Invesco

Monthly Market Roundup
covering November 2022

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Overview

- Global equity markets performed strongly in November with all major regions moving into positive territory.
- Positive inflation data and the possibility of an easing of the interest rate hike cycle in the US and eurozone improved investor sentiment in some regions.
- Easing geopolitical tensions between the US and China after the Biden-Xi Jinping meeting also provided some relief.

November was a strong month for global equity markets with all regions advancing into positive territory. Despite widespread high inflation persisting, positive data on this front coming from the US and the Eurozone provided a boost for some regions. It also sparked hope that major central banks may ease interest rate hike cycle, which improved investor sentiment. Emerging markets once again outperformed developed markets.

Europe

European markets once again ended the month up. This was off the back of a more positive recessionary outlook and boosts from lower gas prices and a mild autumn. All sectors ended the month in the green.

Eurozone inflation fell for the first time in 17 months and by more than consensus estimates. Despite still being at 10%, it has sparked hope that inflation may have peaked and that the European Central Bank (ECB) may ease interest rate hikes.

The flash purchasing managers' composite index (PMI) spent its fifth consecutive month below 50 (indicating that businesses are contracting). But it did rise by 0.5% in November, which was more than expected.

The UK

UK equities finished the month higher. The FTSE All-share bounced back, despite data suggesting the economy is already in recession. GDP fell 0.6% between August and

September, meaning the economy shrank in quarter three of this year.

Inflation hit its highest level in more than 40 years at 11.1% in October. This was up 1% from September levels and higher than expected. The main drivers were food and energy prices, and pressure is increasing on the Bank of England to further hike interest rates.

The additional bank holiday in September meant that retail sales grew more than expected in October but remain below pre-pandemic levels overall. Unemployment was also up slightly in the three months to September, with it predicted to hit 4.9% by the end of 2023.

The US

In November, US equity markets saw their first back-to-back monthly gains since 2021. Positive inflation data, indications of less aggressive interest rate hikes - as well as easing geopolitical tension between the US and China all provided a boost.

Despite initial concerns, investor sentiment improved, and October's year-on-year inflation data came in below consensus estimates.

Results of the midterm elections largely meant that the Republicans gained enough seats to hold a majority in the 118th congress next year. Meanwhile, the Democrats maintain control of the Senate. Historically, a split government has been good for stocks.

Asia

Asian markets recovered strongly from October's dip with China, Hong Kong and Taiwan leading the way. In China, the real estate sector was the standout performer following news of new support measures.

Easing geopolitical tensions between the US and China after a meeting of their presidents also provided some relief. Taiwan saw both its markets and currency recover, the latter rising 4.7% against the US dollar after five months of decline.

Indian equity markets were in positive territory for the second consecutive month. Australian and Japanese markets also advanced thanks to the inflation data coming out of the US and the expected slowdown in interest rate hikes by the Federal Reserve.

Emerging Markets

In their best month since May 2009, emerging markets recorded a strong outperformance over developed markets in November. The first boost came from positive US inflation data and the second boost came from the expect easing of China's 'zero-Covid' policies.

In a shift from previous months, EM Asia led the way, followed by EM Europe, Middle East and Africa (EMEA), then EM Latin America. EM Latin America was the only region to post negative returns, though remains the overall leading region year-to-date.

In Europe, Turkey and South Africa posted the largest gains. And following months of underperformance, the CE3 (Poland, Hungary and the Czech Republic) advanced strongly in November. Inflation remains at high levels though.

Fixed income

Bond markets were boosted by positive inflation data coming out of the US in November, mostly posting gains. There was also renewed hope that the Federal Reserve (Fed) will slow down its interest rake hiking cycle.

This hope had a positive impact on the yield (which moves inversely to price) of the rate-sensitive two-year US treasury bond. It saw its largest drop since 2008 as investors repriced their expectations for US interest rate hikes.

It was also a good month for corporate bond markets with investment grade and high yield both gaining. Sterling, Euro, and US corporate indexes all increased.

Environmental, Social and Governance

Conference of the Parties (COP27) was at the forefront of ESG news in the last month. One of the biggest things to come out of the recently held conference in Sharm-El-Sheikh, was a renewed resolved at to limit global warming temperature increases to 1.5°C.

