

## Market Update 3<sup>rd</sup> August 2020

July was a mixed month for global equity markets. Excluding the United States, most global equity markets fell as increasing coronavirus cases and the consequential economic impact caused uncertainty.

Although coronavirus cases are rising in several US states, particularly in southern states that were initially reluctant to enforce lockdowns or mandate the wearing of masks, equity markets are being buoyed by the results of the large tech companies.

The Dow Jones 30 increased by 2.4% in July but this was surpassed by the tech-heavy Nasdaq which was up 6.8%. At the end of the month, Amazon, Apple and Facebook posted excellent quarterly results. In particular, Apple's results sent its shares up 10.4% to a new all-time high. The company said its overall sales expanded by 11%, and it also announced a 4-for-1 stock split. This saw Apple overtake Saudi Aramco to become the world's most valuable company.

	Monthly performance to end of July 2020
FTSE 100 (UK)	-4.4%
Dow 30 (US)	+2.4%
Euro Stoxx 50 (Europe)	-1.8%
Nikkei 225 (Japan)	-2.6%

In terms of currency, £ Sterling ended July at 1.31 US Dollars. This was 5.5% higher than the figure at the end of June.

Against the Euro, £ Sterling ended July at 1.11 Euros, which was 0.6% higher than the June closing figure.

Inflation, as measured by the Consumer Prices Index including owner occupiers' housing costs (CPIH) was 0.8% in June 2020 (this is June's data which is reported in July). This was up from 0.7% in the previous month largely due to rising prices for games and clothing. The 12-month rate for the Consumer Prices Index (CPI) rate which excludes owner occupied housing costs and council tax was 0.6% in June, up from 0.5% in May.

There were no further changes to the Bank of England base rate last month following the two previous cuts in March. The current rate remains at 0.1%.

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 minimise global equity market falls in volatile periods.

*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.*