CITY OF LONDON
Investment Management Company Limited

Developed Markets Quarterly Outlook

August 2023*

Overview

Walking a Tightrope

Global equities are navigating contrasting economic scenarios. In the upside scenario, key inflation measures in DM economies are falling, increasing the odds of a Fed pause and a 'soft-landing' scenario. However, long and variable monetary policy lags remain a risk, and leading cyclical indicators continue to signal caution. Our allocations continue to balance these risks and look for strategic value opportunities.

Despite tighter monetary policy, global equities have risen since the last Developed Market (DM) Quarterly Outlook. Signs of disinflation and speculation about generative AI growth were two factors contributing to the strength of global stocks. Both positive developments justify a higher weighting to the 'soft-landing' scenario. However, we expect earnings to be weighed down by the long and variable lags from restrictive monetary policy. At the same time, DM inflation must fall further before the Fed and other central banks can consider rate cuts. Our current country allocations continue to avoid excessive exposure to either pro-cyclical or defensive countries given the contrast between positive disinflation and AI developments and more restrictive policy in DM economies.

Recent data reinforces our baseline view for further activity weakness with some exceptions. The global PMI composite index fell to 51.7 in July from a peak of 54.4 in May. China and the Euro area were notably weak within the global indicator, while US data remains more resilient in July. The overall data set is still far from recessionary, but the deceleration justifies maintaining some defensive exposure. Developments in inflation are encouraging, but the level of inflation in key DM markets is still too high. US Core PCE has fallen from its peak but remains above the Fed target at 4.1% yoy. We expect a further deceleration of the core measure going into year-end, which all else equal, should be interpreted positively for rate-sensitive sectors following a disruptive period of rate hikes in 2022-23. Indeed, the current set of Fed dot plots implies a peak in interest rates is near, while some Emerging Market (EM) central banks have already commenced their cutting cycles. However, we temper some optimism, given that historically reliable leading indicators (e.g., the yield curve and credit conditions) continue to signal a likely slowdown in activity over the next six to twelve months.

Market Strategy: Overall valuation measures remain rich for the global MSCI ACWI Index at a 12m forward PE of 17x. The MSCI World ex-US Index continues to offer more value at 13x. Our country allocations represent a balance between contrasting economic scenarios with a greater weight to a growth and earnings slowdown. There have been no view changes since our last Quarterly Outlook, but our biases have shifted within our country allocation:

- **Technology**: The MSCI US Index has a high weighting to Technology, which has benefitted from growing excitement surrounding generative AI. In addition, the US market is pricing a peak in the terminal Fed rate around 5.40% in November. The combination of these factors is positive for US equities; however, at a 20.9x 12m forward P/E multiple, we currently see limited value in the **US**. We, therefore, maintain a *neutral* allocation in the US. We prefer to gain exposure to these trends via the MSCI EM Index, which is heavily weighted to advanced semiconductor stocks and historically benefits from a fall in US rates and the US dollar. Further policy support in China is also an upside risk. We maintain the **EM** *overweight*.
- **Commodities**: Energy stocks have remained a laggard this year and now trade at an attractive 10x forward P/E (MSCI ACWI Energy Index). Given the recent strength in oil prices (Brent crude now at $86/bl) and the extension to OPEC+ cuts, we see scope for Energy stocks to rebound over the remainder of the year. We, therefore, maintain our *overweight* allocation to **Canada** and the **UK**. We also maintain our **Australia** *overweight* given the risk of broader commodity strength.
- **Cyclicals**: We maintain our *underweight* to the **Eurozone**. Historically, the index tends to exhibit a higher beta to the growth cycle, and recent Euro area data is decelerating, which should further reinforce this trend. We see less risk to Japan and maintain our *neutral* allocation. While historically a higher beta market, corporate governance reforms in Japan are a potential long-term value opportunity.
- **Defensives**: We remain *underweight* in **Switzerland**, but we are trimming the size of our underweight allocation given the recent cheapening in the index. We expect Swiss equities and the **UK** to benefit from a further deceleration in global earnings.