Another key development was a deal struck on loss and damage. This will see the creation of a fund by developed countries to help poorer countries impacted by climate change.

Ahead of the 'other COP' (the COP15 biodiversity conference) which takes place in Montreal later this year, a 10-point plan was also devised. It focuses on mobilising financing for nature-based solutions.

Europe

- Eurozone inflation falls for the first time in over a year
- Flash purchasing managers' composite index (PMI) improves
- German Ifo[1] increases

European shares ended higher in November as recent economic data indicated that the eurozone would fall into a milder recession than anticipated. Fiscal support from governments, lower gas prices and a mild autumn have all helped to improve the outlook. From a sector perspective, all were in positive territory, with consumer discretionary and information technology leading the gains.

Eurozone inflation slowed down to 10.0% in November, falling for the first time in 17 months and more than the consensus had predicted. Lower energy prices, combined with the easing of supply chain bottlenecks, means that there is a higher probability that inflation may have peaked, and that the European Central Bank (ECB) will move towards smaller increases in interest rates.

Retail spending in the eurozone has remained robust as the EU's monthly survey of companies and households showed economic sentiment had risen more than expected, hitting a three-month high. Consumer confidence across the EU increased as consumers were more willing to make big purchases, while services companies expected higher demand and industrial groups are more upbeat on production expectations.

The flash purchasing managers' composite index (PMI) for the eurozone rose by 0.5 points to 47.8, the fifth consecutive month below the 50. The composite PMI, which measures activity at both services and manufacturing companies across the eurozone, was below 50, indicating businesses are contracting. This was better than consensus estimates as improving supply chain constraints and price pressures eased.

The German Ifo business climate index increased to 86.3 in November from 84.3 in October, the highest in three months and above market consensus. The improved outlook which is also reflected in other recent economic indicators, such as the PMIs, shows that the expected recession in the eurozone may not be as deep initially expected.

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UK

- UK economy contracts in quarter three
- Bank of England does single largest hike for 33 years
- UK inflation increases to 11.1% in October

The UK equity market closed higher, with the FTSE-All Share bouncing back despite new official data suggesting the UK economy is already in recession.

In his Autumn Statement, Jeremy Hunt announced spending cuts and tax rises as the Office for Budget Responsibility (OBR) said the economy would shrink 1.4% next year. Living standards are also projected to fall the most in six decades.

Most of the tax rises and cuts in spending are scheduled for after an expected general election in 2024. The Chancellor is looking to reassure markets that the UK was prudent in its spending.

UK inflation was 11.1 per cent in October, an increase from 10.1% in September, higher than consensus forecasts. It was primarily driven by rising energy and food prices, hitting its highest level for 41 years. The puts further pressure on the Bank of England (BoE) to raise interest rates further to bring inflation down to its 2% target, with a rate rise of 50bps expected in December.

The Bank of England raised interest rates by 0.75 percentage points, the largest single hike in 33 years as interest rates went to 3.0%. It signalled that borrowing costs will not rise as much as markets expect in the future to bring inflation down. The BoE is now forecasting inflation to peak at 11% in the last three months of the year, with it slowing down early next year. The BoE has warned the UK is facing its longest recession. There will be a challenging two years ahead and unemployment is likely to rise.

The UK economy contracted in the third quarter of the year, as GDP fell 0.6% between August and September. This was larger than consensus estimates, indicating the UK is set to enter a recession as has been widely expected, as the economy contracted 0.2% in quarter three. This contraction is due to weakness in confidence, high inflation, and high interest rates. The extra bank holiday for Queen Elizabeth II's funeral also contributed.

British retail sales grew more than expected in October, rebounding after an extra bank holiday the previous month. Office of National Statistics (ONS) data showed the quantity of goods bought increased 0.6% between September and October, more than the consensus estimates. But sales volumes fell 2.4% in the three months to October compared with the previous quarter. They remain below pre-pandemic levels.

ONS data showed UK unemployment rose to 3.6% in the three months to September, a slight increase. The Bank of England has projected it's likely to reach 4.9% by the end of next year before rising to 6.4% in 2025.

