

## Last Week at a Glance

Equity and bond prices stumbled last week as major central banks signaled an intention to keep rates higher for longer than previously expected. Global stocks experienced their worst weekly performance since March and the US 10-year Treasury Note touched a 16-year high.

- The US Federal Reserve held its benchmark policy rate constant but gave further indication that rates will remain high until its 2% inflation goal is achieved. The central bank's updated "dot-plot" suggested that most officials see the need for another quarter-point hike this year, and forecasts for next year suggest fewer rate cuts than had been projected in June.
- The Bank of England also kept its benchmark rate unchanged after raising it in each of its last 14 meetings. UK annual inflation unexpectedly moderated to 6.7% in August, which helped ease pressure on the bank to continue tightening. Despite the recent cooling, inflation is still running well above the bank's 2% target.
- The Bank of Japan made no changes to its ultra-loose monetary policy, holding its benchmark rate in negative territory. The continued policy divergence between the US and Japan sent the yen lower.
- In the United States, two significant events—namely, the looming possibility of a government shutdown and an ongoing labor strike in the auto industry—have injected an element of uncertainty into the market. However, at this point, the potential economic fallout from these issues is likely to be limited.

### MARKET PERFORMANCE

As of September 24, 2023 • Local Currency • Percent (%)

Equities	Last Week	This Month	This Year
Global	-2.6	-2.8	12.0
Developed Markets	-2.7	-3.0	12.9
United States	-3.0	-4.1	13.8
Euro Area	-2.0	-2.3	11.3
United Kingdom	-0.2	3.8	6.0
Japan	-2.3	2.0	27.8
Emerging Markets	-1.9	-1.1	4.8
<b>Fixed Income</b>			
US Aggregate	-0.5	-1.6	-0.2
US Treasuries	-0.5	-1.6	-0.9
US Corporate IG	-0.3	-1.5	1.2
US Corporate HY	-0.7	-0.8	6.3
<b>Real Assets</b>			
Global Equity REITs	-5.0	-5.5	-4.6
Global Natural Resources	-2.0	1.6	3.6
Gold Bullion	0.0	-0.8	6.2
<b>Currencies</b>			
EUR/USD	-0.1	-1.8	-0.1
GBP/USD	-1.1	-3.2	2.0
USD/JPY	0.2	1.7	12.2