



Weekly Investment Update

29th November 2024

News Headlines

Israel/Hezbollah Ceasefire – This week, a ceasefire between Israel and Hezbollah was implemented, marking a temporary pause in hostilities after months of escalating violence. The truce was aimed at reducing tensions along the Israel/Lebanon border, where frequent exchanges of fire between the two parties had raised fears of a wider conflict. Both parties have agreed to stop offensive operations for 60 days, as well as withdraw forces. However, since the implementation, both sides have accused each other of violations, although the ceasefire remains in effect.

French Budget Crisis – France saw significant political instability over a proposed €60 billion austerity budget that has raised concerns about the country's fiscal health. The budget, which includes significant tax hikes and spending cuts, faces strong opposition from both right and left wing parties and has threatened Prime Minister Michel Barnier's government with potential collapse. These developments led to a rise in the yields of 10-year government bonds, while equities declined, with banks and insurers impacted.

US Economy – This week, US economic growth remained steady, with the second estimate of Q3 GDP confirming annualised growth of 2.8%. The Personal Consumption Expenditures (PCE) price index, the Federal Reserve's preferred measure of inflation, increased to 2.3% year-on-year from 2.1% in September, reflecting persistent but moderate price pressures. While inflation ticked higher, it aligned with expectations, easing market concerns.

Market Summary

Global Equities – Global equities generally finished the week positive as at Thursday's close. In the US, optimism over a potential Federal Reserve interest rate cut in December supported a broad based rally, particularly in small cap and equal weighted indices. However, trade sensitive stocks underperformed due to tariff announcements by President-elect Trump on imports from Mexico, Canada, and China. These announcements also affected European markets, with global trade concerns creating a risk off sentiment for European equities. Political instability in France also contributed to declines in European equities. However, UK equities experienced modest gains this week, driven by increased takeover activity and positive corporate earnings. In Asia, Chinese equities advanced over the past week, despite the previously mentioned tariff announcements. However, Japanese equities declined, pressured by the strengthening Yen and global trade concerns.

Commodities – Commodity prices generally saw negative movements this week, with weaker global demand and trade uncertainties putting downward pressure on prices. Oil prices declined, driven by easing geopolitical risks following the Israel/Hezbollah ceasefire detailed previously. Gold prices also declined as safe-haven demand weakened.

Fixed Income – US Treasury yields declined sharply this week (meaning prices rose), driven by dovish FOMC meeting minutes and PCE inflation data that whilst elevated, broadly met expectations. In Europe, the yield spread between French and German 10-year government bonds widened significantly mid-week to levels not seen since 2012 amid political instability, peaking at 90 basis points (0.9%). French bond yields also briefly rose above Greece's for the first time. In the UK, Gilt yields also fell significantly this week.

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



Address:

Frenkel House, 15 Carolina Way, Salford, Manchester, M50 2ZY



Enquiries:

0161 886 8000
enquiries@ascenciaim.co.uk

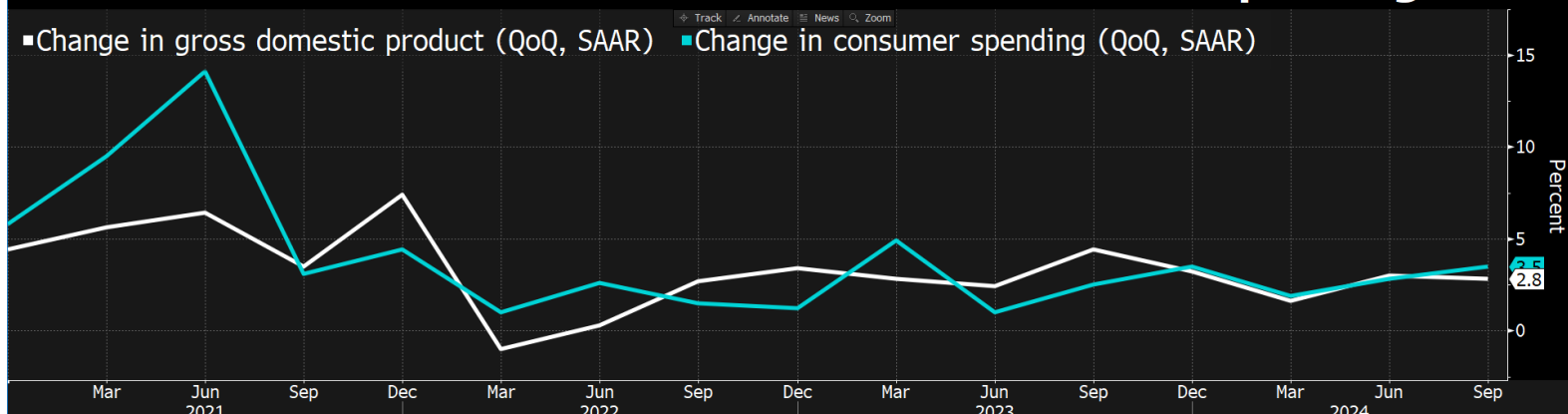


Web:

www.ascenciaim.co.uk

Chart of the Week

US Economy Expands at a Healthy Pace But details revealed slower consumer and business spending



Source: Bloomberg – US Economy Expands at a Healthy Pace

Key Economic Releases Next Week

Monday	Tuesday	Wednesday	Thursday	Friday
-	- US JOLTS Job Openings	- Federal Reserve Chair Jerome Powell Speech	- US Initial Jobless Claims	- US Unemployment Rate - Germany Balance of Trade

Market Performance – 29/11/2024

Global Equity Market Indices	2024 YTD %*	2023 %*	2022 %*	2021 %*	2020 %*	2019 %*
FTSE 100	10.82%	7.68%	4.57%	18.40%	-11.44%	17.23%
S&P 500	27.33%	26.26%	-18.13%	28.68%	18.39%	31.47%
STOXX 600	9.35%	16.63%	-9.88%	25.82%	-1.44%	27.94%
Nikkei 225	16.03%	31.01%	-7.35%	6.66%	18.28%	20.73%
Hang Seng	18.99%	-10.46%	-11.48%	-12.64%	-1.00%	15.05%
Fixed Income	Yield %					
UK 10 Year Gilt	4.26%					
US 10 Year Treasury	4.25%					
Commodities	2024 YTD %**	2023 %**	2022 %**	2021 %**	2020 %**	2019 %**
Gold	28.96%	13.10%	-0.28%	-3.64%	25.12%	18.31%
Currency						
GBP/USD	1.27 (29/11/2024)					
GBP/EUR	1.20 (29/11/2024)					

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

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.



Address:

Frenkel House, 15 Carolina Way, Salford, Manchester, M50 2ZY



Enquiries:

0161 886 8000
enquiries@ascenciaim.co.uk



Web:

www.ascenciaim.co.uk