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US

- First back-to-back monthly gains for US equities since 2021.
- Market optimism renewed as inflation comes in lower than expected.
- Expectations of less aggressive monetary tightening also boosts investor sentiment

All three major US equity indices – the S&P 500, NASDAQ composite and Dow Jones Industrial Average – advanced over the month. Positive inflation data, suggestions of the interest rate hiking cycle slowing and easing geopolitical tensions between the US and China contributed to a strong month for investors.

Concerns around inflation and continued central bank tightening were at the forefront of investors' minds at the start of the month. Market confidence was then further unsettled by a 75-basis point interest rate hike which saw the federal funds rate set at a range of 3.75% to 4.0% at the Federal Open Market Committee (FOMC) meeting.

Despite these headwinds from tighter monetary policy, investor sentiment improved. October's CPI inflation data of 7.7% year-on-year came in below consensus expectations.

This sparked fresh hopes that inflation had peaked and that we might not be far off the end of the Fed's rate hiking cycle. Speaking on the final day of the month, Powell's suggestion of a downshift in the pace of future tightening helped equity markets end on a high.

The midterm elections (mostly) concluded with the Republicans winning enough seats in the House of Representatives to constitute a majority at the 118th Congress in the new year. Regardless of the outcome of Georgia's runoff, the Democrats will retain control of the Senate.

Historically, a split government has been good for stocks as it makes major policy changes harder to implement, offering much needed stability.

All sectors finished the month in the green, with the strongest absolute returns coming from the materials and industrials sectors, and the consumer discretionary and energy sectors finishing the weakest. However, looking at relative gains, the information technology sector led, supported by the rising hopes of softer monetary policy tightening[2].

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Asia

- Asian equities rose strongly on signs of possible easing of Covid restrictions in China and decelerating US inflation.
- Biden and Xi Jinping's G-20 meeting eased geopolitical tensions
- China the top performing country in the region.

Asian equity markets rebounded strongly from last month's trough. The top three markets were China, Hong Kong and Taiwan, while Indonesia, India and Malaysia rallied the least.

Chinese equities were buoyed by earlier than expected policy responses by Beijing following the 20th Communist Party Congress regarding re-opening. The real estate sector was the key outperformer on news of measures being put in place to support the volatile property market. Relief was also taken on easing US-China relations after the Biden-Xi Jinping meeting in Bali.

Having said this, macro data highlighted slowing domestic demand as Covid concerns grew. The housing market remained weak, as well as stunted external demand amid slowing global economic growth.

Both Taiwan's stocks and currency reversed their downward trend this month, with the Biden-Xi meeting at the G-20 an important driver. The Taiwanese dollar appreciated by 4.7% vs the US dollar following five months of depreciation.

Industrial production activity and the manufacturing industry lagged following recent soft momentum. But export trades surprised to the upside, largely down to higher tech exports amid smartphone launches.

Strength in Korea's equity market came off the back of the positive macroeconomic news flow in the US. Some favourable macro data also buoyed performance, namely a reversal of the losing streak of Korea's manufacturing PMI (Purchasing Manager's Index). The domestic labour market also remained robust, with unemployment sitting at 2.8%.

Indian equities advanced for the second month running, as annual CPI inflation dropped below 7%, aided by favourable base effect. Manufacturing slowed as the recent high commodity prices and slowing global growth had a knock-on effect on terms of trade.

Japanese and Australian stocks rallied amid decelerating US inflation and the expected slowdown in the US Federal Reserve's rate hike pace. This was despite Japan's core CPI – (the Bank of Japan's (BoJ) key metric for monetary policy decisions) exceeding 2% for the first time in almost 30 years. Rising domestic demand and reopening dynamics are expected to push this higher and lead to action from the BoJ in the coming months.

Meanwhile, China's property support measures and easing Covid curbs saw iron ore prices rally on hopes of increasing construction activity. This contributed to the outperformance of Australia's material sector.

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Emerging Markets

- Strongest month for EM equities since 2009.
- Asia the top performer, followed by EMEA and Latin America.
- Base metals (nickel, iron ore etc) enjoyed their best month since March on growing optimism of China's relaxation of Covid policy.

