

GLOBAL MARKET COMMENTARY



WEEK 17 = WEEK ENDING 26 APRIL 2024

	CLOSING LEVEL		WTD		CLOSING LEVEL		WTD REAL ESTATE &		CLOSING LEVEL		WTD
EQUITY	VALUE		% CHANGE	BONDS	VALUE		% CHANGE	COMMODITIES	VALUE		% CHANGE
MSCI World Index	3,335.08	▲	2.44%	Bloomberg Global Agg USD	449.93	▼	-0.31%	Global Property	5,321.33	▲	1.35%
S&P 500	5,099.96	▲	2.67%	Bloomberg Global High Yield USD	1538.98	▲	0.45%	Gold	2,337.96	▼	-2.26%
MSCI Eur xUK	203.39	▲	1.38%	Bloomberg Global Credit USD	271.74	▼	-0.04%	Oil	83.85	▲	1.98%
FTSE 100	8,139.83	▲	3.09%					Commodities	595.94	▲	0.96%

Highlights

- The MSCI World Index rose by 2.4%, ending three consecutive weeks of losses.
- US inflation, as measured by the personal consumption expenditures (PCE) index, was higher than forecast in March. This prompted expectations for an initial interest rate cut by the Federal Reserve (Fed) to be pushed out to November or December, with only one cut this year.
- Flash purchasing managers' index (PMI) figures for the US were below expectations with manufacturing falling into contractionary territory. However, for Europe and Japan, the data pointed to a pick-up in business activity.



Market commentary

North America: The S&P 500 Index increased by 2.7%, recovering some of the losses seen in the previous three weeks. Information technology stocks led the gains while financials was the only sector to record losses. Shares in Nvidia and Alphabet surged later in the week, the latter announcing better than expected quarterly results and its first dividend payment. Microsoft's shares also climbed on solid earnings results. In economic news, the US grew at a much lower rate than expected in the first quarter, expanding at an annualised 1.6% versus forecasts of 2.5% growth. Inflation, as measured by the PCE index, was 2.7% YoY (0.3% MoM) in March, up from February's 2.5% and above forecasts of 2.6%. Core PCE was unchanged at 2.8% YoY, a touch above expectations of 2.7% (see chart). Personal spending rose 0.8% MoM in March, matching February but ahead of the 0.6% rise expected. Personal income increased by 0.5%, in line with expectations. In other news, preliminary PMI data indicated subdued business activity in both manufacturing and services over April, falling short of expectations. The manufacturing PMI was 49.9, down from 51.9 in March, entering contractionary territory. The services PMI fell to 50.9, the lowest in five months. The forecast for both was 52.0. The composite was 50.9, versus 52.1 in March. Elsewhere, the University of Michigan's consumer sentiment index was revised lower in April, to 77.2 from an initial reading of 77.9, down from March's 79.4. In Canada, retail sales fell 0.1% MoM in

February, below the 0.1% increase expected but improving from January's 0.3% decline. Excluding autos, retail sales fell 0.3% versus the 0.1% rise forecast.

Continental Europe: The MSCI Europe ex UK Index rose 1.4%, ending three weeks of losses. In economic news, the eurozone composite PMI for April improved to 51.4 from 50.3, flash figures showed. Growth in services offset weakness in manufacturing. The manufacturing PMI dropped to 45.6 from 46.1, while the services PMI rose to 53.3 from 50.1. Meanwhile, consumer confidence in the region improved slightly in April to -14.7 from -14.9 in March but was below market expectations of -14.2. Germany's composite PMI rose into expansionary territory at 50.5 in April from 47.7 in March, preliminary figures suggested. The manufacturing PMI rose to 42.2 from 41.9, while the services PMI rose to 53.3 from 50.1. The Ifo Business Climate Indicator for Germany ticked up to 89.4 in April from 87.9 in March, above market consensus of 88.8. Also for Germany, the GfK Consumer Confidence Indicator improved, rising to -24.2 from -27.3, exceeding market forecasts of -26.0.

