

Monthly Market Update

July 2019

In July, Boris Johnson became the leader of the Conservative party and moved into “No. 10” as our latest Prime Minister. His priority being for the UK to leave the European Union on 31 October 2019, with a “no deal” exit firmly back on the table.

This caused the pound to fall to a 2-year low against the US dollar. While this is bad news for those of us enjoying an overseas summer break, it was positive for the FTSE 100, which closed July at 7,586.78, which was 2.2% higher than the June closing level.

In the US, the Dow Jones 30 enjoyed a smaller gain of 1.0%, ending July at 26,864.27.

As stated above, £ Sterling suffered in July against the US Dollar. It ended the month at 1.22 US Dollars, which was 4.3% lower than the closing figure at the end of June.

Against the Euro, £ Sterling ended July at 1.10 Euros, which was 1.8% lower than the June closing figure.

Inflation, as measured by the Consumer Prices Index including owner occupiers’ housing costs (CPIH), was 1.9% in June 2019 (this is June’s data which is reported in July). This was unchanged from the previous month. The 12-month rate for the Consumer Prices Index (CPI) rate which excludes owner occupied housing costs and council tax was 2.0% in June 2019, similarly unchanged.

The Bank of England maintained interest rates at 0.75% in July. The last change was an increase in August last year. This means long-suffering deposit savers are likely to 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 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.



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