March 2024: A summary for investors

Isaac Stell
Fund Research Manager

What's happened in March?

- Global stock markets are powering forward
- The Fed, Bank of England and European Central Bank are holding rates steady
- Japan officially ends the 17 year era of negative interest rates

Market summary

Stock markets rounded out the first quarter of 2024 in style, with indications of achieving a soft landing growing stronger doing enough to encourage investors into risk assets - this is despite most central banks holding interest rates at their current levels. The Swiss central bank however became the first developed nation to begin cutting rates.

US inflation was slightly sticky whereas UK inflation showed more positive signs as it fell more sharply than expected to 3.4% in February (down from 4% in January). That's the lowest level in 2 ½ years, however this wasn't enough to persuade the Bank of England Monetary Policy Committee who kept rates at a 16 year high of 5.25%.

It's predicted the European Central Bank will make mid-year interest rates cuts as Europe's headline inflation fell to 2.6%, however in March the ECB kept rates at historically high levels.

The end of March saw Japan raise interest rates for the first time in 17 years, and in doing so, ended the world's last negative interest rate policy.

China ended the quarter optimistically, setting an ambitious 5% annual growth target for 2024, despite the continuing property slump and persistent deflation hampering the economy.

It's wise to remain diversified in assets and cognisant of the risks in markets that have seen outsized gains.

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Website: www.parmenion.co.uk

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