Global Equity Allocation Breakdown

	Chg	-2	-1	0	+1	+2
US	–			■		
Canada	–				■	
Eurozone	–	■				
Switzerland	–		■			
UK	–				■	
Japan	–			■		
Australia	–				■	
EM	–				■	

International Equity Allocation Breakdown

	Chg	-2	-1	0	+1	+2
Canada	–				■	
Eurozone	–	■				
Switzerland	–		■			
UK	–				■	
Japan	–			■		
Australia	–				■	
EM	–				■	

Note: Up/down arrows indicate a positive/negative change in our asset allocation compared to the previous quarter. A dash indicates no change.
Source: CLIM

This publication reflects asset performance up to 31 July, 2023, and macro events and data releases up to 8 August, 2023, unless indicated otherwise.

United States

NW (Global Index)

Recent strength in the tech sector has led to unattractive valuations.

	3Y history	Latest	
GDP, % qoq saar		2.4	Q2
PMI, index		46.4	Jul
CPI, % yoy		3.0	Jun
Policy rate, %		5.38	Jul
MSCI USA*		2.4%	Jul
EPS, % yoy		2.6	Jul
Trailing P/E		22.8	Jul

**US$ total return relative to MSCI ACWI. Latest is three-month return.*

Source: Bloomberg

Megacap tech stocks have increased thanks to potential earnings growth surrounding generative AI. Also, the sector historically benefits from a lower discount rate, which the market may already be extrapolating as we approach the terminal rate. Although peak rates should support US equities, we can still expect to see the full impact of the hiking cycle with its long and variable lags. The Senior Loan Office Survey and several other credit-availability measures suggest that bank lending conditions are noticeably tighter than the long-run average, reducing an important source of growth for the US economy. The consequences of the spring banking crisis are also beginning to affect the availability of loans and credit.

Earnings forecasts for 2023 are flat, and most of the upward movement in recent quarters was from re-rating rather than earnings growth. Several previously reliable leading indicators suggest that a US recession is likely, but the US labour market remains strong. Robust employment data, falling headline inflation, and resilience in some economic data – the above consensus GDP data, for example – suggest that a soft landing is possible. Still, we believe the equity market is currently pricing in a less likely positive economic outcome, particularly as excess pandemic savings are depleted over time.

Market Strategy: The MSCI forward P/E ratio is currently 20.9x. We expect the US to maintain some valuation premium relative to international equities due to structural advantages. However, we think this valuation is too rich at this point of the economic cycle, and we anticipate a better entry point in the future. We retain our *neutral* allocation.

Eurozone

UW (Global and Global ex-US index)

Recession risks and cyclical exposure keep us underweight.

	3Y history	Latest	
GDP, % yoy		0.6	Q2
PMI, index		42.7	Jul
CPI, % yoy		5.3	Jul
Policy rate, %		4.25	Jul
MSCI Eurozone*		-5.5%	Jul
EPS, % yoy		9.5	Jul
Trailing P/E		16.2	Jul

**US$ total return relative to MSCI ACWI. Latest is three-month return.*

Source: Bloomberg

During early 2023 the Eurozone saw some significant outperformance – the best performing of our DM regions over the past twelve months. Around the turn of the year, stronger-than-expected economic data, rising interest rates, and a moderation in natural gas prices allowed performance that belied the fundamentals. The last three months (May – July) have seen many of these trends reverse, and the MSCI Eurozone underperformed the MSCI ACWI. We expect this underperformance to continue.

Increasingly, the cyclical and value companies representing the largest weight in the European index face headwinds as rates approach a local peak and energy prices look to have bottomed. We believe that the current earnings projections, which are already subdued, are vulnerable to being revised downward, and the full impact of the hiking cycle is yet to hit the economy. If we see further weakness in energy prices, this is likely due to a recession. In this case, the cyclical biases of European equities are not well positioned for such an environment.