UK: The FTSE 100 index climbed by 3.1% over the week, recording record highs over the period. The market was propelled by solid results and takeover news, notably BHP's bid for mining peer, Anglo American. Expectations of interest rate cuts amid signs of a recovering economy also boosted sentiment. In economic news, the composite PMI increased to 54.0 in April from 52.8 in March, according to initial figures. This was well above the 52.6 expectation. The manufacturing PMI reading decreased to 48.7 from 50.3; the forecast was 50.4 while the services PMI rose to 54.9 from 53.1, beating expectations of 53.0. Elsewhere, the GfK Consumer Confidence indicator rose to -19 in April versus March's -21.

This compares to market expectations of -20 and marked the first improvement in three months. In other news, data from the Confederation of British Industry signalled the worst fall in retail sales for an April month since 2020 although the timing of Easter would have had a significant impact.

Japan: Japan's share market rose, recovering some of the previous week's losses, with the TOPIX up 2.3%. Shares were boosted by a rally in technology stocks, prompted by robust updates from major US tech companies. Sentiment was buoyed later in the week by the Bank of Japan's decision to keep interest rates unchanged, as expected, and a sharp fall in the Tokyo area's rate of inflation, which fell in April to 1.8% YoY from 2.6%, below the 2.5% expected. Core inflation fell to 1.6% from 2.4%. Elsewhere, preliminary Jibun Bank PMI figures for April indicated the services sector expanded at its strongest since May 2023 while manufacturing showed signs of stabilisation. The manufacturing PMI rose to 49.9, up from March's 48.2. The services PMI improved to 54.6 from 54.1. The composite was 52.6, up from 51.7.

Asia Pacific: Asian share markets reflected trends elsewhere, with the MSCI Asia Pacific ex Japan Index closing the period 4.1% higher. Stocks rose in all markets except Indonesia where the central bank unexpectedly raised its interest rate by 25 basis points (bps) in a move to stabilise the currency. Contributing to the positive sentiment were strong quarterly results from big US tech names and the Bank of Japan's decision to hold interest rates. Signs of an improving outlook in China and more positive views on the country's equity market among major investment bank analysts also helped. In Australia, the All Ordinaries Index rose 0.3%. A sharp fall in BHP Group's shares following its bid for Anglo American erased gains earlier in the week. Meanwhile, first quarter inflation fell to 3.6% YoY (1.0% QoQ), from 4.1% but was above the 3.5% (0.8%) expected.

Emerging Markets (EM): The MSCI EM Index enjoyed its best week of the year with a 3.7% return. Outperformance by the consumer discretionary and communication services

sectors included strong returns from Hong Kong-based large cap names Alibaba and Tencent. It was a data-light week within China, with the central bank maintaining its loan rates. Elsewhere, South Korea's first quarter GDP growth positively surprised at 1.3% QoQ (3.4% YoY) in early estimates. This was the strongest reading since the fourth quarter of 2021 and led investors to question the possibility of "higher for longer" interest rates by the Bank of Korea. Within India, preliminary PMI data for April showed improvement within the composite (62.2) and services (61.7) measures.

Fixed Income: The Bloomberg Global Aggregate index dropped 0.3% over the week. Evidence of persistent price pressure prompted a selloff of US bonds. Yields climbed with the 10-year US Treasury yield reaching the highest in nearly six months before ending the week at 4.66%, up four bps. In Europe, government bond yields reached year-to-date highs on rising expectations that the Fed will delay an interest rate cut with some market participants expecting the European Central Bank to follow suit. Although inflation in the region has fallen, policymakers pointed to services inflation as remaining a key concern. The yield on German 10-year bunds rose eight bps to 2.58% over the week. In the UK, bond yields reached a five-month high on Thursday following the US inflation data while the Bank of England chief economist warned that an initial rate cut may be some way off. The benchmark 10-year UK gilt yield rose nine bps to 4.32%. Credit markets diverged with the Bloomberg Global Credit index flat over the week while the Bloomberg Global High Yield index was 0.5% higher.

