



December 2022: A summary for investors

Isaac Stell

Fund Research Manager

What's happened in December?

- Inflation fell in the UK, US and Europe
- UK interest rates rose again - to 3.5%
- Japan tried to stimulate its economy
- Covid cases surged as China emerged from lockdown

Market summary

In the UK, inflation fell to 10.7% in December (from 11.1% in October) helped by fuel costs steadying. The Bank of England raised interest rates by 0.5% to 3.5%.

Inflation slowed in USA. Their central bank (the Federal Reserve) slowed the pace of their interest rate hikes accordingly, but said they'd need to see more evidence to convince them that inflation will continue falling.

If, over the 3 months of October, November and December, the UK's economic output numbers fall like they did over July, August and September, we'll technically be in recession.

Meanwhile across the globe, Japan tried to spark life back into their bond market and the Yen surged, but stocks fell. China relaxed their zero Covid policy and a surge in Covid cases followed.

The outlook for 2023 is uncertain, but downturns can create opportunities, especially in areas with attractive valuation like the UK, Europe and Emerging Markets.

Staying invested means there's potential to be in the right place at the right time as and when conditions change.

Parmenion

Registered Office: Aurora,
Counterslip, Bristol, BS1 6BX.
Website: www.parmenion.co.uk

Parmenion Capital Partners LLP
Authorised and regulated by the
Financial Conduct Authority.

FCA Number 462085.
Registered in England and Wales
OC322243.

Important information: This document is intended to support a conversation with your financial adviser. Any views expressed within this document are intended as general information only and should not be viewed as a form of personal recommendation. It should not be construed as financial advice from Parmenion Capital Partners LLP. If you are unsure whether an investment is suitable for your needs, you should speak to your authorised financial adviser. All investment carries risk: the value of investments and any income from them can go down as well as up and you could get back less than you put in.

Version date: 12/01/2023