

# Weekly Market Update

4 December 2023

An overall mixed week for markets, with three of the five major indexes seeing positive returns. Cooling inflation data has been welcomed by investors in the world's major economies, as expectations of interest rates being cut in 2024 continue to grow. In the U.S., new unemployment data proved helpful to the central bank's goal of a soft economic landing.



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



## Market Update:

The FTSE 100 closed the week just over half a percent up, as fresh manufacturing data pointed to signs of improvement in the sector. The UK's manufacturing PMI rose to 47.2 in November, marking the third consecutive monthly increase, but still below the important 50 mark, meaning the sector is still likely in contraction overall. Elsewhere, UK house prices unexpectedly rose for the third month in a row, rising 0.2% in November, although prices still declined YoY by 2.2%. Finally, the Bank of England continues to push back against market expectations of interest rate cuts, with Governor Andrew Bailey reiterating that the bank was not in a place where it can start to consider cutting rates.



UK

U.S. markets ended the week up, as news of cooling inflation was welcomed by investors. November was a strong month for American stocks, Thursday saw the S&P500 record its best monthly gain since July 2020, gaining 8.9%. Year-over-year consumer prices rose 3.5% in October, still well above the Fed's 2% target, but at its lowest level since April 2021. Elsewhere, jobless claims rose to their highest level since November 2021 and consumer spending rose just 0.2% in September, more evidence of the U.S. economy heading towards the Fed's goal of a "soft landing", where it may start to look at reducing interest rates.



US

European stocks rose as news of falling inflation in the eurozone was welcomed by investors. Year-on year inflation slowed to 2.4% in November, well below expectations and close to the European Central Bank's (ECB) 2% target. Core inflation, which strips out volatile food and energy prices, dropped to 3.6% in November from 4.2% in October. Despite the positive news, the ECB remained cautious in their view as several policymakers reiterated that interest rates would have to stay higher for longer in order to curb inflation.



Europe



Japan

Japan's stock markets fell over the week. This followed a period of gains throughout November, as a strong corporate earnings season and expectations of U.S. interest rates peaking provided a favourable economic backdrop for investors. The Yen also strengthened against the U.S. dollar, as anticipation grew that the fed could start cutting interest rates in 2024. The Japanese Parliament also enacted a mini-budget to support their \$110bn stimulus package, approved earlier this month. The package included cuts to taxes and cash handouts to low-income earners to help them deal with higher inflation.



China

Chinese stocks retreated as new economic data underpinned investor concerns of a fragile economic recovery. The latest Purchasing Manager's Index (PMI – a forward looking indicator business activity) figures for manufacturing slid to contraction territory in November from the previous month, a second monthly contraction. On the flip side, non-manufacturing PMI remained in expansion territory. In an effort to boost business confidence, the Chinese government issued a 25-point plan to step-up financial support for the private sector, the effects of which remain to be seen.



## [The Omnis Investment Club](#)

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

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

Omnis  
INVESTMENTS

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: Auckland House, Lydiard Fields, Swindon SN5 8UB) which is authorised and regulated by the Financial Conduct Authority.