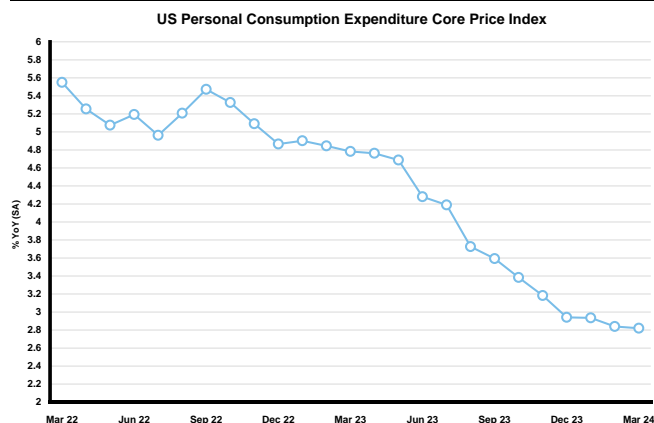
Commodities: Commodity prices diverged. Oil rose 2.0%, after two weeks of falls. Gold was 2.3% lower, giving back some of the gains after reaching record highs in five consecutive weeks of increases. Copper prices continued to climb, up 0.9% over the week on expectations of rising demand due to increased electric vehicle production.



Charts of the week

US PCE Misses Market Forecasts

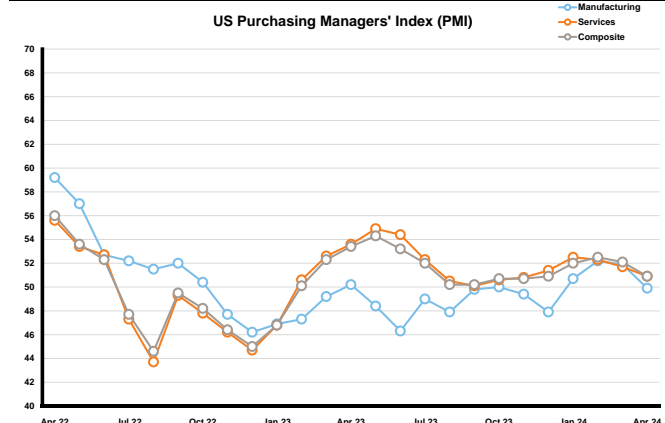
Core PCE, the Fed's preferred inflation metric, was 2.8% YoY in March (0.3% MoM) just above the 2.7% expected. Headline PCE was 2.7% versus the 2.6% forecast.



Source: Bloomberg as at 26/04/24

US PMIs Disappoint With Manufacturing Below 50.0

US PMIs fell in April. The manufacturing PMI was 49.9, entering contractionary territory. The services PMI fell to 50.9, the lowest in five months. Both fell short of the 52.0 forecast.



