



October 2022: A summary for investors

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What's happened in October?

- A new PM - and challenges ahead
- Scrapping of mini budget restored some stability
- Inflation still high and interest rates rising
- Unusually warm weather meant less energy use
- Ukraine conflict continues to concern markets

Market summary

October was a month of political and economic upheaval in the UK, with Jeremy Hunt replacing Kwasi Kwarteng as Chancellor, Rishi Sunak replacing Liz Truss as PM and September's so called 'mini budget' swiftly scrapped.

These changes went some way to reassure markets, with the pound's value against the dollar back up to before-budget levels.

Inflation is still high at over 10%, and more interest rate increases are on the way, expected to reach 3% in November.

There's a similar picture in America, where strong employment figures and high inflation mean interest rates there could reach 4%.

Meanwhile in Europe, inflation hit a record 10.7%. The warm October weather across the continent meant less of us put our heating on and the expected future price of European gas fell.

Worldwide, the emphasis is still on controlling inflation without sparking a recession and monitoring the situation in Ukraine.

For investors, the message is to focus on the long term plan. There will always be light at the end of a tunnel – however long it turns out to be.

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