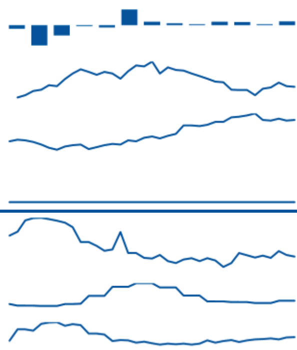
Several indicators suggest a period of economic weakness for Europe. European GDP was fractionally negative in Q1 and 0.3% qoq in the Q2 release. The manufacturing PMI data has been consistently in contractionary territory, and the Eurozone aggregate has fallen below 50 in the June and July composite PMI data. With core inflation resilient, the ECB may hike rates high enough that they begin to hurt some of the weaker European economies. The ECB forecast an annual GDP of 0.9% in 2023, which is widely seen as overly optimistic.

Market Strategy: Despite the relatively low P/E rating (13.1x), given the risk of recession in Europe and the unfavourable industrial/stylistic composition of the index, we maintain our *underweight* to Europe.

Japan

NW (Global and Global ex-US index)

Recent corporate improvements are positive, but the index's sectoral composition may weigh on performance.



	3Y history	Latest	
GDP, % yoy		1.9	Q1
PMI, index		49.6	Jul
CPI, % yoy		3.3	Jun
Policy rate, %		-0.10	Jul
MSCI Japan*		0.7%	Jul
EPS, % yoy		-9.0	Jul
Trailing P/E		18.4	Jul

**US$ total return relative to MSCI ACWI. Latest is three-month return.*

Source: Bloomberg

After an extended period of underperformance, Japanese equities have grown faster than the MSCI ACWI Index on both three- and twelve-month bases, reaching multi-decade highs. Japanese equities have been boosted by changes instigated by the Tokyo Stock Exchange's push for a focus on enhancing corporate value and sustainable growth. Furthermore, Japan's relatively late post-pandemic re-opening gave investors confidence in earnings growth this year. Japan has also had a comparatively strong economy and seen a rise in inflation.

One impact of the strong returns this year is that Japanese equities have been bid up to high multiples relative to their recent history (MSCI Japan P/E ratio is 15.3x). Also, the Bank of Japan recently altered the parameters of its Yield Curve Control policy, paving the way for higher interest rates. If Japan moves to a more inflationary, higher-rate environment, it might be appropriate to expect a higher multiple under these circumstances.

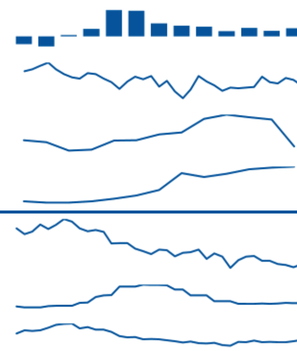
There remain a large number of companies trading at price-to-book ratios below one, and Japan is cheap on some other measures. These valuations, comparatively cheap borrowing, and corporate governance changes have attracted international capital flows. These have helped to buoy asset prices but might prove fleeting if the governance reforms prove slow or economic conditions deteriorate.

Market Strategy: Corporate governance reform is an opportunity for Japan to create value for shareholders, as we have seen in recent periods. We have an upward bias for Japanese equities, but its sectoral composition is not favourable. Higher local rates could spur Yen strength and weigh on exporters, while the country's dependence on oil imports may prove unhelpful if energy prices continue to rise. We remain *neutral* in our positioning.

Emerging Markets

OW (Global and Global ex-US index)

Despite risks to China, we believe Emerging Market equities offer attractive return potential.



	3Y history	Latest	
GDP, % yoy		3.6	Q1
PMI, index		50.2	Jul
CPI, % yoy		2.8	Jun
Policy rate, %		6.10	Jul
MSCI EM*		-0.1%	Jul
EPS, % yoy		-10.8	Jul
Trailing P/E		13.8	Jul

**US$ total return relative to MSCI ACWI. Latest is three-month return. Economic indicators are GDP-weighted with the exception of PMI, which is value-added-weighted.*

Source: Bloomberg

Over the past three months, the MSCI EM Index fractionally underperformed the DM equivalent, with China weighing on the index. EM economies look relatively robust and are less indebted (in most cases, China excepted) than many of their DM equivalents. EMs also tend to perform better as the dollar weakens, which is realistic in coming periods – the Fed seems closer to its terminal rate than in many other DM economies, and the USD is overvalued according to standard measures. In addition, EM equities have a relatively large weighting to Tech and semiconductors, and will be beneficiaries of further growth in this area. EM earnings are forecast to fall in 2023, though we expect a more robust recovery in 2024.

