

Weekly Market Update

25 April 2022

It was a challenging week for markets across the world with many different factors affecting sentiment. Covid-related lockdowns in China has led investors to worry about the economic fallout China and supply chain consequences globally. In Europe, Macron's victory provides some continuity in France and in the UK, the latest economic data reinforced a picture of stuttering economic growth.



Market Monitor (%): How did major stock markets perform last week?



Market Update:



UK

Storm clouds gathered over the UK economy, with falling high street sales (retail sales fell in March), plunging consumer confidence (which has fallen to a near all-time low due to soaring cost of living) and rapidly cooling business activity (business activity grew at the slowest rate in three months in April). According to the International Monetary Fund, the UK will be the worst performing G7 economy next year with the cost of living crisis and tax increases projected to slow economic activity to a crawl.



US

Companies in the communication services suffered the most, with Netflix down 35% over the week as the company reported disappointing quarterly results. On the economic front, preliminary data for the manufacturing and services sector suggested that growth in business activity slowed in April but remained strong. Meanwhile the Federal Reserve, the US central bank, continues to make remarks that it would continue raising interest rates this year, and that it may do so more quickly.

Europe

Shares fell amid ongoing concerns about the war in Ukraine and increased hawkishness of the central bank. When a central bank is 'hawkish,' they are in essence considering raising interest rates to combat inflation. Business activity accelerated in April, driven by quicker growth in the services sector as economies emerged from lockdowns. Emmanuel Macron's election victory will mean continuity in economic and foreign policy and will come as a relief to investors and to the EU and NATO allies.



Japan

Japan's stock markets rose modestly over the week. Inflation in Japan is lagging the rest of the developed world and remains the key reason why its central bank continues to be very supportive of its economy. The Japanese yen weakened to around two-decade low against the US Dollar: a weaker currency tends to benefit the economy by boosting the value of companies' overseas earnings. The Japanese economy is showing signs of picking up as the severe coronavirus situation is easing.



China

Chinese markets slid as investors worried about the economic fallout from coronavirus lockdowns. China's economy grew at a stronger-than-expected 4.8% pace in the first three months of the year compared to a year ago, up from 4.0% at the end of 2021. However, the International Monetary Fund cut China's 2022 growth forecast in its latest outlook and warned that China's economy could slow more than currently projected and have supply chain consequences for Asia and beyond.



[The Omnis Investment Club](#)

To hear more about these topics, please search for "The Omnis Investment Club Podcast" on your podcast player.

Omnis
INVESTMENTS

[Omnisinvestments.com](https://www.omnisinvestments.com)

Issued by Omnis Investments Limited. This update reflects Omnis' view at the time of writing and is subject to change. The document is for informational purposes only and is not investment advice. We recommend you discuss any investment decisions with your financial adviser. Omnis is unable to provide investment advice. Every effort is made to ensure the accuracy of the information, but no assurance or warranties are given. Past performance should not be considered as a guide to future performance. The Omnis Managed Investments ICVC and the Omnis Portfolio Investments ICVC are authorised Investment Companies with Variable Capital. The authorised corporate director of the Omnis Managed Investments ICVC and the Omnis Portfolio Investments ICVC is Omnis Investments Limited (Registered Address: Washington House, Lydiard Fields, Swindon SN5 8UB) which is authorised and regulated by the Financial Conduct Authority.