Emerging market (EM) equities recorded their best month since May 2009, strongly outperforming developed markets. The more positive US CPI inflation report spurred on a rally in the first half of the month, as expectations of a slower US rate hike cycle grew.

In the second half, optimism of China setting up for eventual relaxation of their 'zero-Covid' policy boosted market sentiment. As such, emerging markets in Asia were the standout performers, followed by EMEA (Europe, Middle East and Africa) and Latin America.

EM Asia led gains as China rebounded strongly from last month's trough. Suggestions of earlier-than-expected normalisation of Covid restriction policies, as well as supportive measures for the housing market and easing US-China relations, helped buoy equities.

Taiwan also significantly contributed, as it participated in a broader semiconductor rebound and benefitted from a weaker USD and slowing US inflation.

Taiwan's technology sector outperformed. This was spurred by large-cap tech that rose on improving geopolitical rhetoric after the Biden-Xi Jinping meeting. A market rotation towards more growth-orientated stocks amid expectations of bond yields peaking also helped. South Korea, the Philippines, Thailand, Malaysia, and India all advanced too.

Equity markets in EM EMEA also rose in value. Turkey and South Africa were the top performers, while Saudi Arabia and Qatar were the biggest laggards over the month.

Turkey remains the top performing emerging market year-to-date, as foreign inflows continue to bolster the currency and its local financial market. Saudi Arabia fell on weaker oil prices. This was driven by demand weakness as lockdowns intensified in China despite government policies trying to reopen the economy.

Following months of underperformance, the CE3 (Poland, Hungary and the Czech Republic) advanced strongly in November, despite inflation remaining at high levels.

Latin America was the only region in the world to post negative returns. But it remains the leading region year-to-date.

All countries bar Brazil posted positive returns. The region's largest sectors lost ground amid uncertainties around the composition of Lula da Silva's future government, his possible reforms and the role of the opposition in light of the very polarised election.

Base metals enjoyed strength. Nickel, iron ore, aluminium and copper rallied on the prospect of easing Covid policies in China leading to an uptick in the manufacturing industry.

Precious metals also edged higher, supported by signs of softer US monetary policy . Meanwhile, oil prices fell as low demand from China and the weak macroeconomic landscape weighed on prices.

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Fixed Income

- Good news on the US inflation front bolster positive performance of bond markets.
- US Federal Reserve (Fed) signals that the pace of interest rate hikes may moderate in December.
- In credit, spreads narrow[4] as investment grade and high yield bonds register broad gains.

Bolstered by some good news on the US inflation front, bond markets delivered broad gains in November. Hopes that that the Fed would not need to be as aggressive in raising interest rates increased following the release of CPI data. It showed that both headline and core readings were below expectations. Furthermore, the breakdown showed the decline in US inflation was broad-based.

Markets reacted immediately. The yield (which moves inversely to price) on the rate-sensitive two-year US treasury bond saw its largest drop since 2008 as investors repriced their expectations for US interest rate hikes over the months ahead.

Growing confidence that the Fed would slow down the pace of monetary tightening was also reflected in November's Federal Open Market Committee minutes. A substantial majority of participants agreed that a slower pace would "likely soon be appropriate". That view was reinforced on the last day of the month when Fed Chair Powell said that "the time for moderating the pace of rate increases may come as soon as the December meeting."

As markets moved to expect a more dovish Fed, US treasuries gained 2.81%, their best monthly performance since March 2020. In Europe, government bonds also delivered positive returns with German bunds and UK gilts adding 1.98% and 3.00% respectively.

Debate about the pace of rate hikes in the eurozone also intensified. This was as inflation data which showing consumer price rises in the region slowing down for the first time in 18 months was released. It declined from 10.6% (year-on-year) in October to 10.0% in November.

Although only a single month of data, it raised fresh questions whether the European Central Bank would opt for a smaller rate hike of 50bps in December as opposed to a third straight increase of 75bps.

In the UK, markets responded favourably to the Autumn Statement (budget). There was a downward revision of £24 billion of gilt sales for the remainder of the fiscal year. A combination of tax increases and spending cuts are likely to weigh on economic activity though.

In contrast to the US and the eurozone, there wasn't much to cheer about on the UK inflation front. The annual rate jumped to a 41-year high of 11.1% in October against 10.7% expectations. In response, Bank of England's deputy governor Dave Ramsden vowed to vote "forcefully" to tackle inflation, should price pressures persist.

