

<b>Essex Pension Fund Investment Steering Committee</b>	<b>ISC 03</b>
<b>Date: 30 November 2022</b>	

**Market Commentary: Quarter 3 2022**

Report by Hymans Robertson

Enquiries to Jody Evans on 03330 138489

**This Report is for noting**

**Executive Summary**

**Report Type: Monitoring**

Key highlights include:

Global composite PMI (which comprises both manufacturing and service surveys) pointed to a further downturn in global economic activity;

The market outlook continued to deteriorate with upwards revisions to inflation forecasts:

US and EU Sovereign bond yields continued to increase on the expectation of further interest rate hikes to stabilise and subsequently reduce inflation from the current high levels;

The UK Government bond yields fell, and sterling rallied following the news of the appointment of Rishi Sunak as the new Prime Minister. Whilst Jeremy Hunt, new Chancellor, reversed many of the previously proposed tax cuts with the promise of more fiscal tightening in his forthcoming November Budget; and

Despite the worsening market conditions global equities posted positive returns for the month of October.

**1. Purpose of Report**

- 1.1 To update the ISC on recent market conditions.

**2. Recommendation**

- 2.1 That the Committee should note the content of the report.