EM central banks acted more appropriately to the rise in post-pandemic inflation. They raised rates earlier, controlled inflation earlier, and are now, in some cases, beginning to cut policy rates earlier, aiding their equity markets. This response gives investors more certainty and a greater potential for a tailwind from reducing rates.

China remains an important element. It is the largest weight in the index and is facing some genuine headwinds. However, Chinese policymakers remain committed to their growth targets and face few political obstacles should they wish to implement further stimulus. Chinese companies are also well positioned for earnings growth in the AI and renewable energy transition space.

Market Strategy: Taiwan and Korea may benefit from a rebound in the semiconductor sector, and some other areas offer an upside bias. On aggregate, Emerging Market equities offer attractive return potential and exposure to key long-term thematic trends such as AI and the renewable energy transition. We remain *overweight*.

United Kingdom

OW (Global and Global ex-US index)

Valuations are very cheap, but we are increasingly concerned that they are cheap for valid reasons.

The UK forward P/E has fallen to 10.6x, below its average of the past five years (12.2x). Despite appealing valuations, the UK economy risks stagnation. UK inflation has been more persistent than many other DMs. There are signs that it has peaked, but it remained at 7.9% in June. Consequently, there is more uncertainty over the path of the UK base rate. On the positive side, the MSCI UK Index generates most earnings overseas. Consequently, weak domestic data may have a positive impact on the equity market via a weaker currency and higher nominal earnings growth. In addition, if there is to be a broad market sell-off, then the cheaply rated UK market might fare comparatively better. Alternatively, the UK has a larger weighting to the Energy sector and Materials. The UK is well positioned to benefit from a rebound in commodity prices.

Market Strategy: A positive catalyst has been elusive for UK equities. We remain *overweight* due to attractive valuations, a comparatively high sector weighting to defensive sectors and the index's high energy exposure which is well positioned to benefit from the recent rebound in crude oil prices.

Australia

OW (Global and Global ex-US index)

Earnings growth remains sluggish, but equities should rebound with any strength in commodities.

Australia has strong financial links with China, making the Chinese economic weakness and the possibility of an upside surprise key considerations. However, despite the soft Chinese economic data, Australian exports to China have held up and could grow further if the economy picks up. There are signs that the Australian economy is starting to show weakness, but the equity market is reasonably concentrated – Financials and Materials make up over half the index. The Material sector would benefit from an uptick in Chinese activity, particularly the housebuilding sector, or a broader increase in global commodity prices. Similar to the Canadian financial sector, multiples are already near the levels of previous recessions, which we do not believe is a fair reflection of a well-capitalised industry. We believe that this could provide an upside risk for the market.

Market Strategy: We remain *overweight* Australia. The domestic economy remains a headwind for earnings. However, we see a few potential positive catalysts for the market over the coming months. The financial sector is already priced for a recession outcome and will likely re-rate from any signs of growth. Also, an uptick in commodity prices, or from Chinese strength, would also be supportive for this market.

Canada

OW (Global and Global ex-US index)

Canadian equities are well positioned to benefit from an energy rebound.

Canadian equities are trading below the post-GFC average multiple (current P/E ratio of 13.2x compared to 14.2x for the prior 15 years). Financials represent the largest weight in the index and were recently trading at valuations similar to the depths of the GFC. Although they have recently risen slightly, they still offer upside potential. Energy (17.4% of the index) and Materials (11.4%) also make up large weights, offering potential outperformance – the recent climb in the oil price has not yet been fully reflected in the equity prices, and there is room for commodity prices to rise further. The Canadian economy has been relatively robust, with a strong labour market and falling inflation. There are risks though, as inflation may not continue to fade, prompting further central bank action. Households are also highly levered, making a slowdown in consumer spending possible.

