

Street Lamp News



The world's economic overview could be summed up in one phrase: *risk is back in vogue*. After a tumultuous year marked by uncertainty and caution, investors seemed ready to embrace risk across most asset classes, resulting in a month of strong performances, albeit with some notable exceptions.

Leading the pack, the U.S. equity market surged ahead, delivering a stellar 6.2% return (in sterling terms) for the month. This rally came on the heels of a decisive political shift as Donald Trump and the Republicans secured commanding victories in the U.S. elections. Far from the anticipated messy or drawn-out results, the election outcome was clear and immediate, setting the stage for a market-friendly outlook. Investors interpreted Trump's proposed policies as a signal of economic stimulation through fiscal stimulus, tax reforms, and deregulation, all of which were welcomed enthusiastically by various market sectors.

The U.S. equity market's standout performance also drove the broader global benchmark to post a 5.3% return for November. Notably, the technology-driven gains that had defined much of the year's rally began to broaden. The "Magnificent 7" mega-cap tech giants, which had been the sole engine of market returns earlier in the year, shared the stage with other sectors such as financials and small-cap stocks. These shifts suggest that Trump's fiscal and deregulation plans may breathe life into previously lagging areas of the market, particularly small-cap companies that stand to benefit directly from tax cuts and infrastructure spending.

However, not all regions joined the party. Emerging markets and Europe struggled, posting negative returns for the month. For emerging markets, the looming spectre of increased U.S.-China trade tensions spooked investors, prompting a sell-off. In Europe, Germany's soft economic data and political unrest in France weighed on sentiment, leading to a decline in continental European equities.

UK equities managed to deliver a decent 2.5% return, bolstered by a flurry of merger and acquisition activity. In a surprising turn, November marked the first positive net inflow into UK equity markets in over 42 months, breaking a consistent outflow trend that had persisted since mid-2019. While it's too soon to declare a full reversal of fortune, this shift hints at a potential change in investor sentiment toward the UK market.

As central banks across the globe cut interest rates to counter slowing growth and inflation, fixed-income assets saw solid positive returns. Both credit and government debt benefited

from the favourable monetary environment, giving investors an alternative avenue for gains. However, the longer-term outlook remains uncertain. Market watchers are cautious about the potential inflationary effects of Trump's trade policies, particularly the reintroduction of tariffs, which could curb central banks' ability to continue rate cuts. For now, the fixed-income rally holds firm, but the road ahead may be less smooth.

Infrastructure investments and commodities added to the risk-on narrative, delivering positive returns in November. Commodities, however, had a notable outlier: gold. After hitting all-time highs at the end of October, gold prices fell 1.7% as the appetite for risk assets drew investors away from safe havens. This decline underscores a broader shift in market sentiment as investors moved from a defensive stance to a more growth-oriented outlook.

As the year approaches its close, November's strong market performance offers a snapshot of cautious optimism. Yet, risks linger on the horizon. The impact of U.S.-China trade tensions, the political landscape in Europe, and the trajectory of central bank policies will continue to shape global markets.



Office News

Many of you will have seen the return of the Elves in our window. In their 8th year, they have been telling Christmas Crackers jokes and making the children who pass the window on the way to school smile.

Office Opening

The office will be closed from 12:30pm on Christmas Eve until 9am on 2nd January 2025.

If you need to speak to someone during that period please call Claire's office mobile on 07511 156440.

We wish you all a very Happy Christmas and a prosperous 2025 and thank you for all the support and referrals you have made in 2024.

Book Club

For this months book club it seems appropriate to look at the Amazon Best Selling Book on 2024.

Surprisingly, none of our book readers in the office have read The House Maid by Freida McFadden, so I have included details directly from Amazon:

Every day I clean the Winchesters' beautiful house top to bottom. I collect their daughter from school. And I



What is a Elf's favourite music?

Also this month Claire, her husband and daughter took part in the Lincoln Santa Fun Run, helping to raise money for Age UK Lindsey. If you would like to make a small donation to this fabulous Charity the Funding page is still open:

<https://bit.ly/4iRzbKU>

The whole team has also taken part in Xmas Jumper Day for Save the Children, with our annual quiz won by Jo Wilderspin.

We have donated over £500 to various charities as part of our program of donating when you refer and will continue this in 2025.

Our Technical news will return in January as there are plenty of topics to cover with the changes in the Budget.

cook a delicious meal for the whole family before heading up to eat alone in my tiny room on the top floor.

I try to ignore how Nina makes a mess just to watch me clean it up. How she tells strange lies about her own daughter. And how her husband Andrew seems more broken every day. But as I look into Andrew's handsome brown eyes, so full of pain, it's hard not to imagine what it would be like to live Nina's life. The walk-in closet, the fancy car, the perfect husband.

I only try on one of Nina's pristine white dresses once. Just to see what it's like. But she soon finds out... and by the time I realize my attic bedroom door only locks from the outside, it's far too late.

But I reassure myself: the Winchesters don't know who I really am.

They don't know what I'm capable of . . .

Interesting fact: The word 'budget' comes from the French word *bougette*, meaning 'little bag'. The Oxford English Dictionary notes the 16th-century usage of 'to open one's budget' meaning to reveal a secret, perhaps a slightly unwelcome one.

We are authorised and regulated by the Financial Conduct Authority.

Our numbers are as follows:

Office 01507 527383 (mail@fhmannings.co.uk)

Claire 07511 156440 (clm@fhmannings.co.uk)

Malcolm 07511 156402 (mw@fhmannings.co.uk)

Cole 07544 164628 (cwgm@fhmannings.co.uk)

The Street Lamp, 8 - 12 South Street, Horncastle, LN9 6DX

This newsletter is for information only and does not constitute advice.

Market Commentary provided by Copia Capital.