.0	-4.3	3.4	3.2	2.7	4.4	-2.9	6.7	3.1	-3.8	-3.8
Euro/Norwegian Krone	10.28	-3.6	4.0	3.9	2.6	6.5	-0.6	0.6	8.3	-5.4	6.6	8.1	13.6	-5.2	-5.2
Euro/Danish Krone	7.45	0.1	0.0	0.1	0.1	-0.4	0.1	0.3	0.2	-0.4	0.2	-0.2	0.0	0.4	0.4
Euro/Polish Zloty	4.72	-2.9	-0.4	0.7	2.8	7.2	-0.8	2.7	-5.1	3.4	-0.6	3.2	1.8	-8.7	-8.7
Euro/Hungarian Forint	409.29	-3.3	1.1	8.2	10.9	9.5	3.1	3.3	0.4	-1.9	-0.4	6.5	2.0	-7.5	-7.5
US Dollar/Yen	148.71	2.7	11.6	14.7	29.2	-4.9	-1.0	-2.7	-3.7	-2.7	0.4	13.7	21.4	12.8	12.8
US Dollar/Canadian Dollar	1.36	-1.5	6.5	6.0	7.8	-2.0	-4.7	8.5	-6.5	-2.9	19.1	9.4	7.1	-2.9	-2.9
US Dollar/South African Rand	18.35	1.5	10.4	16.2	15.2	5.0	-2.4	15.9	-9.9	-11.2	33.7	10.3	23.8	4.7	4.7
US Dollar/Brazilian Real	5.18	-4.4	0.1	4.2	-7.1	29.0	4.0	17.1	1.8	-18.0	49.1	12.7	15.5	9.5	9.5
US Dollar/South Korean Won	1424.65	-0.5	9.7	13.4	19.8	-6.0	3.6	4.2	-11.4	3.0	6.7	4.1	-1.4	-7.1	-7.1
US Dollar/Taiwan Dollar	32.22	1.4	7.6	9.3	16.4	-5.8	-2.2	3.1	-7.6	-2.1	4.0	6.1	2.6	-3.9	-3.9
US Dollar/Thai Baht	38.06	0.9	3.4	11.1	13.9	-0.1	-7.9	-0.1	-9.0	-0.8	9.7	0.1	7.4	-3.1	-3.1
US Dollar/Singapore Dollar	1.42	-1.3	2.6	2.4	5.0	-1.8	-1.2	2.0	-7.7	2.0	7.0	4.9	3.4	-5.8	-5.8
US Dollar/GB Sterling	0.87	-2.6	6.1	9.6	18.0	-3.0	-3.8	5.9	-8.6	19.4	5.7	6.3	-1.9	-4.4	-4.4
GB Sterling/South African Rand	21.04	4.2	4.0	5.9	-2.5	8.2	1.3	9.6	-1.3	-25.7	26.5	3.7	26.5	9.3	9.3
Australian Dollar/US Dollar	0.64	0.0	-8.4	-9.4	-11.9	9.6	-0.4	-9.7	8.3	-1.1	-10.9	-8.3	-14.2	1.8	1.8
New Zealand Dollar/US Dollar	0.58	3.8	-7.4	-10.0	-14.8	6.6	0.3	-5.3	2.4	1.5	-12.4	-5.1	-0.9	6.6	6.6

Source: Bloomberg, all figures subject to rounding.

An investment cannot be made into an index directly. The performance data shown relates to a past period. Past performance does not predict future returns.

Global equity and commodity index performance – figures to 31 October 2022 (%)

