



The final month of 2024 offered a mixed bag for global markets, capping off a year that was largely favourable for risk assets but ended on a more cautious note. December's economic pulse reflected a challenging environment, as markets navigated the implications of a shifting policy landscape, persistent geopolitical tensions, and regional economic divergences. Performance across asset classes was mixed, with equities delivering modest gains in some regions but generally underwhelming results overall. Alternatives and bonds faced broad declines, while currency movements highlighted the strength of the dollar against its major counterparts.

The U.S. equity market continued to shine, posting a 10.7% return over the fourth quarter and cementing its position as the top-performing region for the year. December's performance was bolstered by strong GDP growth and investor confidence in the continuation of Trump's 2.0 economic agenda. Policies centred on tax cuts and deregulation have invigorated various sectors, with financials and small-cap stocks starting to join the growth alongside the "Magnificent Seven" mega-cap tech giants that dominated earlier the year.

The strengthening U.S. dollar added an additional tailwind for sterling-based investors, appreciating by 6.6% against the pound during the quarter. This currency dynamic amplified returns and underscored the relative strength of the U.S. economy compared to other developed markets.

In stark contrast, Europe ended the quarter as the worst-performing region, with equities declining by 4.4%. The continent's manufacturing sector faced significant headwinds, including rising costs, weak export demand, and intensifying competition from China. Political instability in key economies such as France and Germany further weighed on sentiment, exacerbating the poor performance of European equities.

UK equities posted a marginal decline of 0.7% for the quarter but managed a respectable near 10% gain for the year. December's performance was subdued as the UK autumn budget introduced higher than expected tax hikes, dampening investor enthusiasm. However, attractive valuations and robust merger and acquisition activity provided a silver lining, hinting at potential upside in the medium term. The first positive net inflows into UK equities in years, observed in November, suggest a gradual shift in investor sentiment toward the region.

Asian and emerging markets closed the year on a weak note, with equities declining in quarter four. Persistent macroeconomic challenges in China—including soft economic data, falling property prices, and concerns over debt sustainability—cast a shadow over the region. Emerging markets also struggled with the ripple effects of U.S.-China trade tensions and a stronger dollar, which discouraged capital flows into these economies. Japanese equities were a notable exception, delivering modest gains for the quarter. The ongoing benefits of corporate reforms and optimism about the end of deflation supported the market, offering a glimmer of hope in an otherwise challenging environment for the region.

Throughout most of 2024, declining inflation enabled central banks to cut interest rates, providing a supportive backdrop for fixed-income assets. However, December saw cracks in this narrative as concerns emerged about the inflationary potential of Trump’s fiscal policies, particularly the reintroduction of tariffs. This shift in sentiment led to weakness across interest rate-sensitive assets, including bonds, infrastructure, and real estate.

Gold, a perennial safe haven, rebounded strongly with a 5.9% gain for the quarter, reaching all-time highs in October before stabilising. The metal’s performance was underpinned by geopolitical uncertainty and continued central bank purchases. In contrast, other commodities faced headwinds as slowing global growth tempered demand.

As 2024 drew to a close, markets exhibited a cautious optimism tempered by emerging risks. The U.S. continued to lead the global recovery, buoyed by robust economic growth and market-friendly policies. However, the divergence in regional performance highlighted the fragility of the global economy, with Europe and emerging markets lagging behind. Looking ahead, the interplay between fiscal stimulus, monetary policy, and geopolitical developments will shape the narrative for 2025. While December may not have ended the year with fireworks, it provided a fitting conclusion to a complex and dynamic year for global markets.



Office News

Each month the team take part in training and in January it was delivered by the Community Team from

Technical News

We're all aware of the proposed changes to Pensions, and more specifically how they will

Book Club

Our January book review is by Samantha Robinson, a keen reader and member of a local book club.

YMCA on Age Awareness.

The whole team used a variety of different goggles to simulate visual impairments such as cataracts and macular degeneration.

We also had the opportunity to try on the GERonTologic simulation suit, which gave us an insight into the impact of mobility issues, loss of muscle strength and dexterity, as well as hearing and sight loss.

We hope that by understanding the impact of ageing we can make adaptations to our offices and our services to better support those of all ages.

If you feel that there are any changes which would make the experience more supportive to you please do let us know.

As we continue to review all our practices with an eye on the impact we have on the planet, the move to a more paperless service continues. We will, of course, offer our communications in the most appropriate way to each individual, but will be contacting any clients for whom we have an email address to offer access to our portal to facilitate digital reporting and secure messaging. If you would like

formulate part of an individual's estate for Inheritance Tax (IHT) purposes from April 2027.

This announcement has prompted individuals who have spent decades utilising their Annual Allowances, and retaining capital within a pension wrapper to mitigate their IHT liability, to consider alternative options now that the goalposts have been moved.

One popular consideration is the withdrawal of tax-free cash via a Pension Commencement Lump Sum (PCLS). After all, now that the IHT incentive isn't there, why would someone choose to relinquish their right to a tax-free lump sum, when in the event of their death after age 75, their beneficiaries will be taxed at their marginal rate of income on the same withdrawal.

Furthermore, in April 2024 the Lifetime Allowance (LTA) was abolished and replaced by the Lump Sum Allowance (LSA). If an individual reached age 75 before the 6th of April 2024, the total value of their pension savings were tested against the LTA at that time.

Without going into the technical details too much, this unfairly results in a lost opportunity to save £000s in income tax.

If this applies, it is important that you apply for a

The Frequency of Us by Keith Stuart

In Second World War Bath, young, naïve wireless engineer Will meets Austrian refugee Elsa Klein: she is sophisticated, witty and worldly, and at last his life seems to make sense . . . until, soon after, the newly married couple's home is bombed, and Will awakes from the wreckage to find himself alone.

No one has heard of Elsa Klein. They say he was never married.

Seventy years later, social worker Laura is battling her way out of depression and off medication. Her new case is a strange, isolated old man whose house hasn't changed since the war. A man who insists his wife vanished many, many years before. Everyone thinks he's suffering dementia. But Laura begins to suspect otherwise . . .

[If you would like one of the 2 copies we have to giveaway please email me](#)

to find out more, please talk to your adviser.

Transitional Tax-Free Amount Certificate (TTFAC). Effectively, the certificate will demonstrate the tax-free lumps sums you have received rather than a standard assumption. It can then be given to providers when accessing benefits to allow them to determine the maximum tax-free cash that can be paid.

If this applies to you then we will be in touch, but feel free to talk to us further about this.

Interesting fact: Isaac Newton became Warden of the Mint in 1696 and decided that coins had to be perfectly round with ridged edges to avoid cheating.

We are authorised and regulated by the Financial Conduct Authority.

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