Source: Bloomberg as at 26/04/24

Market Data – Base Currencies

	Value	WTD	MTD	YTD	12M
EQUITY	Fri, 26-Apr-24	% CHANGE	% CHANGE	% CHANGE	% CHANGE
MSCI World Index	3,335.08	2.44%	-2.99%	5.23%	19.98%
S&P 500	5,099.96	2.67%	-2.94%	6.92%	25.74%
Russell 1000	2,793.47	2.66%	-3.07%	6.53%	25.94%
FTSE 100	8,139.83	3.09%	2.35%	5.26%	3.66%
MSCI Europe xUK	203.39	1.38%	-1.66%	6.00%	10.21%
DAX	18,161.01	2.39%	-1.79%	8.41%	14.97%
Topix	2,686.48	2.29%	-2.97%	13.53%	32.74%
MSCI APAC xJP	535.90	4.12%	-0.25%	1.33%	4.92%
Hang Seng Index	17,651.15	8.80%	6.71%	3.54%	-10.66%
MSCI Emerging	1,041.52	3.72%	-0.16%	1.74%	7.61%
Australia All Ordinaries	7,837.39	0.26%	-3.88%	0.10%	4.46%
S&P/TSX Composite Index	21,969.24	0.74%	-0.89%	4.82%	7.87%
BONDS (10YR, Yield in %)	26-Apr-24	19-Apr-24	31-Mar-24	31-Dec-23	26-Apr-23
US	4.66	4.62	4.20	3.88	3.45
UK	4.32	4.23	3.93	3.54	3.73
Germany	2.58	2.50	2.30	2.02	2.40
Japan	0.89	0.85	0.73	0.61	0.47
FIXED INCOME	26-Apr-24	WTD % CHANGE	MTD % CHANGE	YTD % CHANGE	12M % CHANGE
Bloomberg Global Agg USD	449.93	-0.31%	-2.52%	-4.56%	-2.47%
Bloomberg Global Agg Hedged USD	552.24	-0.17%	-1.60%	-1.59%	2.18%
Bloomberg Global High Yield USD	1,538.98	0.45%	-0.99%	1.12%	11.50%
Bloomberg Global Agg Credit USD	271.74	-0.04%	-1.83%	-1.77%	3.08%
Bloomberg Global Agg Corporate USD	264.20	0.03%	-2.29%	-3.04%	1.76%
Bloomberg US Agg TR USD	2,093.09	-0.08%	-2.43%	-3.19%	-1.25%
Bloomberg US Corp High Yield USD	2,490.06	0.60%	-1.05%	0.41%	9.37%
Bloomberg European Agg EUR	233.75	-0.17%	-1.25%	-1.58%	3.61%
Bloomberg European Agg Corp EUR	245.48	-0.01%	-0.80%	-0.33%	5.61%
Bloomberg Pan European High Yield EUR	446.16	0.18%	-0.15%	1.66%	11.35%
COMMODITIES	26-Apr-24	WTD % CHANGE	MTD % CHANGE	YTD % CHANGE	12M % CHANGE
Global Property	5,321.33	1.35%	-5.98%	-6.97%	2.78%
Gold	2,337.96	-2.26%	4.85%	13.33%	17.54%
West Texas Intermediate Oil	83.85	1.98%	1.74%	16.26%	19.70%
Commodities	595.94	0.96%	2.31%	11.26%	7.00%
ECONOMIC & MARKET INDICATORS	26-Apr-24	19-Apr-24	31-Mar-24	31-Dec-23	26-Apr-23
ICE Libor USD 3M	5.59%	5.59%	5.56%	5.59%	5.27%
ICE Libor GBP 3M	5.30%	5.30%	5.30%	5.32%	4.59%
ICE Libor EUR 3M	-0.58%	-0.58%	-0.58%	-0.58%	-0.58%
Fed Policy Rate	5.50%	5.50%	5.50%	5.50%	5.00%
BOE Policy Rate	5.25%	5.25%	5.25%	5.25%	4.25%
ECB Policy Rates	4.50%	4.50%	4.50%	4.50%	3.50%

Notes: Unless otherwise stated, data sourced from Bloomberg as of 26th April 2024. Equity Index returns in base currency, except for APAC xJP (USD) and Emg Mkt (USD), percentage change in price levels as at 26th April 2024. Generic Government Bonds, 10Y yield in % shown. Fixed Income indices in USD, Total Return, and Hedged ICE Libor and policy rates in percent. Currently data shows spot exchange rates. Global Property shows FTSE EPRA/NA REIT Dev TR USD. Gold in \$/Oz. Oil WTI \$. Commodities show S&P GS Commodity Index, USD.

