

# Monthly Market Update

## November 2019

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The chances of the Conservatives winning a parliamentary majority in the upcoming general election increased after the Brexit Party announced that it would not contest seats held by Tory MPs. However, polling sent mixed messages, so neither the Conservatives nor Labour were taking the result for granted<sup>1</sup>. Meanwhile, the US and China agreed to gradually reduce tariffs - taxes on goods imported from abroad- but efforts to complete the first phase of a trade deal were complicated when US President Donald Trump signed the Hong Kong Human Rights and Democracy Act which China saw as interference in its internal affairs.

- UK shares and sterling's value against the US dollar both fluctuated as campaigning continued ahead of the general election. The FTSE 100 ended the month up 1.35%, while the pound weakened against the dollar by 0.06%;
- The S&P 500 finished up 3.4% as the easing of trade tensions and better-than-expected corporate earnings helped the index hit record highs on a couple of occasions;
- Sterling strengthened against the euro by 1.16%;
- The inflation rate in October, as measured by the Consumer Prices Index including housing costs, was 1.5%, a 0.2% drop from the previous month. Inflation excluding housing also came in at 1.5%;
- At its latest meeting on 7<sup>th</sup> November, the Bank of England decided to keep interest rates unchanged at 0.75% which means savers continue to lose money in real terms as the higher inflation rate eats into their returns.

The Graphene Model Portfolios and the actively managed Omnis Managed Portfolio Service provide you with a choice of risk-adjusted portfolios which are diversified across different asset classes, such as shares and bonds, and geographically in both developed and emerging markets. The Adventurous portfolios accept a certain level of short-term volatility in pursuit of potentially greater longer-term returns, while Cautious portfolios aim to deliver returns that are less sensitive to short-term market fluctuations.

We believe this multi-asset approach gives you the best opportunity to earn the highest potential returns for your risk profile.

**The value of investments and any income from them can fall as well as rise and you may not get back the original amount invested.**

*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.*



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