



October 2023: A summary for investors

Isaac Stell

Fund Research Manager

What's happened in October?

- UK inflation stands still
- A 16 year high for the US 10-year treasury
- The European Central Bank pauses for breath

Market summary

The UK headline inflation rate stood still this month but consumers are continuing to feel the pinch as labour costs drive another rise in goods and services inflation. It's unlikely we'll see any cuts from the Bank of England until we see a sustainable drop in services inflation.

It's more of a mixed picture in the Euro-area where tighter financial conditions are weighing on demand. Germany's manufacturing heavy economy is stalling, whereas France and Spain have seen small gains.

Across the pond, the US is showing signs of a strengthening economy. Annualised GDP growth accelerated to 4.9%, however this strength caused the 10-year treasury yield to surpass 5% for the first time in 16 years.

Markets may feel uncomfortable at the moment, but we've seen patience be historically rewarded.

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Registered Office: Aurora,
Counterslip, Bristol, BS1 6BX.
Website: www.parmenion.co.uk

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