Equity Indices Fundamentals

Index	VALUE	EARNINGS PER SHARE (EPS)			PRICE-TO-EARNINGS (P/E)		RETURN-ON-EQUITY (ROE)	
	26.Apr.24	TRAILING 12M	EXPECTED CURRENT YEAR	LT GROWTH RATE	CURRENT	10Y AVERAGE	CURRENT	10Y AVERAGE
MSCI World	3,335.08	171.68	177.78	7.11%	19.43	18.21	14.38%	11.20%
S&P 500	5,099.96	223.11	243.94	9.96%	22.86	19.27	18.08%	14.70%
Russell 1000	2,793.47	122.71	134.07	9.21%	22.77	19.73	16.93%	13.88%
FTSE 100	8,139.83	693.07	687.54	1.29%	11.74	14.62	11.34%	8.94%
MSCI Europe xUK	203.39	13.92	13.33	7.15%	14.61	16.70	12.65%	8.57%
DAX	18,161.01	1,397.98	1,381.57	1.25%	12.99	14.43	10.19%	9.45%
Topix	2,686.48	163.98	171.00	8.94%	16.38	17.53	8.87%	7.78%
MSCI APAC xJP	535.90	33.71	38.52	12.83%	15.90	15.05	9.29%	10.92%
Hang Seng	17,651.15	1,900.47	2,013.71	13.79%	9.29	11.63	10.00%	11.01%
MSCI Emerging Markets	1,041.52	71.16	82.36	7.52%	14.64	13.45	10.47%	11.24%

Notes: Unless otherwise stated, data sourced from Bloomberg as of 26th April 2024. Returns in base currency, except for APAC xJP (USD) and Emg Mkt (USD). Trailing 12-month Earnings per share (EPS): Market convention index earnings calculated by summing up the equity member EPS contributions for the last 12 months multiplied by the #shares and then divided by the index divisor sum. Expected current year EPS: index general estimated earnings for the current fiscal year based on the best estimates for each member. EPS LT growth rate: The estimated index long term growth rate of EPS is a weighted average of the underlying members estimated long term growth forecasts during the next business cycle, normally 3-5 years, computed by summing all members' growth EPS forecasts multiplied by their respective index weight. and implementation. Price-to-Earnings (P/E): Index estimated P/E Current Year, calculated as Last Price divided by estimated earnings full one year. Return-on-Equity: Index estimated measure for constituents' profitability revealing how much profit a company generates with the money shareholders have invested, in percentage.

QUESTIONS?

Call Russell Investments at **+44 020 7024 600**
or visit russellinvestments.com

ABOUT RUSSELL INVESTMENTS

Russell Investments is a leading global investment solutions partner providing a wide range of investment capabilities to institutional investors, financial intermediaries, and individual investors around the world. Since 1936, Russell Investments has been building a legacy of continuous innovation to deliver exceptional value to clients, working every day to improve people's financial security. Headquartered in Seattle, Washington, Russell Investments has offices worldwide, including New York, London, Sydney, Tokyo, and Shanghai.

FOR PROFESSIONAL CLIENTS USE ONLY

This material does not constitute an offer or invitation to anyone in any jurisdiction to invest in any Russell Investments Investment product or use any Russell Investments Investment services where such offer or invitation is not lawful, or in which the person making such offer or invitation is not qualified to do so, nor has it been prepared in connection with any such offer or invitation.

Unless otherwise specified, Russell Investments is the source of all data. All information contained in this material is current at the time of issue and, to the best of our knowledge, accurate. Any opinion expressed is that of Russell Investments, is not a statement of fact, is subject to change and does not constitute investment advice.

The value of investments and the income from them can fall as well as rise and is not guaranteed. You may not get back the amount originally invested.

This document has been issued by Russell Investments Ireland Limited. Company No. 213659. Registered in Ireland with registered office at: 78 Sir John Rogerson's Quay, Dublin 2, Ireland. Authorised and regulated by the Central Bank of Ireland. In the UK this document

has been issued by Russell Investments Limited. Company No. 02086230. Registered in England and Wales with registered office at: Rex House, 10 Regent Street, London SW1Y 4PE. Telephone +44 (0)20 7024 6000. Authorised and regulated by the Financial Conduct Authority, 12 Endeavour Square, London, E20 1JN. In the Middle East this document has been issued by Russell Investments Limited a Dubai International Financial Centre company which is regulated by the Dubai Financial Services Authority at: Office 4, Level 1, Gate Village Building 3, DIFC, PO Box 506591, Dubai UAE. Telephone +971 4 578 7097. This material should only be marketed towards Professional Clients as defined by the DFSA.

KvK number 67296386

© 1995-2024 Russell Investments Group, LLC. All rights reserved.

UKI-02833