

weekly

Headway has been made in the English Premier League where this year we saw the world's first net zero carbon football game at an elite level

Match Day for Climate Action*by Jackson Franks***08 November 2021**

It appears that each time it's my turn to write the blog we are at the start or in the midst of a major sporting event. This time round it's the autumn rugby internationals. For those who are unaware of the annual occasion, it's the time of year when the Southern Hemisphere nations leave their +20°C blue sky climates and head up North to the depths of darkness, rain, and wind. A month's long rugby tour against the Northern Hemisphere countries then ensues. For our British and South African readers, it's a highly anticipated tour this time round for the British Island's. The Springbok's face off against Wales, Scotland, and England, who will each seek retribution from losing the British & Irish Lions tour to South Africa earlier on in the year. However, the home nations should perhaps look to the climate activists who seem to be making head way in their retribution against Global leaders in attendance at COP26, who are showing signs of understanding the commonly used phrase; actions speak louder than words.

As an avid sports fan, the autumn internationals bring great excitement, however, one matter that can't be ignored is the amount of travel the eight Southern Hemisphere nations will embark on and therefore the environmental impact. Over 100,000 km will be travelled by air, and with planes emitting an average of c.115 grams of Co2 per passenger per km the impact to the environment will be sizable. Now, I am not saying the Autumn festival should be cancelled, but with professional sporting entertainment being a huge part of society globally, governing bodies across sports need to act.

Progress is being made and at COP26, over 280 sports organisations have pledged support to the UN's Sport for Climate Action Framework. The aim of the framework is for sporting events to achieve net-zero emissions by 2040. Headway has also been made in the English Premier League ("EPL") where this year we saw the world's first net zero carbon football game at an elite

level when Tottenham Hotspur hosted Chelsea. Although this was a major step forward in the right direction, just a month later, Manchester United took a 20-minute flight to Leicester, a 100-mile trip. Their argument: to beat traffic! Governing bodies need to remain consistent in their approach for these targets to be met, so perhaps prohibiting air travel for matches in the EPL should be the next point on the Premier League climate strategy agenda.

To contextualise the impact that such a change could have, a study showed that EPL clubs produced 1,134 tonnes of Co2 emissions because of travel in the 2016/17 season, the equivalent of 2 flights per day for 365 days from London to Sydney (17,016km per flight). With England only 965km north to south and 485km east to west, the carbon footprint of the EPL is substantial. Alternative transportation should be sought, especially when passenger trains emit 35.1 grams per passenger per km, circa 70% less than air travel.

At Momentum, we are constantly looking to minimise our carbon footprint through our activities, whether its methods of transportation in meeting our clients domestically and internationally or the work we do to understand our managers' credentials and their capabilities for assessing environmental risks in the companies in which they invest. As part of our parent company, Momentum Metropolitan Holdings Limited, we have been a signatory to the United Nations Principles for Responsible Investment (PRI) since 2006 and more recently we have applied to be signatories to the UK Stewardship Code, having just published our first Stewardship Report ([Read our Stewardship Report](#)) Responsible investing is embedded in our process and impact on the environment is a fundamental factor in our decision making.

Market Focus

- » **Global equities rallied 1.8% last week**
- » **European gas surged on signs Russia won't deliver the boost Vladimir Putin promised**
- » **Brent crude fell -1.9% last week to \$82.7 a barrel post-OPEC+ meeting**
- » **Gold gained +2.0% to \$1818.4 per ounce**

US



- » US equities rallied 2% last week, driven by pharmaceuticals and retail outperforming, healthcare and financials sectors underperformed.
- » Weekly jobless claims came in at 269k, better than the 275k forecast and down from 283k last week.
- » The Fed will begin trimming its asset purchases by \$15bn this month, as expected. The FOMC also signalled it's less confident the jump in inflation will prove temporary, warning that supply chain imbalances have meant "sizable price increases in some sectors."
- » The USA's extensive \$550bn bipartisan infrastructure measure was passed on Friday, pending President Biden's signature. Funds will be allocated for new roads and bridges and expanded broadband, clean water, power grid upgrades, pollution clean-up, and other priorities.
- » Elon Musk polled his Twitter followers. They voted that he sells 10% of his Tesla stake as the billionaire waded into the debate over the wealthy hoarding unrealized gains to avoid paying taxes.



Europe

- » European equities rallied 2.3% last week, with technology and auto parts outperforming, while basic resources and insurance sectors declined.
- » German October Manufacturing PMI came in at 57.8, lower than the 58.2 forecasts.
- » Lagarde said the ECB is "very unlikely" to hike rates next year, despite the current inflation surge.



Rest of the World/Asia

- » The benchmark Global Emerging Markets index fell -0.3% last week.
- » Japan's equities rallied +2.0% last week.
- » President Xi Jinping will assemble with the Communist party on Thursday to build the foundations to secure his 35th term next year.
- » Beijing may allow quarantine-free travel between mainland China and Hong Kong from next month.