Market Strategy: Despite potential risks, we remain *overweight* Canadian equities. The index is attractively priced, and the sectoral composition will benefit from a rebound in energy prices. The domestic economy will likely face headwinds, but the financial sector is already priced for a recession. We thus remain *overweight*.

Switzerland

UW (Global and Global ex-US index)

Valuations have retreated and Swiss equities have a defensive tilt.

Swiss inflation was less of a concern than most other developed markets, peaking at just 3.5%. It has since fallen back to 1.6% with relatively little action from the central bank. The past strength of the Franc helped reduce inflationary effects. Despite this comparative success, economic momentum has been poor, and several business surveys are now in contractionary territory. In time this weakness may lead to a rise in the unemployment rate. Switzerland's close economic ties with the Eurozone mean it is vulnerable to any slowdown that they experience, and given that we already see weakness in Europe, most noticeably in Germany, we do not think that Switzerland can escape a slowdown. Earnings growth is expected to be relatively strong but is vulnerable to downgrades, though the multiples have been cheapening.

Market Strategy: We remain *underweight* in the Swiss market, fearing it is vulnerable to a broader European slowdown. However, primarily due to its defensive characteristics, we are trimming our position.

INTERNATIONAL EQUITY - KEY ECONOMIC AND FINANCIAL INDICATORS

	Developed Market	Annual GDP Growth	Quarterly GDP Growth QoQ*	Industrial Production Growth	Consumer Price Index	Budget Balance % of GDP 2023F**	Trade Balance	Current Account Balance	Foreign Reserves 2023 Latest	Foreign Reserves 2022 Year Ago	Currency vs $ 2023 Latest	Currency vs $ 2022 Year ago	Short-Term Interest Rates	Sovereign Rating S&P	% MSCI ACWI Net***	Stock Market Index (MSCI ACWI Net) US$	Change since 12/30/22 US$	Change since 12/30/22 Local	2023 P/E Forecast	3 month Currency vs $ +/-
		Macroeconomic Data: % change on year ago				Latest 12 months									Market Performance				Forecast†	
		%	%	%	%		$ Bns	$ Bns	$ Bns	$ Bns			%		Jul. 31, 2023	Jul. 31, 2023	%	%		
Overweight	EM****	3.6	n.a.	2.4	2.8	-4.6	723.2	484.1	7643.64	7562.51	1679.68	1661.59	6.10	n.a.	#N/A	541.55	11.42	11.15	14.0	n.a.
Overweight	CANADA	1.9	3.1	-1.0	2.8	-1.2	0.0	-13.9	86.49	79.46	1.34	1.29	5.15	AAA	7.51	7543.94	11.66	8.47	14.3	+
Overweight	AUSTRALIA	2.3	0.8	0.6	6.0	0.2	93.3	23.8	36.91	34.45	0.65	0.70	2.80	AAA	4.75	5090.16	7.19	7.87	15.5	+
Overweight	UK	0.2	0.4	-2.3	7.9	-5.3	-61.6	-64.8	110.11	108.20	1.27	1.21	5.34	AA	9.47	7774.65	12.16	4.86	11.0	-
Neutral	DENMARK	1.9	2.4	13.6	2.5	1.5	11.1	53.5	88.21	66.00	6.79	7.28	3.35	AAA	1.92	53533.84	15.12	11.67	26.6	+
Neutral	HONG KONG	1.5	-5.1	3.9	1.9	-1.8	-53.1	111.8	420.87	464.91	7.82	7.85	4.98	AA+	1.59	63112.57	-4.69	-4.77	14.4	+
Neutral	ISRAEL	4.2	3.2	-0.8	4.2	-2.2	-34.5	62.1	195.10	195.36	3.72	3.32	4.86	AA-	0.42	140.38	4.66	7.29	9.8	+
Neutral	JAPAN	1.9	2.7	-0.4	3.3	-5.5	-137.8	88.9	1126.10	1192.91	143.44	135.04	-0.12	A+	14.36	7699.47	16.41	25.36	15.5	+
Neutral	NEW ZEALAND	2.2	-0.4	-4.4	6.0	-1.9	-9.8	-20.1	9.93	9.13	0.61	0.63	5.47	AA+	0.13	592.53	3.98	5.66	36.6	-
Neutral	NORWAY	2.4	0.8	1.4	6.4	20.9	129.4	152.3	70.49	69.15	10.22	9.73	4.76	AAA	0.43	9624.55	-0.10	2.59	9.5	+
Neutral	SINGAPORE	0.7	0.3	-4.9	4.5	-0.1	169.3	86.8	311.75	335.88	1.35	1.38	4.13	AAA	0.95	1205.38	10.52	9.55	12.3	+
Neutral	SWEDEN	0.8	2.4	4.3	9.3	-0.1	-2.2	27.7	40.26	42.53	10.68	10.17	4.00	AAA	2.05	28599.56	9.90	10.83	15.1	+
Underweight	SWITZERLAND	0.7	1.2	3.4	1.6	0.1	49.0	78.5	808.19	887.45	0.88	0.95	-0.75	AAA	6.48	17996.03	15.01	7.76	18.9	-
Underweight	EUROZONE	0.6	1.2	-2.2	5.3	-3.5	-3.6	-0.5	309.15	313.22	1.10	1.02	0.43	n.a.	2177.91	424.90	21.39	17.52	12.9	+

