

## A view of the markets since the start of 2020

Synopsis: A three-year view shows that many equity market yardsticks are not far off where they began this decade.

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	<b>31/12/2019</b>	<b>30/12/2022</b>	<b>Change in three years</b>
<b>FTSE 100</b>	7542.44	7451.74	-1.20%
<b>FTSE 250</b>	21883.42	18853.00	-13.85%
<b>FTSE 350 Higher Yield</b>	3653.2	3555.19	-2.68%
<b>FTSE 350 Lower Yield</b>	4512.45	4249.48	-5.83%
<b>FTSE All-Share</b>	4196.47	4075.13	-2.89%
<b>S&amp;P 500</b>	3230.78	3822.23	18.31%
<b>Euro Stoxx 50 (€)</b>	3745.15	3793.62	1.29%
<b>Nikkei 225</b>	23656.52	26094.5	10.31%
<b>Shanghai Composite</b>	3050.12	3089.26	1.28%
<b>MSCI Em Markets (£)</b>	1574.291	1487.567	-5.51%
<b>UK Bank base rate</b>	0.75%	3.50%	
<b>US Fed funds rate</b>	1.5%-1.75%	4.25%-4.50%	
<b>ECB refinance rate</b>	0.00%	2.50%	
<b>2 yr UK Gilt yield</b>	0.65%	3.58%	
<b>10 yr UK Gilt yield</b>	0.76%	3.70%	
<b>2 yr US T-bond yield</b>	1.59%	4.43%	
<b>10 yr US T-bond yield</b>	1.92%	3.88%	

<b>2 yr German Bund Yield</b>	-0.64%	2.74%	
<b>10 yr German Bund Yield</b>	-0.19%	2.56%	
<b>£/\$</b>	1.3247	1.2029	-9.19%
<b>£/€</b>	1.1802	1.1271	-4.50%
<b>£/¥</b>	143.9671	158.7175	10.25%
<b>Brent Crude (\$)</b>	66.02	84.27	27.64%
<b>Gold (\$)</b>	1519.5	1813.75	19.36%
<b>Iron Ore (\$)</b>	92	115.11	25.12%
<b>Copper (\$)</b>	6156	8397.5	36.41%

The FTSE 100 ended 2022 virtually unchanged from where it started at the beginning of 2020.

How far other markets have moved over the past three years of pandemic, Ukraine war and rising interest rates are shown above.

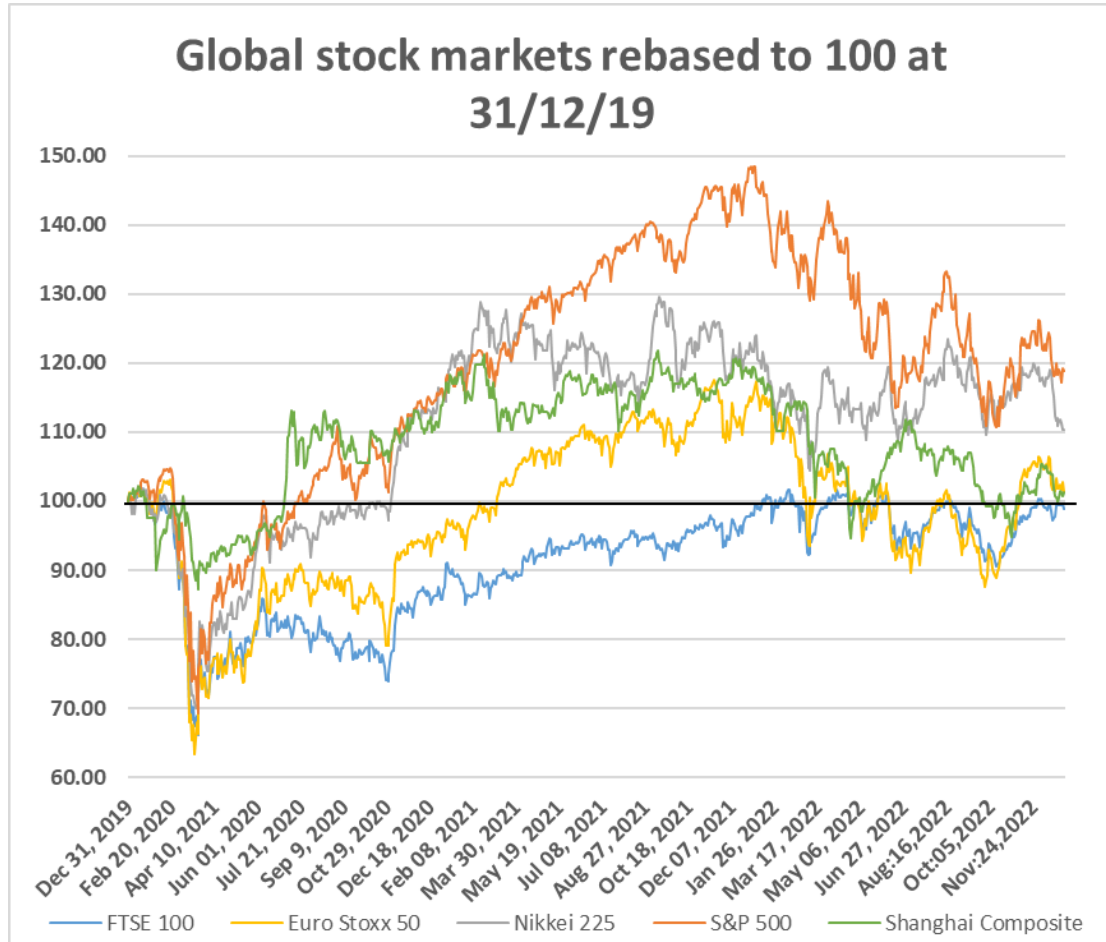
While many equity markets – outside the USA – have registered little change, their path has been far from a straight line, as the graph below shows.

The table above and graph below highlight several factors....

- Interest rates, whether dictated by the central banks or measured by Government bonds, have increased significantly. Much of that came in 2022. The reward at the turn of the decade, of a -0.19% yield for holding ten-year German Bunds until maturity, now looks an aberration.
- The US stock market is the standout performer, especially for Sterling investors who saw the pound fall by over 9% against the dollar. The US market and weak pound also explain why the MSCI ACWI (not shown) produced a return over the three years of 17.95% in sterling terms.
- Gold marginally outpaced the S&P 500, although the US market would have come out on top once dividends were taken into account. But copper trounced both.

**Comment**

The relatively flat performance of many markets poses an interesting question for investors: where else can I buy something for much the same as three years ago?



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