It was a positive month too for corporate bond markets with broad gains for investment grade and high yield. According to data from ICE BofA, the Sterling Corporate index returned 4.25%. By comparison, the Euro Corporate index added 2.79% and the US Corporate index increased by 4.92% (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 with the ICE BofA European Currency (€/£) High Yield index returning 3.73% and the US High Yield index gaining 1.87%. There was also a narrowing in credit spreads for European currency and dollar-denominated bonds.

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The yield (which moves inversely to price) on the rate-sensitive two-year US treasury bond saw its largest drop since 2008 as investors repriced their expectations for US interest rate hikes over the months ahead.

Environmental, Social and Governance

- Renewed resolve at Conference of the Parties (COP27) to limit global warming temperature increases to 1.5°C
- Deal struck on loss and damage, seeing the creation of a fund to help poorer countries impacted by climate change
- 10-point plan devised ahead of the COP15 biodiversity conference to mobilise financing for nature-based solutions

Driving ESG news this month is undeniably COP27. The recently concluded conference in Sharm-el-Sheikh, Egypt resolved to pursue further efforts to limit global warming temperature increases to 1.5 °C.

Perhaps the biggest success of COP27 is creation of a fund through which the developed world would compensate developing countries for loss and damage caused by global warming. This will enable developing countries to adapt to climate change. It was coupled with an agenda of 30 outcomes on adaptation.

Emphasis was also placed on the interlinking of climate change and biodiversity loss and the urgent need to address these issues in a comprehensive and synergetic manner.

There was also an Energy Transition Accelerator launched to catalyse private capital in developing countries. Ahead of COP15 later this year, there was a 10-point plan devised to mobilise financing for nature-based solutions.

In particular, the Sharm El-Sheikh Implementation Plan (as the final communique is known) specifically called our water and oceans, forests and deforestation and agriculture as key areas for further work. This ties in with announcements made in the margins of COP. Brazil, Indonesia and the Democratic Republic of Congo (DRC) announced a strategic alliance on rainforests, dubbed the "Opec for rainforests".

Meanwhile, the Food and Agriculture Organisation (FAO) and UN launched "FAST" (Finance Against Slavery & Trafficking) to increase climate finance contributions for agriculture and food systems.

Government Bonds

Yield to maturity[1] (%)

	Current	1 month	3 months	6 months	12 months
US Treasuries 2 year	4.31	4.48	3.49	2.56	0.57
US Treasuries 10 year	3.61	4.05	3.19	2.84	1.44
US Treasuries 30 year	3.74	4.16	3.29	3.05	1.79
UK Gilts 2 year	3.30	3.33	3.02	1.59	0.48
UK Gilts 10 year	3.16	3.52	2.80	2.10	0.81
UK Gilts 30 year	3.43	3.61	3.08	2.39	0.85
German Bund 2 year	2.13	1.94	1.20	0.50	-0.74
German Bund 10 year	1.93	2.14	1.54	1.12	-0.35
German Bund 30 year	1.82	2.14	1.63	1.38	-0.06

Source: Bloomberg LP, Merrill Lynch data. Data as at 30 November 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	4.33	98	4.66	111	4.01	105	2.96	97	1.29	57
£ AA	4.49	115	4.92	130	4.19	123	3.10	110	1.40	68
£ A	5.10	170	5.55	190	4.66	168	3.45	143	1.73	97
£ BBB	5.88	245	6.42	274	5.42	243	4.04	202	2.26	141
£ High Yield	10.12	671	10.91	730	9.11	610	7.46	560	5.06	418
£ BB	8.51	505	9.38	571	7.92	491	6.37	444	3.98	304
€ AAA Investment Grade Corporate	2.79	80	3.19	111	2.47	109	1.80	87	0.22	73
€ AA	3.08	108	3.38	133	2.52	124	1.76	100	0.15	76
€ A	3.54	152	3.89	184	3.01	172	2.14	137	0.42	98
€ BBB	4.21	214	4.68	258	3.66	232	2.71	189	0.78	126
€ High Yield	7.27	506	7.99	580	6.95	553	5.64	474	3.41	371
€ BB	6.09	383	6.70	448	5.87	442	4.65	374	2.61	290
European High Yield (inc € + £)	7.56	523	8.29	596	7.17	559	5.83	484	3.59	376

