

Monthly Market Update

November 2018

During November, Theresa May secured her Brexit deal that was signed off by the leaders of the 27 remaining European Union leaders in less than an hour. While this was a small victory for Theresa May, she faces a much bigger struggle to get this approved by the UK Parliament with the crucial vote due on 11 December.

The FTSE 100 ended November at 6,980.24, which was 2.1% lower than the October closing figure of 7,128.10.

In contrast, in the US, the Dow Jones Industrial Average's performance was up 1.7%, closing November at 25,538.46. This was helped by a rally in the final week of the month on the back of the Federal Reserve Chairman, Jerome Powell's, statement that US interest rates are close to neutral, a change in tone from remarks made by him nearly two months ago.

In terms of £ Sterling, it ended November at 1.28 US Dollars. This was more or less flat against the closing figure at the end of October.

Against the Euro, it was a very similar story. £ Sterling ended November at 1.13 Euros, which was 0.1% lower than the October closing figure.

Inflation, as measured by the Consumer Prices Index including owner occupiers' housing costs (CPIH), was 2.2% in October 2018 (this is October's data which is reported in November). This was the same as the previous month. The 12-month rate for the Consumer Prices Index (CPI) rate which excludes owner occupied housing costs and council tax was 2.4% in October 2018, similarly unchanged from September 2018.

The Bank of England maintained interest rates at 0.75% in November following the increase in August. With inflation remaining unchanged, this means long-suffering deposit savers continue to lose money in real terms when you consider the rate of savings interest compared to the rate of inflation.

The Omnis Managed funds, Openwork Graphene Model Portfolios and new Omnis Managed Portfolio Service provide you with a diversified asset allocation in line with your Attitude to Risk, investing in Developed Market Equities, such as UK, US, Europe and Asia Pacific as well as Emerging Market equities. Cautious and Balanced investors will also have significant holdings in UK and Global Bonds, as well as Alternative Strategies.

We believe this multi-asset approach aims to give you the best opportunity for the highest level of return for your stated level of risk.

Past performance is not a guide to future performance. The value of an investment and any income from it can fall as well as rise as a result of market and currency fluctuations. You may not get back the amount you originally invested.



**Affinity
Financial
Planning
Consultants**