



September 2023: A summary for investors

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What's happened in September?

- The Federal Reserve, Bank of England and the European Central Bank may have reached peak rates
- US treasuries reach highest levels since 2007
- Have the Magnificent Seven run out of steam?

Market summary

September offered the first indications that interest rates may have reached their peak as inflation rates continue to trend downwards. The UK's consumer price index fell to its lowest level since 2022, sitting at 6.7%, the core measure of inflation dropped even more significantly to 6.2% and services inflation continues to ease.

The US economy remains relatively strong despite surging energy and oil prices due to supply cuts from Saudi Arabia and Russia. The so-called Magnificent Seven – which have been dominating the US market performance all year – saw a slight detraction in their stocks due to surging government bond yields.

It's a mixed picture in Europe. The European Central Bank raised interest rates for the 10th consecutive time despite headline Eurozone inflation rates declining to 4.3% year on year.

We'll have to wait and see if we really have reached the inflection point of peak rates, but as we go into the final quarter of the year, prudence is key.

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