Source: Bloomberg LP, ICE BofA. Data as at 30 November 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 30 November 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	1.04	5.3	3.5	-3.1	-8.5	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	0.1	-0.2	1.3	2.6	5.7	-5.9	1.2	4.1	15.8	-5.1	-6.5	2.3	-2.6	-2.6
Euro/Swiss Franc	0.98	-0.6	0.1	-4.4	-5.2	-0.4	-3.5	-3.8	9.2	-1.5	-9.5	-2.0	1.6	-0.7	-0.7
Euro/Swedish Krona	10.92	0.2	1.9	4.2	6.1	-4.3	3.4	3.2	2.7	4.4	-2.9	6.7	3.1	-3.8	-3.8
Euro/Norwegian Krone	10.24	-0.3	2.7	1.7	2.2	6.5	-0.6	0.6	8.3	-5.4	6.6	8.1	13.6	-5.2	-5.2
Euro/Danish Krone	7.44	-0.1	0.0	0.0	0.0	-0.4	0.1	0.3	0.2	-0.4	0.2	-0.2	0.0	0.4	0.4
Euro/Polish Zloty	4.67	-1.0	-1.1	1.9	1.8	7.2	-0.8	2.7	-5.1	3.4	-0.6	3.2	1.8	-8.7	-8.7
Euro/Hungarian Forint	408.98	-0.1	2.1	2.9	10.8	9.5	3.1	3.3	0.4	-1.9	-0.4	6.5	2.0	-7.5	-7.5
US Dollar/Yen	138.07	-7.2	-0.6	7.3	20.0	-4.9	-1.0	-2.7	-3.7	-2.7	0.4	13.7	21.4	12.8	12.8
US Dollar/Canadian Dollar	1.34	-1.6	2.1	6.0	6.1	-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	17.20	-6.3	0.5	10.0	7.9	5.0	-2.4	15.9	-9.9	-11.2	33.7	10.3	23.8	4.7	4.7
US Dollar/Brazilian Real	5.19	0.2	0.1	9.7	-6.9	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	1318.40	-7.5	-1.5	6.5	10.9	-6.0	3.6	4.2	-11.4	3.0	6.7	4.1	-1.4	-7.1	-7.1
US Dollar/Taiwan Dollar	30.90	-4.1	1.5	6.4	11.6	-5.8	-2.2	3.1	-7.6	-2.1	4.0	6.1	2.6	-3.9	-3.9
US Dollar/Thai Baht	35.26	-7.4	-3.3	3.0	5.6	-0.1	-7.9	-0.1	-9.0	-0.8	9.7	0.1	7.4	-3.1	-3.1
US Dollar/Singapore Dollar	1.36	-3.9	-2.6	-0.6	0.9	-1.8	-1.2	2.0	-7.7	2.0	7.0	4.9	3.4	-5.8	-5.8
US Dollar/GB Sterling	0.83	-4.9	-3.6	4.5	12.2	-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	20.74	-1.4	4.3	5.2	-3.9	8.2	1.3	9.6	-1.3	-25.7	26.5	3.7	26.5	9.3	9.3
Australian Dollar/US Dollar	0.68	6.1	-0.8	-5.4	-6.5	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	0.63	8.3	2.9	-3.3	-7.7	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 30 November 2022 (%)