*Note: All data shown are as at August 9, 2023 unless otherwise stated. S&P credit rating shown is long-term foreign currency rating. * % change in GDP on previous quarter, annual rate. **Bloomberg consensus forecast. ***MSCI All Country World ex USA Index Daily Total Return Net. ****IP data from CPB; Currency level from MSCI EM Currency Index; GDP, CPI, budget and interest rate data from Bloomberg. †Any forecasts are based on Bloomberg consensus forecasts, where available, and assumptions. Actual results may vary from any such statements or forecasts. Past performance is no guarantee of future results.*

Source: Bloomberg, CLIM

GLOBAL EQUITY - KEY ECONOMIC AND FINANCIAL INDICATORS

		Macroeconomic Data												Market Performance				Forecast†	
		% change on year ago				Latest 12 months													
	Developed Market	Annual GDP Growth	Quarterly GDP Growth QoQ*	Industrial Production Growth	Consumer Price Index	Budget Balance % of GDP 2023F**	Trade Balance	Current Account Balance	Foreign Reserves 2023 Latest	Foreign Reserves 2022 Year Ago	Currency vs $ 2023 Latest	Currency vs $ 2022 Year ago	Short-Term Interest Rates	Sovereign Rating S&P	% MSCI ACWI Net***	Stock Market Index (MSCI ACWI Net) US$	Change since 12/30/22 US$	Change since 12/30/22 Local	2023 P/E Forecast	3 month Currency vs $ +/-
		%	%	%	%		$ Bns	$ Bns	$ Bns	$ Bns			%		Jul. 31, 2023	Jul. 31, 2023	%	%		
Overweight	EM	3.6	n.a.	2.4	2.8	-4.6	723.2	484.1	7643.64	7562.51	1679.68	1661.59	6.10	n.a.	#N/A	541.55	11.42	11.15	14.0	n.a.
Overweight	CANADA	1.9	3.1	-1.0	2.8	-1.2	0.0	-13.9	86.49	79.46	1.34	1.29	5.15	AAA	2.86	7543.94	11.66	8.47	14.3	+
Overweight	UK	0.2	0.4	-2.3	7.9	-5.3	-61.6	-64.8	110.11	108.20	1.27	1.21	5.34	AA	3.60	7774.65	12.16	4.86	11.0	-
Overweight	AUSTRALIA	2.3	0.8	0.6	6.0	0.2	93.3	23.8	36.91	34.45	0.65	0.70	2.80	AAA	1.81	5090.16	7.19	7.87	15.5	+
Neutral	DENMARK	1.9	2.4	13.6	2.5	1.5	11.1	53.5	88.21	66.00	6.79	7.28	3.35	AAA	0.73	53533.84	15.12	11.67	26.6	+
Neutral	HONG KONG	1.5	-5.1	3.9	1.9	-1.8	-53.1	111.8	420.87	464.91	7.82	7.85	4.98	AA+	0.61	63112.57	-4.69	-4.77	14.4	+
Neutral	ISRAEL	4.2	3.2	-0.8	4.2	-2.2	-34.5	62.1	195.10	195.36	3.72	3.32	4.86	AA-	0.16	140.38	4.66	7.29	9.8	+
Neutral	JAPAN	1.9	2.7	-0.4	3.3	-5.5	-137.8	88.9	1126.10	1192.91	143.44	135.04	-0.12	A+	5.46	7699.47	16.41	25.36	15.5	+