UK



- » UK equities rallied 1.0% last week.
- » The Bank of England (BoE) maintained their benchmark interest rate at 0.1% and Q.E. program with a vote of 7-2. However, BoE Governor Bailey said that the interest rate would have to rise in the coming months to meet targets.
- » The UK October Manufacturing PMI came in at 57.8, higher than 57.7 forecast.

Market Summary

Asset Class / Region	Currency	Cumulative returns			
		Week ending 05 November	Month to date	YTD 2021	12 months
Developed Markets Equities					
United States	USD	2.0%	2.0%	26.1%	35.2%
United Kingdom	GBP	1.0%	1.0%	17.6%	29.4%
Continental Europe	EUR	2.3%	2.3%	23.8%	34.2%
Japan	JPY	2.0%	2.0%	15.3%	26.3%
Asia Pacific (ex Japan)	USD	-0.3%	-0.3%	-0.7%	9.5%
Australia	AUD	1.9%	1.9%	16.9%	25.9%
Global	USD	1.8%	1.8%	21.6%	32.9%
Emerging Markets Equities					
Emerging Europe	USD	0.9%	0.9%	29.0%	58.1%
Emerging Asia	USD	-0.5%	-0.5%	-3.4%	5.8%
Emerging Latin America	USD	2.3%	2.3%	-8.5%	13.6%
BRICs	USD	-0.8%	-0.8%	-6.0%	-0.7%
China	USD	-2.2%	-2.2%	-15.9%	-15.7%
MENA countries	USD	0.7%	1.1%	32.1%	41.4%
South Africa	USD	2.4%	2.4%	6.5%	16.1%
India	USD	1.5%	1.5%	26.3%	47.6%
Global emerging markets	USD	0.0%	0.0%	-0.3%	10.6%
Bonds					
US Treasuries	USD	0.7%	0.7%	-2.1%	-2.6%
US Treasuries (inflation protected)	USD	0.9%	0.9%	5.6%	7.6%
US Corporate (investment grade)	USD	0.9%	0.9%	-0.1%	1.5%
US High Yield	USD	0.6%	0.6%	5.0%	8.9%
UK Gilts	GBP	1.8%	1.8%	-3.9%	-3.0%
UK Corporate (investment grade)	GBP	1.4%	1.4%	-1.8%	1.3%
Euro Government Bonds	EUR	1.6%	1.6%	-2.1%	-2.1%
Euro Corporate (investment grade)	EUR	1.0%	1.0%	-0.1%	0.7%
Euro High Yield	EUR	0.4%	0.4%	3.5%	7.1%
Japanese Government	JPY	0.2%	0.2%	0.0%	-0.1%
Australian Government	AUD	1.2%	1.2%	-4.1%	-5.3%
Global Government Bonds	USD	0.8%	0.8%	-5.2%	-3.9%
Global Bonds	USD	0.8%	0.8%	-4.1%	-2.3%
Global Convertible Bonds	USD	0.8%	0.8%	1.1%	8.8%
Emerging Market Bonds	USD	0.9%	0.9%	-3.4%	-0.3%

Market Summary

Asset Class / Region	Currency	Cumulative returns			
		Week ending 05 November	Month to date	YTD 2021	12 months
Property					
US Property Securities	USD	1.7%	1.7%	33.8%	45.4%
Australian Property Securities	AUD	4.2%	4.2%	16.9%	21.5%
Asia Property Securities	USD	-0.9%	-0.9%	1.1%	5.4%
Global Property Securities	USD	1.4%	1.4%	19.9%	31.0%
Currencies					
Euro	USD	0.2%	0.2%	-5.5%	-2.1%
UK Pound Sterling	USD	-1.3%	-1.3%	-1.2%	3.0%
Japanese Yen	USD	0.6%	0.6%	-8.9%	-8.5%
Australian Dollar	USD	-1.5%	-1.5%	-3.8%	1.8%
South African Rand	USD	1.5%	1.5%	-2.7%	4.6%
Swiss Franc	USD	0.5%	0.5%	-3.0%	-0.6%
Chinese Yuan	USD	0.1%	0.1%	2.0%	3.2%
Commodities & Alternatives					
Commodities	USD	-0.9%	-0.9%	42.3%	60.1%
Agricultural Commodities	USD	-0.7%	-0.7%	28.2%	41.7%
Oil	USD	-1.9%	-1.9%	59.7%	102.2%
Gold	USD	2.0%	2.0%	-4.0%	-6.6%
Hedge funds	USD	0.3%	0.3%	5.1%	8.8%

For more information, please contact:

Distribution Services

E: distributionservices@momentum.co.uk

T: +44 (0)207 618 1806

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