	1 month	3 months	6 months	YTD	2021	2020	2019	2018	2017	2016	2015	2014	2013
Global US & Canada													
MSCI World (US$)	7.0	4.1	-1.5	-14.1	16.5	28.4	-8.2	23.1	8.2	-0.3	5.6	27.4	16.6
MSCI World Value (US$)	7.3	7.9	-0.2	-3.5	-0.3	22.8	-10.1	18.0	13.3	-4.0	4.5	27.6	16.5
MSCI World Growth (US$)	6.7	0.3	-3.0	-24.4	34.2	34.2	-6.4	28.5	3.2	3.5	6.6	27.2	16.6
MSCI World Small Cap (US$)	6.2	3.0	-2.0	-15.5	16.5	26.8	-13.5	23.2	13.2	0.8	2.3	32.9	18.1
MSCI Emerging Markets (US$)	14.8	-1.7	-7.9	-18.7	18.8	18.8	-14.3	37.8	11.8	-14.6	-2.0	-2.3	18.6
FTSE World (US$)	7.4	4.0	-2.1	-14.1	16.4	27.8	-8.7	24.1	8.7	-1.4	4.8	24.7	17.2
Dow Jones Industrials	6.0	10.4	6.1	-2.9	9.7	25.3	-3.5	28.1	16.4	0.2	10.0	29.7	10.2
S&P 500	5.6	3.6	-0.4	-13.1	18.4	31.5	-4.4	21.8	11.9	1.4	13.7	32.4	16.0
NASDAQ	4.5	-2.7	-4.6	-26.1	45.0	36.7	-2.8	29.7	9.0	7.1	14.8	40.2	17.7
Russell 2000	2.3	2.7	2.0	-14.9	19.9	25.5	-11.0	14.6	21.3	-4.4	4.9	38.8	16.4
S&P/ TSX Composite	5.5	6.7	0.4	-0.9	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 €	7.2	7.1	0.7	-9.1	2.9	27.6	-10.5	12.9	3.2	10.7	7.2	21.8	21.0
MSCI Europe	6.9	6.4	0.6	-5.7	-2.8	26.8	-10.1	10.8	3.2	8.8	7.5	20.5	17.9
CAC 40	7.6	10.2	4.8	-3.0	-5.0	30.5	-8.1	12.5	8.8	11.9	2.5	22.2	20.4
DAX	8.6	12.2	0.1	-9.4	3.5	25.5	-18.3	12.5	6.9	9.6	2.7	25.5	29.1
Ibex 35	5.3	6.8	-3.7	-0.7	-12.7	16.5	-11.5	11.3	2.5	-3.7	8.5	27.6	2.2
FTSEMIB	9.4	15.1	2.0	-5.9	-3.3	33.8	-13.6	16.9	-6.5	15.8	3.0	20.4	12.2
Swiss Market Index (capital returns)	2.8	2.5	-4.2	-11.1	0.8	26.0	-10.2	14.1	-6.8	-1.8	9.5	20.2	14.9
Amsterdam Exchanges	8.3	6.8	2.6	-6.9	5.5	28.5	-7.4	16.5	13.6	7.3	8.7	20.7	14.0
HSBC European Smaller Cos	10.6	3.0	-12.9	-30.1	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$)	-0.6	-3.6	-8.3	-33.4	-7.3	19.9	-7.4	16.5	22.8	-14.5	-28.2	-3.9	25.1
FTSE/JSE Africa All-Share (SA)	12.3	13.1	6.5	6.4	7.1	12.1	-8.4	21.0	2.8	5.3	10.9	21.5	26.7
UK													
FTSE All-Share	7.1	3.9	0.2	1.7	-9.7	19.1	-9.5	13.1	16.8	0.9	1.2	20.8	12.3
FTSE 100	7.1	4.5	1.3	6.1	-11.4	17.2	-8.8	12.0	19.2	-1.4	0.7	18.7	10.0
FTSE 250	7.3	1.2	-4.8	-16.2	-4.6	28.9	-13.3	17.8	6.7	11.2	3.7	32.3	26.1
FTSE Small Cap ex Investment Trusts	6.6	-1.7	-10.1	-18.3	1.7	17.7	-13.8	15.6	12.5	13.0	-2.7	43.9	36.3
FTSE TechMARK 100	5.7	4.4	4.7	-7.3	7.3	39.2	-4.9	9.8	10.0	16.6	12.3	31.7	23.0
Asia Pacific & Japan													
Hong Kong Hang Seng	26.8	-6.1	-11.1	-17.8	-0.2	13.0	-10.6	41.3	4.3	-3.9	5.3	6.6	27.4
China SE Shanghai Composite (capital returns)	8.9	-1.4	1.2	-11.2	16.5	25.3	-22.7	8.8	-10.5	11.2	58.0	-3.9	5.8
Singapore Times	6.9	2.6	3.8	9.6	-8.1	9.4	-6.5	22.0	3.8	-11.3	9.6	2.9	23.3
