

Global Equity markets have had a very strong November. The UK FTSE 100 index rose 12.7% and the MSCI World grew 12%¹ over the month following the results of the US election and announcements of multiple Covid-19 vaccines. However, both sets of news prompted different reactions geographically and within the market.

As it became clear that Joe Biden was to become President elect, it was not the ‘Blue wave’ that some had anticipated with Republicans keeping control of the Senate. Technology and Healthcare stocks which had fallen during the final weeks in October, rallied with market predicting that it would be harder for Democrats to increase taxes and regulation on these sectors. The S&P500 Information Technology sector rose 9.4% in the first week of November, before finishing the month up 11.4%. In contrast the S&P500 Energy sector was only up 0.83% in the first week of November, but rose by 27.6% over the rest of the month following the announcements of several viable Covid-19 vaccines. The strong rally in the sector was supported by the Oil price rising 25.3%, as investors anticipated a return to economic growth in the new year. Overall, the S&P500 rose 10.9% over the month, resulting in a return of 3.8% over the past 3 months.

There were similar patterns within continental Europe. As investors anticipated some return to normality in 2021, previous distressed European sectors rose sharply with Oil & Gas (up 36.3%), Banks (32.8%), Auto’s & Parts (21.8%) and Travel & Leisure (21.3%). Despite the dual headwinds of extended lockdowns and the EU unable to sign off on the €1.8tn budget and pandemic response, the MSCI Europe ex UK index rose 14.2% in November. The regional index has grown 7.2% over the past 3 months.

In the UK the Oil majors BP (28.5%) and Royal Dutch Shell (32.9%) helped the Oil & Gas (31.6%) sector and were major contributors to the FTSE All Share returning 12.7% over the month. The Aerospace & Defense (31.6%) and Financial (15.6%) sectors also performed well. As with the US and European indices ‘Value’ was the strongest style over the month. The MSCI UK Value index returned 17.4%, in November compared to the MSCI UK Growth Index of 5.7%. This strong performance occurred even though Sterling/US Dollar strengthened by 3% during the month to 1.33 (£/US Dollar). Consensus was that a pragmatism would prevail between UK and EU negotiators; however, since month end there is growing uncertainty as to whether UK and EU can reach an agreement.

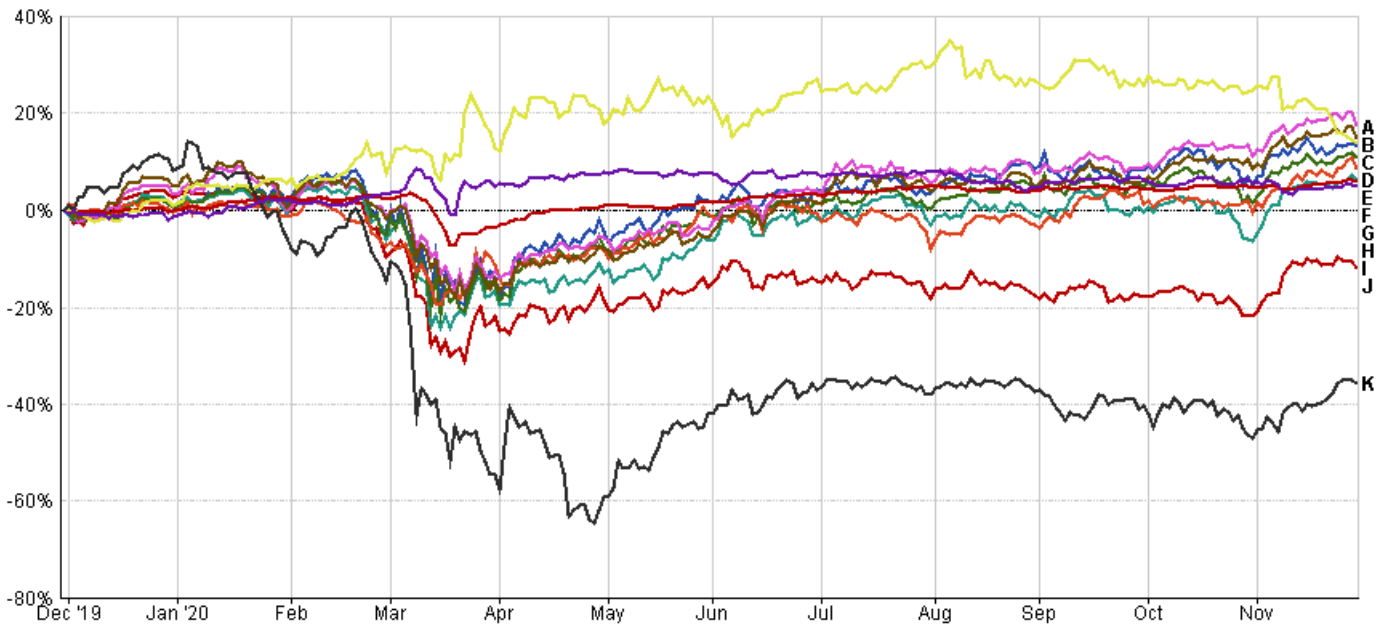
Within Asia, China continues to release data that shows strong growth in the economy and Japan released GDP data showing a 5% increase. Korea (15%), Japan (12.2%) and Hong Kong (11.1%) markets all grew strongly helping the MSCI AC Asia Pacific ex Japan index to a monthly return of 7.7%.

