

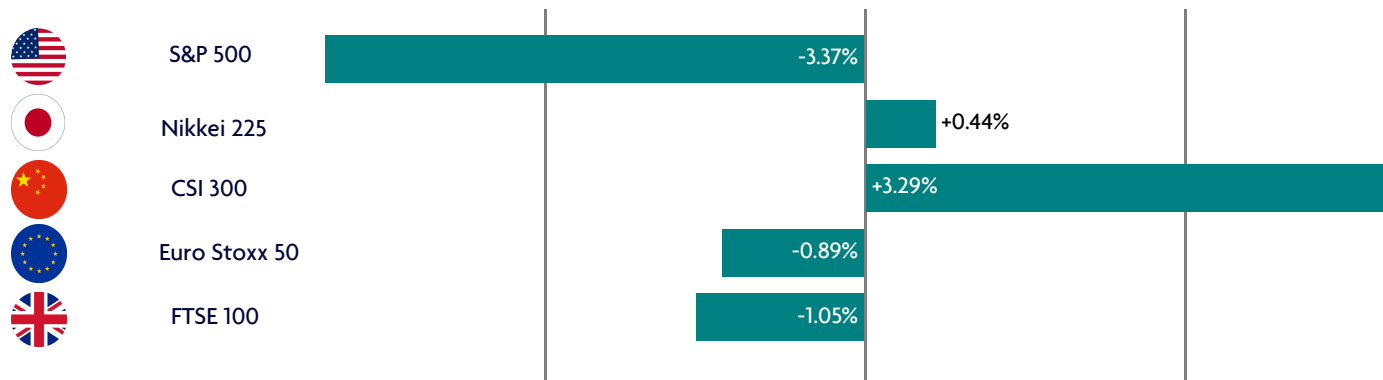
Weekly Market Update

12 December 2022

Broadly speaking, markets fell this week as concerns about aggressive interest rate hikes remain at the forefront, with key central banks making decisions on interest rates during this coming week. Over in Asia, domestic factors supported markets – in Japan a stronger economy kept investors upbeat and in China, markets were encouraged by the change in approach to their zero-covid policies.



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



Market Update:



UK

Business activity in the UK services sector contracted again in November as new orders fell. Data suggest that business activity remains firmly in contraction territory. According to Halifax, House prices dropped for a third consecutive month in November and at the fastest pace since the financial crash in 2008. It's a big week in the UK too with inflation numbers out on Wednesday, Bank of England interest rate hike on Thursday and data on retail sales out on Friday.



US

Some surprisingly strong economic data dampened hopes that the Federal Reserve might soon be able to curb its program of raising interest rates to cool inflation. Defensive areas such as health care, consumer essentials and utilities sectors did the best during the week, whereas energy stocks fell sharply as oil prices tumbled to their lowest level since January. The financial sector also performed poorly as some banks, including Goldman Sachs and JPMorgan offered negative outlooks for the economy and their business as we head into 2023. This coming week will see inflation numbers being published and interest rate hikes.



Europe

Whilst data showed that the eurozone economy expanded more than originally estimated in the third quarter of the year, forward looking data points to a contraction in economic activity. The European Central Bank meet later this week to decide by how much they will raise interest rates.



Japan

While investor sentiment was most positive as a result of data showing that Japan's economy contracted less than initially estimated in the third quarter of 2022, uncertainty about interest rates in the US prevented more pronounced gains in stock markets. In other economic reports, household spending, increased year-on-year in October, due to increased spending on trips after the lifting of coronavirus restrictions.



China

Chinese officials announced guidelines to their new COVID prevention and control measures. The new measures include home quarantine for people with mild symptoms, a vaccination program for the elderly, and reducing mass testing requirements in many cities. Lockdowns in high-risk areas would be lifted if no new cases appeared for five consecutive days. In other data, China's exports fell more than expected in November due to weaker global demand resulting from rising prices and interest rate rises around the world, as well as pandemic-related disruptions in China.



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