



Weekly Investment Update

22nd November 2024

News Headlines

Russia-Ukraine War Escalation – There have been a number of notable developments in the Russia-Ukraine conflict this week. President Vladimir Putin confirmed that Russia launched a new experimental intermediate-range ballistic missile (IRBM) on Ukraine, marking a first in the conflict. This follows Ukraine's use of British Storm Shadow cruise missiles to strike targets within Russia, and the use of U.S.-supplied long-range missiles, specifically the Army Tactical Missile System (ATACMS), to target a Russian ammunition depot in the Bryansk region. These actions signify a significant escalation in the conflict, and marks a notable shift in US policy, allowing Ukraine to strike deeper into Russian territories. A new military aid package totalling \$275 million has also been allocated to Ukraine from the US.

UK Inflation – On Wednesday, the Office for National Statistics (ONS) reported that the UK's Consumer Prices Index (CPI) inflation rate rose to 2.3% in October, up from 1.7% in September. This increase surpassed the Bank of England's 2% target and exceeded market expectations, which had anticipated a rise to 2.2%. The primary driver was a 10% increase in the energy price cap, implemented by Ofgem, which elevated household energy bills. Additionally, the services sector also saw rising costs. This unexpected increase in inflation has potential implications for the Bank of England's monetary policy, with the next interest rate decision due in December.

Bitcoin Price – This week, the flagship Cryptocurrency Bitcoin has experienced a significant surge in its price, nearing the \$100,000 mark. The election of Donald Trump has been a major catalyst, with his pro-cryptocurrency stance bolstering investor confidence. Trump has pledged to establish a national Bitcoin reserve and position the US as a global leader in cryptocurrency innovation. Additionally, he is reportedly considering appointing a senior official to oversee and guide cryptocurrency policy within his administration.

Market Summary

Global Equities – Global equities generally finished the week positive as at Thursday's close. US equity indices recovered from the previous weeks decline, with gains led by the technology sector. Broader market participation also improved, with Small Cap indices posting sizeable gains for the week. European equities remained flat, despite volatility during the week as a result of geopolitical tensions. However, UK equities saw gains for the week as at Thursday's close, despite a higher than expected inflation reading.

Commodities – Commodity prices generally saw positive movements this week, primarily driven by geopolitical developments. Oil prices increased significantly as a result of escalating tensions in the Russia-Ukraine conflict, with supply concerns rising. Gold prices versus the US Dollar also increased this week, driven by safe-haven demand amid escalating geopolitical tensions previously detailed.

Fixed Income – Sovereign bond yields generally declined this week (meaning prices rose) as the prospect of a worsening conflict in Europe meant investors sought safe-haven assets. Yields on 10-year UK Gilts and 10-year US Treasuries both declined over the week, with worse than expected Eurozone business activity data also having an impact.

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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

Bitcoin Approaches \$100,000



Source: Bloomberg – Bitcoin Approaches \$100,000

Key Economic Releases Next Week

Monday	Tuesday	Wednesday	Thursday	Friday
		- US GDP QoQ (Q3)	- German CPI Inflation MoM	- Eurozone CPI Inflation YoY

Market Performance – 22/11/2024

Global Equity Market Indices	2024 YTD %*	2023 %*	2022 %*	2021 %*	2020 %*	2019 %*
FTSE 100	9.11%	7.68%	4.57%	18.40%	-11.44%	17.23%
S&P 500	26.25%	26.26%	-18.13%	28.68%	18.39%	31.47%
STOXX 600	8.42%	16.63%	-9.88%	25.82%	-1.44%	27.94%
Nikkei 225	15.47%	31.01%	-7.35%	6.66%	18.28%	20.73%
Hang Seng	20.07%	-10.46%	-11.48%	-12.64%	-1.00%	15.05%
Fixed Income	Yield %					
UK 10 Year Gilt	4.44%					
US 10 Year Treasury	4.42%					
Commodities	2024 YTD %**	2023 %**	2022 %**	2021 %**	2020 %**	2019 %**
Gold	30.71%	13.10%	-0.28%	-3.64%	25.12%	18.31%
Currency						
GBP/USD	1.26 (22/11/2024)					
GBP/EUR	1.20 (22/11/2024)					

Source: FE Analytics/ Bloomberg

*Total Return/Local currency **Spot Return USD

Past Performance is no guide to future performance and the value of investment and income from them can fall as well as rise

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