

September 2024 quarter end review update

The table details the quarterly data for the FTSE All-Share Index.

Quarter	Open	Close	High	Low	Return year to date
January – March	4232	4338	4338	4072	2.50%
April - June	4338	4451	4596	4260	5.17%
July - September	4451	4511	4588	4377	6.59%

The dominant feature remains inflation, albeit lower on a global basis, which is still stickier than expected. Core inflation remains above benchmark levels, which is the main reason why interest rate cuts have been slow for both Europe and the UK, with the US only announcing their first rate cut in September.

The expectation of market commentators, which reflects our own views, is that the direction of travel for interest rates is downward. However, it is likely to be at a far slower pace than was initially thought at the start of this year. Even this could be undermined by the outcome of the US election, potentially the UK budget on the 30th October and political changes which are happening in Europe.

Despite geopolitical events remaining in the background, markets do adjust. The consensus view is that global growth for 2024 is expected to be 2.5%, with the expectation being the same for 2025. To put this into context, this level is seen as a benchmark for growth and anything achieved above this level is seen as a sign of a strong and expanding economy. While positive growth is always welcome, the current rate makes it vulnerable to an escalation in the current geopolitical climate or to an unforeseen event which pushes a “normal” global rate of growth, lower.

The table sets out our current asset allocation views.

Underweight	Neutral	Overweight
	Government Gilts Index-linked Gilts: Global High Yield Bonds (for income)	
	Investment-Grade Bonds Equities: US, China, Far East, Emerging Markets, Japan	Equities (large cap): UK, Europe, Asia
	Equities (small cap): UK, US, Europe	Specialist Equities (including global equities)
Property (bricks & mortar)	Commodities	
Gold	Global property shares	

*Neutral means that, while we retain the asset class, we do not generally want to add to the position, apart from exposure via mixed asset funds.



1st October 2024