With expectations of growth next year, US and UK government bond yield curves steepened, and prices fell with the FTSE Actuaries index of UK Conventional Gilts index falling -0.5% in November, increasing the loss over the past 6 months to -2.7%. The Gold price fell -8.6% over the month falling to \$1,777 (per Oz) and a 3-month loss of -10%.

Chris Davis,
Chief Investment Officer

¹ Performance data in local currency, unless otherwise stated.

1-Year Performance in Sterling Terms to 30 November 2020



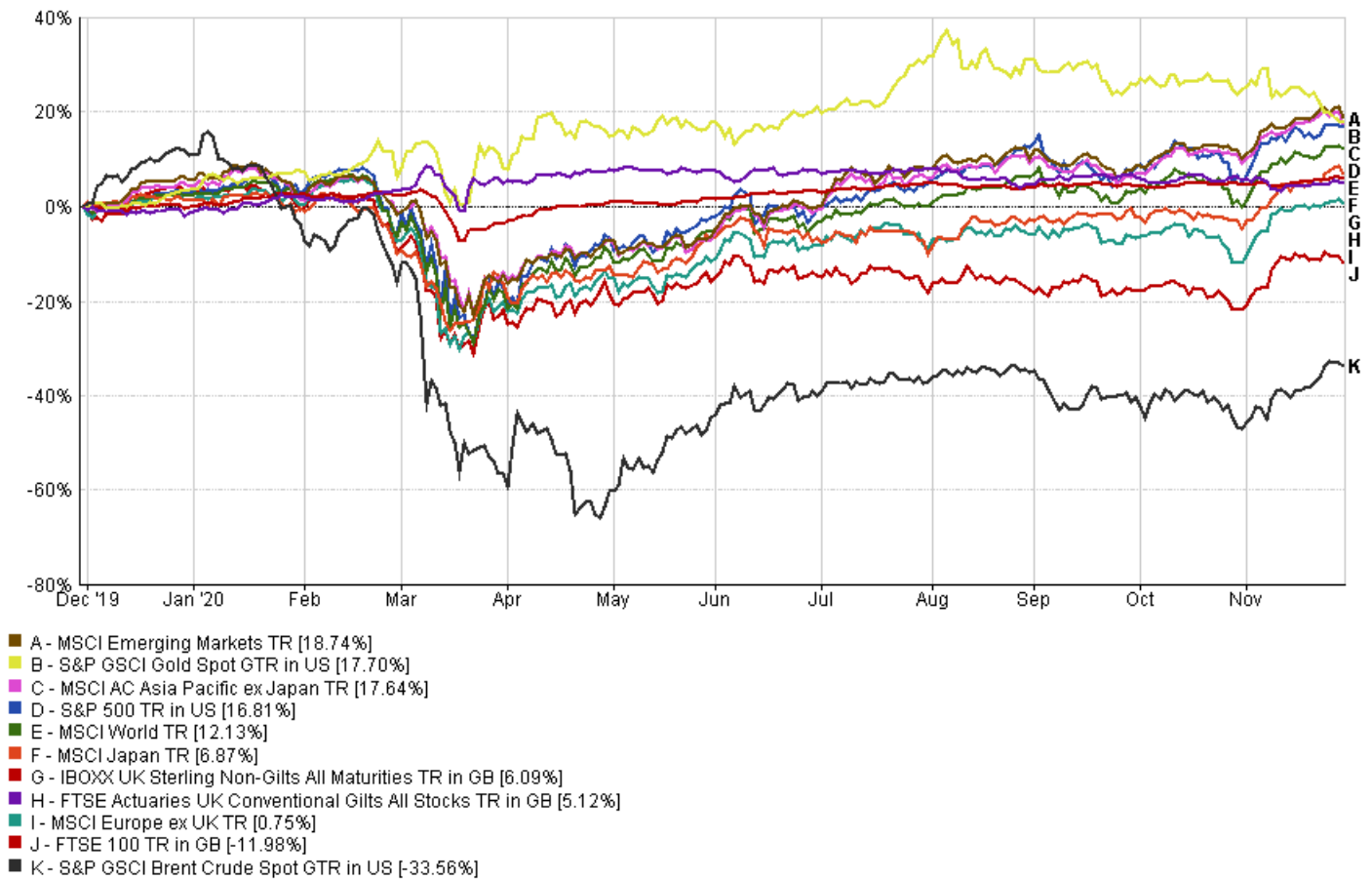
- A - MSCI AC Asia Pacific ex Japan TR in GB [17.68%]
- B - MSCI Emerging Markets TR in GB [14.74%]
- C - S&P GSCI Gold Spot GTR in GB [14.04%]
- D - S&P 500 TR in GB [13.17%]
- E - MSCI World TR in GB [10.96%]
- F - MSCI Japan TR in GB [8.75%]
- G - MSCI Europe ex UK TR in GB [6.41%]
- H - IBOXX UK Sterling Non-Gilts All Maturities TR in GB [6.09%]
