

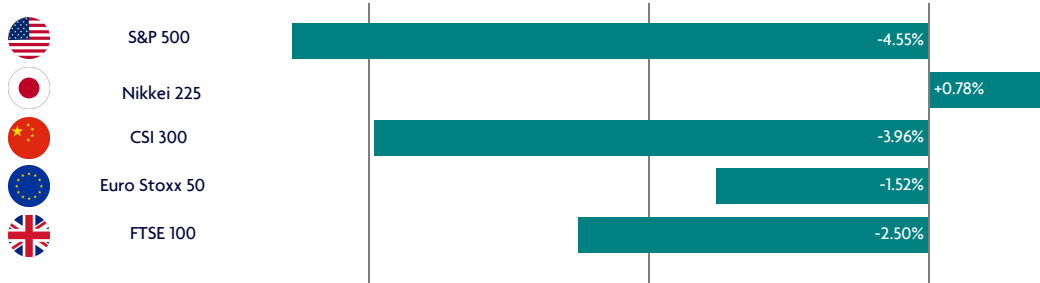
# Weekly Market Update

13 March 2023

Signs that interest rates could carry on rising for longer dampened investor sentiment across the globe. In China, a lower economic growth target also weighed on markets. The financial health of Silicon Valley Bank (SVB) was also a focal point towards the end of the week, with developments well into the weekend. Please note that within the Omnis funds, only one of our funds has direct exposure to SVB – and that exposure equates to 0.1% of the fund. For most investors, the fund constitutes a small proportion of their overall portfolio, meaning that any exposure in clients' portfolios is negligible.



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



## Market Update:



UK

The UK economy rebounded by more than expected in January, driven by growth in the services sector. The economy grew 0.3%, after declining 0.5% in December. This has raised optimism that any recession in the UK may be shorter and shallower than originally expected. Later this week, Chancellor Jeremy Hunt will unveil his spring budget and has vowed to use it to set Britain on the "hard road" to becoming one of Europe's richest countries but warned that big tax cuts will have to wait. His budget is set to tackle the cost-of-living crisis and persuade companies to invest more.



US

Federal Reserve Chair Jerome Powell said that the central bank was not done yet with interest rates, and that it could continue to raise rates aggressively if there were signs that inflation was becoming stickier. Mixed data on the US labour market pointed to further rate hikes on the horizon. The financial health of Silicon Valley Bank was under scrutiny as customers pulled deposits after the bank was forced to sell securities at losses to meet capital requirements. Trading in the stock was halted on Friday morning.



Europe

Shares in Europe fell along with global markets amid worries about the potential effects of a prolonged period of elevated interest rates and signs that there could be some stress in the banking system. All eyes will be on the European Central Bank this week as they meet to decide on interest rates. It is widely expected that interest rates will rise by 0.5% points. In other news, the Eurozone economy looks weaker than previously estimated – and showed no growth during the last three months of 2022. Consumer demand also weakened in January this year.



Japan

Japan's central bank did not raise interest rates this week as it continues to provide support for the economy despite inflationary pressures, with the yen weakened against the USD as a result. In other news, Japan's economy expanded less than expected over the last three months of 2022. This was largely due to private consumption falling short of estimates as rising inflation curbed spending.



China

Signs of weakening demand and the lower-than expected 2023 economic growth of 'around 5% set at the National People Congress weighed on investor sentiment. Whilst this growth target would represent a recovery from 2022, it is the lowest target in three decades. Inflation in China appears to have moderated in February. In other economic news, Chinese exports and imports extended declines in the first two months of the year as the global economic slowdown hit trade activity.



## 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.