Taiwan Weighted (capital returns)	14.9	-1.2	-7.8	-14.7	27.0	28.8	-5.0	19.4	15.5	-6.9	11.2	15.0	12.9
Korean Composite (capital returns)	7.8	0.2	-7.5	-16.4	33.8	10.0	-15.4	23.9	5.2	4.1	-3.5	2.0	10.7
Jakarta Composite (capital returns)	-0.2	-1.4	-0.9	10.3	-5.1	1.7	-2.5	20.0	15.3	-12.1	22.3	-1.0	12.9
Philippines Composite (capital returns)	10.2	3.0	0.1	-2.9	-8.6	4.7	-12.8	25.1	-1.6	-3.9	22.8	1.3	33.0
Thai Stock Exchange	1.8	0.4	-0.5	1.4	-5.3	4.3	-8.1	17.3	23.9	-11.2	19.1	-3.8	40.4
Mumbai Sensex 30	3.9	6.2	14.2	9.7	17.2	15.7	7.2	29.6	3.5	-3.7	32.0	10.7	28.0
Hang Seng China Enterprises index	29.1	-6.5	-11.4	-19.8	0.0	14.5	-10.0	29.6	1.4	-16.9	15.5	-1.4	19.7
ASX 200	6.6	6.0	3.5	3.8	2.3	25.0	-1.5	13.4	13.4	4.2	7.1	22.0	22.2
Topix	2.9	2.2	5.1	2.2	7.4	18.1	-16.0	22.2	0.3	12.1	10.3	54.4	20.9
Nikkei 225 (capital returns)	1.4	-0.4	2.5	-0.9	16.0	18.2	-12.1	19.1	0.4	9.1	7.1	56.7	22.9
MSCI Asia Pac ex Japan (US$)	17.7	-1.3	-7.0	-16.6	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$)	0.5	6.7	-5.0	14.0	-13.6	17.8	-6.2	24.2	31.4	-30.9	-12.1	-13.2	8.8
MSCI Mexico (US$)	6.1	20.3	3.1	5.4	-1.7	11.6	-15.4	16.2	-9.1	-14.4	-9.3	0.1	29.1
MSCI Brazil (US$)	-2.8	2.0	-7.2	18.0	-18.9	26.7	-0.1	24.5	66.7	-41.2	-13.8	-15.8	0.2
MSCI Argentina (US$)	6.7	16.7	13.3	20.7	12.3	-20.7	-50.8	73.6	5.1	-0.4	19.2	66.0	-37.1
MSCI Chile (US$)	6.1	-2.3	-8.2	25.7	-4.2	-16.2	-18.9	43.6	16.8	-16.8	-12.2	-21.4	8.3
Commodities													
Oil - Brent Crude Spot (US$/BBL)	-7.2	-9.6	-27.8	11.7	-23.0	24.9	-20.4	20.6	55.0	-35.9	-49.7	-1.0	4.1
Oil - West Texas Intermediate (US$/BBL)	-6.9	-10.1	-29.8	4.6	-20.5	34.5	-24.8	12.5	45.0	-30.5	-45.9	7.2	-7.1
Reuters CRB index	2.4	-2.8	-10.3	22.4	-9.3	11.8	-10.7	1.7	9.7	-23.4	-17.9	-5.0	-3.3
Gold Bullion LBM (US$/Troy Ounce)	7.0	2.2	-4.6	-2.9	23.9	19.1	-1.3	11.9	9.1	-11.4	-0.2	-27.8	5.7
Baltic Dry index	-7.4	40.4	-47.2	-38.9	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.

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.

Footnotes

[1]The German Ifo Business Climate Index is a composite index that rates the current German business climate and measures expectations for the next six months. It's compiled by the Ifo Institute for Economic Research and is based on a survey of manufacturers, builders, wholesalers and retailers.
[2]Tightening – raising interest rates
[3]Less aggressive interest rate hikes
[4]Narrowing bond credit spreads can point to improving economic conditions and lower overall risk
[5]Favouring low interest rates to encourage economic growth

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 30 November 2022 unless stated otherwise.

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