- I - FTSE Actuaries UK Conventional Gilts All Stocks TR in GB [5.12%]
- J - FTSE 100 TR in GB [-11.98%]
- K - S&P GSCI Brent Crude Spot GTR in GB [-35.63%]

Cumulative Performance in Sterling Terms to 30 November 2020

	1m	3m	6m	1y	3y	5y
FTSE Actuaries UK Conventional Gilts All Stocks	-0.5%	0.5%	-2.7%	5.1%	16.2%	27.1%
IBOXX UK Sterling Corporates All Maturities	1.5%	2.2%	4.1%	6.1%	15.8%	30.7%
MSCI World	9.2%	5.9%	12.2%	11.0%	33.2%	88.9%
FTSE 100	12.7%	5.7%	4.7%	-12.0%	-3.7%	20.1%
S&P 500	7.4%	4.1%	10.8%	13.2%	44.4%	110.6%
MSCI Europe ex UK	13.4%	7.4%	13.4%	6.4%	14.2%	56.7%
MSCI Asia Pacific ex Japan	5.7%	9.5%	22.5%	17.7%	23.1%	94.7%
MSCI Emerging Markets	5.8%	10.0%	21.4%	14.7%	17.1%	87.6%
MSCI Japan	9.0%	12.1%	9.6%	8.7%	17.0%	64.5%
S&P GSCI Gold Spot	-8.6%	-10.0%	-7.6%	14.0%	35.7%	77.8%
S&P GSCI Brent Crude Spot	21.3%	2.6%	11.1%	-35.6%	-23.6%	-4.2%

