

Last Week at a Glance

Global equities rallied again last week. November's month-to-date returns are outpacing the prior two months' returns by about 11 percentage points. US equities led developed markets, while Japan stocks lagged. Large-cap and growth strategies outperformed their small-cap and value counterparts. EM markets also gained, with China notably rebounding. Fixed income performance was mixed amid modest increases in yields.

- US equities continued their upward trend as risk appetite increased on expectations of disinflation, an economic soft landing, and the Federal Reserve nearing peak rates. Indeed, the FOMC minutes release reiterated the Fed's intention to keep interest rates higher-for-longer until inflation was sufficiently lower.
- In the Eurozone, investors were optimistic on the economic outlook—flash manufacturing PMI improved to a six-month high, albeit remained in contractionary territory. In the UK, despite a larger-than-expected tax cut and improved 2023 GDP outlook, investors grew weary of the meager growth outlook for future years. Expanded fiscal policy also pushed yields higher, with the ten-year British gilt yield increasing by more than 15 bps. Like the ECB, the Bank of England warned against prematurely expecting rate cuts.
- In Asia, Chinese equities rebounded on news of financial aid for 50 embattled property developers. This was welcome news as the property crisis has weighed heavily on the region's equities, given the sector's vital role in the economy. On Thursday, stock prices for some struggling builders increased by more than 20% on the positive news. In Japan, core CPI missed expectations and flash manufacturing PMI fell further into contraction, weighing on equity performance.

MARKET PERFORMANCE

As of November 26, 2023 • Local Currency • Percent (%)

| Equities | Last Week | This Month | This Year |
|--------------------------|-----------|------------|-----------|
| Global | 0.8 | 7.8 | 16.6 |
| Developed Markets | 0.8 | 8.1 | 18.0 |
| United States | 1.0 | 9.0 | 20.4 |
| Euro Area | 0.8 | 7.5 | 14.6 |
| United Kingdom | 0.0 | 2.7 | 4.2 |
| Japan | -0.1 | 6.8 | 30.2 |
| Emerging Markets | 0.5 | 5.7 | 6.0 |
| Fixed Income | | | |
| US Aggregate | -0.1 | 3.3 | 0.5 |
| US Treasuries | -0.1 | 2.5 | -0.3 |
| US Corporate IG | 0.3 | 4.5 | 2.6 |
| US Corporate HY | 0.5 | 3.5 | 8.3 |
| Real Assets | | | |
| Global Equity REITs | 0.7 | 9.0 | -0.5 |
| Global Natural Resources | 0.1 | 0.8 | 0.8 |
| Gold Bullion | 0.9 | 0.1 | 10.1 |
| Currencies | | | |
| EUR/USD | 0.5 | 3.5 | 2.5 |
| GBP/USD | 1.4 | 3.9 | 4.9 |
| USD/JPY | 0.0 | -1.3 | 13.3 |