Neutral	NEW ZEALAND	2.2	-0.4	-4.4	6.0	-1.9	-9.8	-20.1	9.93	9.13	0.61	0.63	5.47	AA+	0.05	592.53	3.98	5.66	36.6	-
Neutral	NORWAY	2.4	0.8	1.4	6.4	20.9	129.4	152.3	70.49	69.15	10.22	9.73	4.76	AAA	0.16	9624.55	-0.10	2.59	9.5	+
Neutral	SINGAPORE	0.7	0.3	-4.9	4.5	-0.1	169.3	86.8	311.75	335.88	1.35	1.38	4.13	AAA	0.36	1205.38	10.52	9.55	12.3	+
Neutral	SWEDEN	0.8	2.4	4.3	9.3	-0.1	-2.2	27.7	40.26	42.53	10.68	10.17	4.00	AAA	0.78	28599.56	9.90	10.83	15.1	+
Neutral	UNITED STATES	2.6	2.4	-0.4	3.0	-5.7	-833.5	-943.8	36.64	36.27	1.00	1.00	5.67	AA+	61.95	12885.39	20.83	20.83	21.7	uc
Underweight	SWITZERLAND	0.7	1.2	3.4	1.6	0.1	49.0	78.5	808.19	887.45	0.88	0.95	-0.75	AAA	2.47	17996.03	15.01	7.76	18.9	-
Underweight	EUROZONE	0.6	1.2	-2.2	5.3	-3.5	-3.6	-0.5	309.15	313.22	1.10	1.02	0.43	n.a.	828.79	424.90	21.39	17.52	12.9	+

*Note: All data shown are as at August 9, 2023 unless otherwise stated. S&P credit rating shown is long-term foreign currency rating. * % change in GDP on previous quarter, annual rate. **Bloomberg consensus forecast. ***MSCI All Country World Index Daily Total Return Net. ****IP data from CPB; Currency level from MSCI EM Currency Index; GDP, CPI, budget and interest rate data from Bloomberg.*

†Any forecasts are based on Bloomberg consensus forecasts, where available, and assumptions. Actual results may vary from any such statements or forecasts. Past performance is no guarantee of future results.

Source: Bloomberg, CLIM

CITY OF LONDON
Investment Management Company Limited

Contacts

Macroeconomic Analysis

Justin Kariya, London Office
Phone: 011 44 207 711 1558
E-Mail: justin.kariya@citlon.co.uk

Tom Traill, London Office
Phone: 011 44 207 860 8316
E-Mail: tom.traill@citlon.co.uk

Yasemin Engin, London Office
Phone: 011 44 207 711 1551
E-Mail: yasemin.engin@citlon.co.uk

London Office
77 Gracechurch Street
London EC3V 0AS
United Kingdom
Phone: 011 44 20 7711 0771
Fax: 011 44 20 7711 0774
E-Mail: info@citlon.co.uk

Philadelphia Office
The Barn, 1125 Airport Road
Coatesville, PA 19320
United States
Phone: 610 380 2110
Fax: 610 380 2116
E-Mail: info@citlon.com

Singapore Office
20 Collyer Quay
10-04
Singapore 049319
Phone: 011 65 6236 9136
Fax: 011 65 6532 3997

Website
www.citlon.com