



Market Update – October 2022

Equities in developed markets ended October positively while weak Chinese indices weighed on emerging market returns. Central banks remained ever hawkish with aggressive tightening of monetary policy supported by continued high inflation data and strong labour markets. Against the challenging economic backdrop, bonds fell with government 10-year yields hitting cycle peaks in the month. The UK experienced a rally in government bonds on the appointment of a new chancellor, Jeremy Hunt, who reversed and vowed a more reserved budget to be delivered in November. Strength of USD continued while developed market PMIs indicated economic slowdown. An unseasonably warm autumn in Europe helped gas prices move lower. While fiscal stimulus and support, alongside full storage tanks, should help businesses, energy remains a critical risk for European growth.