

# Weekly market review 20th November 2023.

---

A look back at the previous  
week's markets.

By Anthony Walters  
Head of ESG - Clever



**Clever.**

# A look back at the markets...

- **Stagnant U.S. Consumer Prices in October Ease Inflation Concerns, Prompting Market Rally**
- **All Bark, No Bite - Bank of England Debunks Corporate Price Gouging Drama**
- **Rolling in the Green Lane: Scania and SSAB's Drive for Fossil-Free Steel by 2030**
- **A Summit of Signals in San Francisco**

## Market Recap.

Markets were positive again, with the FTSE 100 ETF leading the charge, adding 1.21%. The S&P 500 ETF, Nasdaq 100 ETF and Dow Jones ETF gained 0.60%, 0.46% and 0.27% respectively.

The Real Estate sector led again for the second week, adding 4.59% on the prospect of peaking interest rates and the potential for cuts in 2024. Materials added 3.76% whilst Consumer Discretionary gained 3.56%, which gives hope for a broad-scale rally.

## News.

U.S. consumer prices were unchanged in October as Americans paid less for gasoline, and the annual rise in underlying inflation was the smallest in two years, bolstering the view that the Federal Reserve was probably done raising interest rates. Though rents continued to rise last month, the pace of the increase slowed considerably from September. The softer-than-expected inflation readings reported by the Labor Department's Bureau of Labor Statistics (BLS) on Tuesday pushed U.S. Treasury yields lower and sparked a stock market rally.

## Geopolitics.

President Joe Biden and Chinese President Xi Jinping have agreed to restore some military-to-military communications between their armed forces as the two leaders met for hours on the sidelines of the Asia-Pacific Economic Cooperation summit in San Francisco. Both sides pledged cooperation that would bring the U.S and China closer to resuming regular talks under what's known as the Military Maritime Consultative Agreement, which until 2020 had been used to improve safety in the air and on the sea.

## Inflation.

UK inflation fell sharply in October to its lowest rate in two years, largely due to lower energy prices. Inflation, which measures the rate at which consumer prices rise, dropped to 4.60% in the year to October, down from 6.70% the month before. Economists have said the main reason inflation has fallen from its peak of 11.1% in October 2022 is due to a fall this month in the energy price cap.

## Central Banks.

Firms in the UK and the EU have not been using the cover of inflation to gouge their customers, new research from the Bank of England suggests. Using a sample of more than 1,000 large companies, researchers at the Bank concluded that the corporate sector has not seen "an abnormally large increase in profits during the period of high inflation. Although profits increased "significantly" in nominal terms, particularly in the UK, firms also faced rocketing input costs.

## Commodities.

It was a shiny week for Silver, which rallied by 5.82%, followed by Copper, which gained 4.13%. In a strong week for metals, Gold added 2.05% whilst Commodity softs fell, with Wheat declining by 4.60%.

## ESG.

Scania and Sweden-based global steel company SSAB announced today a new agreement for fossil-free steel, including a target to decarbonize all steel deliveries from SSAB to Scania's heavy-duty vehicles in 2030. SSAB is the main steel supplier for Scania's vehicles. Steelmaking is one of the biggest emitters of CO2 globally, with total greenhouse gas emissions (GHG) from the sector accounting for 7% – 9% of direct emissions from the global use of fossil fuels.

## Week Ahead.

On Monday, Bank of England governor, Andrew Bailey, speaks to guide markets on the economy and direction of travel for the central bank. Tuesday sees the release of the Federal Open Market Committee meeting minutes, which will leave further clues around interest rate policy. The British Government present their mini-budget on Wednesday. The US market will pause trading on Thursday, in celebration of Thanksgiving. And Friday finishes with ECB president Lagarde speaking on policy in the EU Bloc.

### Sources:

Anthony Walters - Head of ESG at Clever Adviser Technology Ltd (Clever)

Market recap - Data sourced from FE FundInfo & Koyfin. ETFs quoted: iShares Core FTSE 100 UCITS ETF, iShares Core S&P 500 UCITS ETF, iShares Nasdaq 100 UCITS ETF (quoted in Pounds Sterling).

News - Slowing US inflation boosts hopes Fed done with rate hikes, By Lucia Mukitani, Reuters, 14/11/23

Inflation - Inflation slows to 4.6% as government says pledge met, By Michael Race and Faisal Islam, BBC, 15/11/23

Central Banks - Bank of England finds no evidence of greedflation among UK firms, By Chris Dorrell, City A.M., 16/11/2023

ESG - Scania Signs Deal with SSAB for 100% Fossil-Free Steel Deliveries by 2030, by Susan Lahey, ESG Today, 15/11/23

Geopolitics - Biden and Xi agree to restore some military-to-military communications between the US and China, by Lolita C. Baldor, AP News, 16/11/23

Commodities - Data sourced from Koyfin and Investing.com

Week ahead - Data sourced from Investing.com

### Important Information:

This document is a general communication being provided for informational purposes only. It is educational in nature and not designed to be taken as advice or a recommendation for any specific investment product, strategy, plan feature or other purpose in any jurisdiction, nor is it a commitment from Clever to participate in any of the transactions mentioned herein. Any examples used are generic, hypothetical and for illustration purposes only. This material does not contain sufficient information to support an investment decision and it should not be relied upon by you in evaluating the merits of investing in any securities or products. You should make an independent assessment of the legal, regulatory, tax, credit, and accounting implications and determine – together with your own professional advisers if appropriate – if any investment mentioned herein is believed to be suitable. Investors should ensure that they obtain all available relevant information before making any investment. Any forecasts, figures, opinions or investment techniques and strategies set out are for information purposes only, based on certain assumptions and current market conditions and are subject to change without prior notice.

All information presented herein is considered to be accurate at the time of production, but no warranty of accuracy is given and no liability in respect of any error or omission is accepted. Issued by Clever Adviser Technology Ltd (Clever), a company registered in England and Wales (company number: 2910523) with registered office at Watergate House, 85 Watergate Street, Chester, Cheshire CH1 2LF.