	1 month	3 months	6 months	YTD	2021	2020	2019	2018	2017	2016	2015	2014	2013
Global US & Canada													
MSCI World (US$)	7.2	-6.7	-7.8	-19.7	16.5	28.4	-8.2	23.1	8.2	-0.3	5.6	27.4	16.6
MSCI World Value (US$)	9.7	-2.5	-4.9	-10.0	-0.3	22.8	-10.1	18.0	13.3	-4.0	4.5	27.6	16.5
MSCI World Growth (US$)	4.6	-10.9	-11.1	-29.2	34.2	34.2	-6.4	28.5	3.2	3.5	6.6	27.2	16.6
MSCI World Small Cap (US$)	8.1	-6.1	-7.8	-20.4	16.5	26.8	-13.5	23.2	13.2	0.8	2.3	32.9	18.1
MSCI Emerging Markets (US$)	-3.1	-14.0	-19.5	-29.2	18.8	18.8	-14.3	37.8	11.8	-14.6	-2.0	-2.3	18.6
FTSE World (US$)	6.9	-7.0	-8.5	-20.0	16.4	27.8	-8.7	24.1	8.7	-1.4	4.8	24.7	17.2
Dow Jones Industrials	14.1	0.2	0.3	-8.4	9.7	25.3	-3.5	28.1	16.4	0.2	10.0	29.7	10.2
S&P 500	8.1	-5.9	-5.5	-17.7	18.4	31.5	-4.4	21.8	11.9	1.4	13.7	32.4	16.0
NASDAQ	3.9	-11.1	-10.5	-29.3	45.0	36.7	-2.8	29.7	9.0	7.1	14.8	40.2	17.7
Russell 2000	11.0	-1.7	-0.2	-16.9	19.9	25.5	-11.0	14.6	21.3	-4.4	4.9	38.8	16.4
S&P/ TSX Composite	5.6	-0.5	-4.9	-6.1	5.6	22.9	-8.9	9.1	21.1	-8.3	10.5	13.0	7.2
Europe & Africa													
FTSE World Europe ex-UK €	6.7	-5.2	-7.1	-15.2	2.9	27.6	-10.5	12.9	3.2	10.7	7.2	21.8	21.0
MSCI Europe	6.2	-5.3	-6.5	-11.8	-2.8	26.8	-10.1	10.8	3.2	8.8	7.5	20.5	17.9
CAC 40	8.8	-2.7	-2.2	-9.9	-5.0	30.5	-8.1	12.5	8.8	11.9	2.5	22.2	20.4
DAX	9.4	-1.7	-6.0	-16.6	3.5	25.5	-18.3	12.5	6.9	9.6	2.7	25.5	29.1
Ibex 35	8.5	-1.9	-5.6	-5.7	-12.7	16.5	-11.5	11.3	2.5	-3.7	8.5	27.6	2.2
FTSEMIB	9.7	1.3	-4.4	-14.0	-3.3	33.8	-13.6	16.9	-6.5	15.8	3.0	20.4	12.2
Swiss Market Index (capital returns)	5.5	-2.9	-10.7	-13.5	0.8	26.0	-10.2	14.1	-6.8	-1.8	9.5	20.2	14.9
Amsterdam Exchanges	4.7	-7.5	-4.3	-14.1	5.5	28.5	-7.4	16.5	13.6	7.3	8.7	20.7	14.0
HSBC European Smaller Cos	7.6	-14.3	-21.7	-36.8	15.3	23.7	-20.2	31.0	-2.5	7.0	-9.6	34.9	22.2
MSCI EM Europe, Middle East and Africa (US$)	4.8	-2.6	-13.4	-33.0	-7.3	19.9	-7.4	16.5	22.8	-14.5	-28.2	-3.9	25.1
FTSE/JSE Africa All-Share (SA)	4.9	-1.1	-5.5	-5.3	7.1	12.1	-8.4	21.0	2.8	5.3	10.9	21.5	26.7
UK													
FTSE All-Share	3.1	-4.7	-5.8	-5.1	-9.7	19.1	-9.5	13.1	16.8	0.9	1.2	20.8	12.3
FTSE 100	3.0	-3.4	-4.4	-0.9	-11.4	17.2	-8.8	12.0	19.2	-1.4	0.7	18.7	10.0
FTSE 250	4.4	-10.6	-12.2	-21.9	-4.6	28.9	-13.3	17.8	6.7	11.2	3.7	32.3	26.1
FTSE Small Cap ex Investment Trusts	0.8	-11.5	-17.3	-23.4	1.7	17.7	-13.8	15.6	12.5	13.0	-2.7	43.9	36.3
FTSE TechMARK 100	2.0	-0.3	0.3	-12.3	7.3	39.2	-4.9	9.8	10.0	16.6	12.3	31.7	23.0
Asia Pacific & Japan													
Hong Kong Hang Seng	-14.7	-26.5	-28.3	-35.2	-0.2	13.0	-10.6	41.3	4.3	-3.9	5.3	6.6	27.4
