

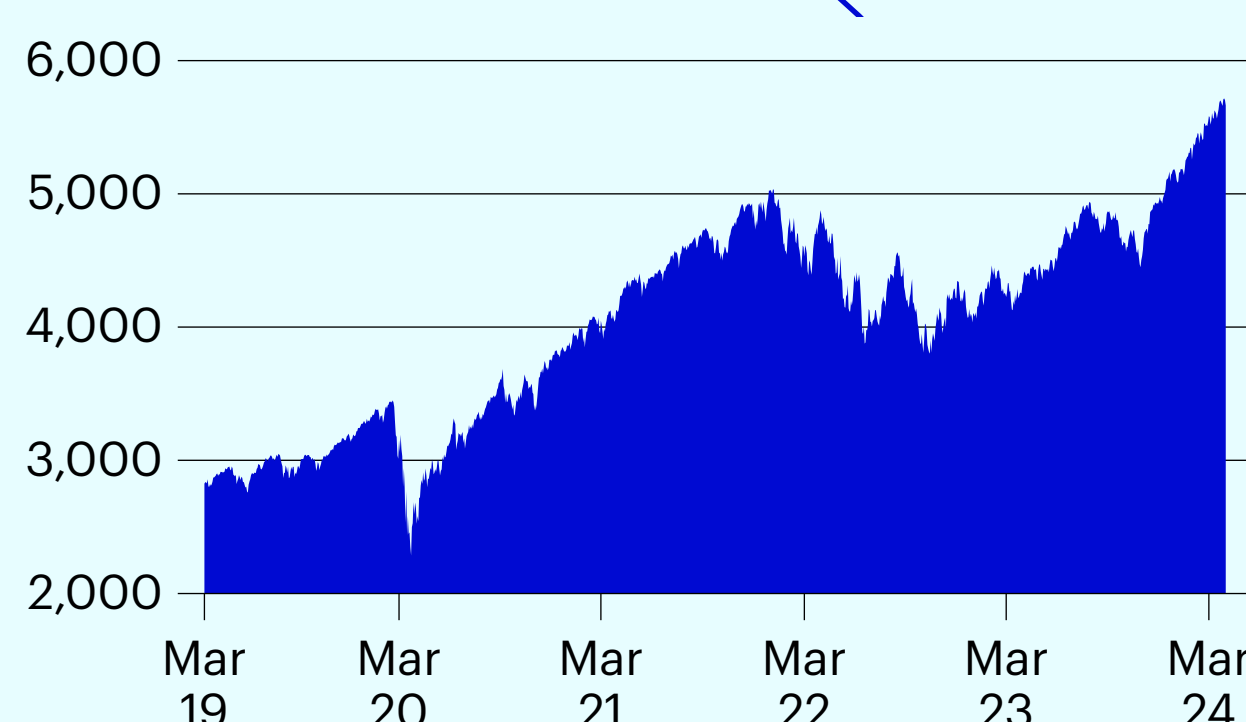
The big headlines

Quarter 1 2024

Earnings momentum – powered by A.I.

The loosely defined ‘Tech heavyweights’, Microsoft, Alphabet, Amazon, Apple, Meta, and Nvidia, reported strong earnings driven by their A.I. services, helping the S&P 500 Index to reach a record high in early February.

S&P 500 Index Return



Source: Bloomberg, as at 31 March 2024.
Past performance does not predict future returns.



UK recession – past the worst?

The UK officially entered recession at the end of last quarter. Looking ahead, however, many forecasts suggest the UK’s economic stagnation may be slowly coming to an end, with lower inflation and anticipated interest rate cuts helping to build economic momentum.

Germany – export sickness

European equity markets continued to enjoy positive momentum in the first Quarter of 2024, buoyed by falling energy prices and strong labour markets. Germany disappointed however – the weakness of the manufacturing sector globally hit this exporting powerhouse squarely on the chin, leading to Germany being labelled the “sick man of Europe”.



The US still out in front

Despite the ongoing political soap opera, economic data released over the period was largely positive. Cooling but stubborn inflationary data, coupled with impressive employment figures, seems to justify the US Federal Reserve’s insistence that it’s still too soon to cut interest rates.

Chinese market – signs of life?

After a torrid run, negative sentiment around China may just have peaked. Authorities appear to be responding by increasing social lending programs and cutting interest rates, which may provide a much-needed boost to the economy and investors alike.



Rolling 12-month performance (%)

	31/03/2019 – 31/03/2020	31/03/2020 – 31/03/2021	31/03/2021 – 31/03/2022	31/03/2022 – 31/03/2023	31/03/2023 – 31/03/2024
S&P 500 TR	-2.24	40.51	21.18	-1.74	27.13

Past performance does not predict future returns. Source: Lipper in GBP. As at 31 March 2024.