

Weekly Economic Update

25 April 2016



FOR PROFESSIONAL ADVISERS ONLY

UK

- The FTSE 100 closed the week at 6,297, down 0.7%. The UK 10 year gilt yield moved from 1.41% to 1.61%. The increase in gilt yields were driven by a rise in yields in the eurozone after the European Central Bank (ECB) committed to a sustained period of easy monetary policy.

GLOBAL

- Global equity markets reached highs for the year last week. However, mixed earnings data and uncertainty around the impact of central bank stimulus trimmed gains. China's equity market fell with some renewed uncertainty about the sustainability of the country's growth.
- The ECB left monetary policy unchanged on Thursday but president of the ECB, Mario Draghi, reiterated that there is scope for further policy easing if required. He added that lending had increased since the expansion of monetary policy in March and that he expects interest rates to be low for a long time in order to combat low growth and low inflation.
- The Shanghai Composite Index had its worst week since the falls in January, falling 3.9%. The falls were not mirrored across global markets as has often been the case this year, as investors instead focused on rising global commodity prices. Concerns in China are driven by questions of how sustainable current policy measures are in stabilising growth. Rising numbers of defaults have been recognised by investors as well as the potential for a bubble in the housing market. The yuan is at its weakest level since the end of 2014, which is also causing investors to speculate whether Chinese policy makers are taking steps to push the currency lower in a bid to help exporters.
- According to the US labour department, jobless claims fell by 6,000 in the second calendar week of the month. The resultant figure of 247,000 was the lowest since November 1973, suggesting the labour market is stronger than it has been for decades.
- Oil prices fell on Wednesday initially after an oil strike by workers in Kuwait ended after just 3 days, sooner than was expected. The weekly US oil inventory report was then released, showing that oil storage levels rose less than expected for the week, propelling the oil price to its highest level in 5 months.
- The yen fell ahead of the Bank of Japan's (BoJ) meeting to discuss policy changes this week. The currency fell by almost 2% against the dollar, as investors considered whether the BoJ will lower its lending rate for financial institutions further into negative territory.
- After a meeting of eurozone finance ministers on Friday, progress has reportedly been made in the bailout discussions with Greece. These talks should open the door for the next instalment of the loan to be paid Greece given their better than expected performance.
- Sweden's central bank kept rates unchanged as expected, but surprisingly expanded their quantitative easing programme by 45 billion kronor.

Equity Markets	Index Level 22 Apr 16	Total Return (Sterling)		
		MtD	YtD	1 Year
FTSE All Share	3450	3.1%	2.6%	-4.6%
FTSE 100	6297	2.2%	2.3%	-6.8%
FTSE 250	16877	0.6%	-1.9%	-1.1%
MSCI World	1690	3.2%	5.4%	1.8%
S&P 500	2083	2.1%	5.9%	6.3%
DAX	10358	2.7%	2.3%	-4.5%
Nikkei 225	17572	5.7%	2.8%	-2.1%
Hang Seng	21467	3.3%	0.7%	-17.0%
MSCI World EM	854	2.6%	11.1%	-12.1%

Bond Markets	Yield 22 Apr 16	Index % Change (Sterling)		
		MtD	YtD	1 Year
FTA All Stock Gilt Index	2.01	-1.2%	3.7%	3.2%
FTA All Stock ILG Index	-0.84	-1.9%	3.6%	0.0%
FTA Over 5 Year ILG Index	-0.84	-2.3%	4.0%	-0.2%
FTA Under 5 Year FIG Index	0.65	-0.2%	1.2%	1.9%
FTA Over 15 Year FIG Index	2.29	-2.0%	6.0%	4.0%

Interest Rates & Yields	Yield 22 Apr 16	Yield 31 Mar 16	Yield 31 Dec 15	Yield 22 Apr 15
UK 15 Year Gilt Yield	2.11	1.96	2.29	2.09
US 10 Year Treasury Yield	1.88	1.77	2.27	1.98
German 10 Year Yield	0.23	0.15	0.63	0.17
Spanish 10 Year Yield	1.60	1.44	1.77	1.37
Greek 10 Year Yield	8.37	8.48	8.07	12.67
Japan 10 Year Yield	-0.11	-0.05	0.27	0.30

Currencies Exchange Rate	22 Apr 16	31 Mar 16	31 Dec 15	22 Apr 15
GBP / EURO	1.28	1.26	1.36	1.40
GBP / YEN	160.62	161.94	177.09	180.15

Commodities	Price Level 22 Apr 16	Price Level 31 Mar 16	Price Level 31 Dec 15	Price Level 22 Apr 15
Gold	1243	1233	1061	1187
Wheat	483	474	470	499

Source: Mobius Life, Bloomberg
Please Note: Past performance is not a guide to future performance

Mobius Life Limited

7th Floor, 20 Gresham Street, London EC2V 7JE

t +44 (0) 20 7847 3300 f +44 (0) 20 7847 3399

e enquiries@mobiuslife.co.uk

www.mobiuslife.co.uk

Weekly Economic Update

Upcoming Data Releases



Date	Region	Event	Survey	Actual	Prior
25/04/2016	GE	IFO Business Climate	107.1	106.6	106.7
25/04/2016	US	New Home Sales	520k	--	512k
26/04/2016	US	Durable Goods Orders	1.90%	--	-3.00%
26/04/2016	US	Markit US Composite PMI	--	--	51.3
26/04/2016	US	Consumer Confidence Index	96	--	96.2
27/04/2016	JN	All Industry Activity Index MoM	-1.40%	--	2.00%
27/04/2016	FR	Consumer Confidence	95	--	94
27/04/2016	IT	Consumer Confidence Index	115	--	115
27/04/2016	UK	GDP QoQ	0.40%	--	0.60%
27/04/2016	US	MBA Mortgage Applications	--	--	1.30%
27/04/2016	US	FOMC Rate Decision (Upper Bound)	0.50%	--	0.50%
27/04/2016	US	FOMC Rate Decision (Lower Bound)	0.25%	--	0.25%
28/04/2016	JN	Jobless Rate	3.30%	--	3.30%
28/04/2016	JN	Industrial Production MoM	2.80%	--	-5.20%
28/04/2016	UK	Nationwide House PX MoM	0.40%	--	0.80%
28/04/2016	SP	CPI MoM	1.00%	--	0.60%
28/04/2016	GE	Unemployment Change (000's)	0k	--	0k
28/04/2016	GE	CPI MoM	-0.20%	--	0.80%
28/04/2016	US	Initial Jobless Claims	260k	--	247k
28/04/2016	US	GDP Annualized QoQ	0.60%	--	1.40%
28/04/2016	JN	BOJ Monetary Policy Statement			
29/04/2016	FR	GDP QoQ	0.40%	--	0.30%
29/04/2016	FR	CPI MoM	0.10%	--	0.70%
29/04/2016	UK	Mortgage Approvals	74.4k	--	73.9k
29/04/2016	US	Personal Income	0.30%	--	0.20%
29/04/2016	US	Personal Spending	0.20%	--	0.10%
29/04/2016	US	U. of Mich. Sentiment	90	--	89.7

Source: Bloomberg

Mobius Life Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registered in England and Wales at: 7th Floor, 20 Gresham Street, London EC2V 7JE. Registered No. 3104978. For your security telephone conversations may be recorded.

Mobius Life Limited

7th Floor, 20 Gresham Street, London EC2V 7JE

t +44 (0) 20 7847 3300 f +44 (0) 20 7847 3399

e enquiries@mobiustlife.co.uk

www.mobiustlife.co.uk