Source: Financial Express

1-Year Performance in Local Currency Terms to 30 November 2020



Cumulative Performance in Local Currency Terms to 30 November 2020

	1m	3m	6m	1y	3y	5y
FTSE Actuaries UK Conventional Gilts All Stocks	-0.5%	0.5%	-2.7%	5.1%	16.2%	27.1%
IBOXX UK Sterling Corporates All Maturities	1.5%	2.2%	4.1%	6.1%	15.8%	30.7%
MSCI World	12.0%	5.4%	18.6%	12.1%	30.7%	63.4%
FTSE 100	12.7%	5.7%	4.7%	-12.0%	-3.7%	20.1%
S&P 500	10.9%	3.8%	19.7%	16.8%	42.4%	86.7%
MSCI Europe ex UK	14.2%	7.2%	14.0%	0.8%	10.9%	23.6%
MSCI Asia Pacific ex Japan	7.7%	7.6%	26.5%	17.6%	22.5%	68.5%
MSCI Emerging Markets	7.8%	7.6%	26.7%	18.7%	22.3%	68.9%
MSCI Japan	12.2%	9.9%	14.6%	6.9%	7.5%	23.4%
S&P GSCI Gold Spot	-5.6%	-10.3%	-0.3%	17.7%	33.8%	57.7%
S&P GSCI Brent Crude Spot	25.3%	2.3%	20.0%	-33.6%	-24.7%	-15.0%

Source: Financial Express

Calendar Performance in Sterling Terms to 30 November 2020

	2020	2019	2018	2017	2016	2015
FTSE Actuaries UK Conventional Gilts All Stocks	6.5%	6.9%	0.6%	1.8%	10.1%	0.6%
IBOXX UK Sterling Corporates All Maturities	6.2%	9.3%	-1.5%	4.3%	10.7%	0.5%
MSCI World	10.3%	22.7%	-3.0%	11.8%	28.2%	4.9%
FTSE 100	-14.4%	17.3%	-8.7%	11.9%	19.1%	-1.3%
S&P 500	12.6%	25.7%	1.0%	10.6%	32.7%	6.6%
MSCI Europe ex UK	5.3%	20.0%	-9.9%	15.8%	18.6%	5.1%
MSCI Asia Pacific ex Japan	13.9%	14.6%	-8.6%	25.1%	27.3%	-4.1%
MSCI Emerging Markets	9.4%	13.9%	-9.3%	25.4%	32.6%	-10.0%
MSCI Japan	9.1%	15.0%	-7.5%	13.3%	22.1%	15.9%
S&P GSCI Gold Spot	12.8%	13.5%	3.2%	3.0%	28.5%	-5.7%
S&P GSCI Brent Crude Spot	-40.5%	32.4%	-10.0%	5.5%	53.2%	-42.5%

Source: Financial Express

Calendar Performance in Local Currency Terms to 30 November 2020

	2020	2019	2018	2017	2016	2015
FTSE Actuaries UK Conventional Gilts All Stocks	6.5%	6.9%	0.6%	1.8%	10.1%	0.6%
IBOXX UK Sterling Corporates All Maturities	6.2%	9.3%	-1.5%	4.3%	10.7%	0.5%
MSCI World	9.6%	27.3%	-7.4%	18.5%	9.0%	2.1%
FTSE 100	-14.4%	17.3%	-8.7%	11.9%	19.1%	-1.3%
S&P 500	13.4%	30.7%	-4.9%	21.1%	11.2%	0.7%
MSCI Europe ex UK	-0.6%	26.4%	-11.3%	13.6%	2.3%	8.3%
MSCI Asia Pacific ex Japan	12.8%	19.0%	-10.6%	30.2%	7.4%	-4.1%
MSCI Emerging Markets	12.3%	18.1%	-10.1%	30.6%	9.7%	-5.8%
MSCI Japan	5.5%	18.5%	-15.1%	19.7%	-0.7%	9.9%
S&P GSCI Gold Spot	13.7%	18.0%	-2.8%	12.8%	7.7%	-10.9%
S&P GSCI Brent Crude Spot	-40.1%	37.7%	-15.3%	15.5%	28.5%	-45.7%

Source: Financial Express

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