China SE Shanghai Composite (capital returns)	-4.3	-10.8	-2.6	-18.4	16.5	25.3	-22.7	8.8	-10.5	11.2	58.0	-3.9	5.8
Singapore Times	-1.2	-2.3	-5.6	2.6	-8.1	9.4	-6.5	22.0	3.8	-11.3	9.6	2.9	23.3
Taiwan Weighted (capital returns)	-3.5	-13.0	-18.7	-25.8	27.0	28.8	-5.0	19.4	15.5	-6.9	11.2	15.0	12.9
Korean Composite (capital returns)	6.4	-6.3	-14.5	-22.5	33.8	10.0	-15.4	23.9	5.2	4.1	-3.5	2.0	10.7
Jakarta Composite (capital returns)	0.8	2.1	-1.8	10.5	-5.1	1.7	-2.5	20.0	15.3	-12.1	22.3	-1.0	12.9
Philippines Composite (capital returns)	7.2	-2.6	-8.6	-12.0	-8.6	4.7	-12.8	25.1	-1.6	-3.9	22.8	1.3	33.0
Thai Stock Exchange	1.3	3.1	-2.2	-0.4	-5.3	4.3	-8.1	17.3	23.9	-11.2	19.1	-3.8	40.4
Mumbai Sensex 30	5.9	5.8	7.5	5.6	17.2	15.7	7.2	29.6	3.5	-3.7	32.0	10.7	28.0
Hang Seng China Enterprises index	-16.5	-27.7	-29.9	-37.9	0.0	14.5	-10.0	29.6	1.4	-16.9	15.5	-1.4	19.7
ASX 200	6.0	0.7	-5.4	-2.8	2.3	25.0	-1.5	13.4	13.4	4.2	7.1	22.0	22.2
Topix	5.1	0.4	2.7	-0.8	7.4	18.1	-16.0	22.2	0.3	12.1	10.3	54.4	20.9
Nikkei 225 (capital returns)	6.4	-0.8	2.8	-2.3	16.0	18.2	-12.1	19.1	0.4	9.1	7.1	56.7	22.9
MSCI Asia Pac ex Japan (US$)	-4.2	-16.2	-20.8	-29.2	23.1	19.8	-13.5	37.8	7.4	-8.8	3.5	4.1	23.2
Latin America													
MSCI EM Latin America (US$)	9.7	9.1	2.3	13.4	-13.6	17.8	-6.2	24.2	31.4	-30.9	-12.1	-13.2	8.8
MSCI Mexico (US$)	13.9	7.8	2.8	-0.6	-1.7	11.6	-15.4	16.2	-9.1	-14.4	-9.3	0.1	29.1
MSCI Brazil (US$)	8.6	11.9	3.5	21.5	-18.9	26.7	-0.1	24.5	66.7	-41.2	-13.8	-15.8	0.2
MSCI Argentina (US$)	10.6	21.5	9.8	13.1	12.3	-20.7	-50.8	73.6	5.1	-0.4	19.2	66.0	-37.1
MSCI Chile (US$)	2.9	-5.4	2.7	18.5	-4.2	-16.2	-18.9	43.6	16.8	-16.8	-12.2	-21.4	8.3
Commodities													
Oil - Brent Crude Spot (US$/BBL)	8.3	-13.6	-12.5	20.4	-23.0	24.9	-20.4	20.6	55.0	-35.9	-49.7	-1.0	4.1
Oil - West Texas Intermediate (US$/BBL)	8.9	-12.3	-17.3	12.4	-20.5	34.5	-24.8	12.5	45.0	-30.5	-45.9	7.2	-7.1
Reuters CRB index	2.5	-5.4	-10.0	19.6	-9.3	11.8	-10.7	1.7	9.7	-23.4	-17.9	-5.0	-3.3
Gold Bullion LBM (US$/Troy Ounce)	-2.0	-6.5	-14.2	-9.2	23.9	19.1	-1.3	11.9	9.1	-11.4	-0.2	-27.8	5.7
Baltic Dry index	-16.9	-22.8	-39.1	-34.0	25.3	-14.2	-7.0	42.1	101.0	-38.9	-65.7	225.8	-59.8

Source: Blomberg, total returns in local currency unless otherwise stated.

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Risk warnings

The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

Important information

Data as of 31 October 2022 unless stated otherwise.

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