



# February 2023: A summary for investors

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## What's happened in February?

- Continued inflation made interest rate cuts seem unlikely
- Equities took back some of the gains from the past 3 months
- Natural gas prices continued to fall in Europe

## Market summary

Markets in February were driven largely by employment figures and the strength of the service sectors.

Previous hopes that interest rate cuts may be on the way in the US were dashed by continued inflation. The longer it persists, the longer we may have to live with higher rates. The Bank of England increased rates by 0.5% in February, and the European Central Bank followed suit days later.

A relatively strong labour market is a positive for most major economies. In the US, a reported 517,000 increase in new jobs signalled growth across service sectors. In more good news, Natural Gas prices continue to fall in Europe.

Despite persistent inflation, these positive signs do suggest light at the end of the tunnel. Staying invested means there's potential to benefit when the outlook brightens.

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