**13/11/23 – Monday**

**Suella outed for David Cameron – A Barron**

Suella, the home secretary, has been outed for and replaced by James Cleverly, the previous foreign secretary. To fill Cleverly’s role, David Cameron has been drafted in as a Barron due to him leaving parliament after the 2016 Brexit referendum. This in turn has meant that David Cameron came in as a Baron.

David Cameron was previously the centre of a lobbying scandal which entailed him lobbying former colleagues in government on behalf of his employer, Greensill Capital, an obvious conflict of interest. After he had left the position in 2016, he had embarked on a £1bn UK-China investment fund which was later mothballed due to deteriorating relations with China.

Due to the nature of Suella’s sacking, many believe she may make a play to become party leader. Additionally, as home secretary, Suella put forward plans to send migrants to Rwanda and a decision on its legality is making an appearance in the supreme court this week – Wednesday.

Suella has already been fired from this position after she was involved in a security breach in which she used her personal email to send confidential government business plan.

**Tony Blair in Gaza**

The former UK prime minister has been called up by Netanyahu to play a role as a humanitarian co-ordinator in Gaza, building on the former minister’s experience in the region.

Many have said that the only reason Blaire would take the role is if there is a chance he can change/ improve the humanitarian situation in Gaza and reduce international pressure on Israel.

Blaire remains a controversial figure in the UK after the decision to take the UK to war with Iraq in 2003. After leaving Downing Street in 2007, he became an envoy to the middle east for the Quartet, US, RU, UN and Russia and established an office in Jerusalem. He now currently runs a think tank consultancy.

**Whitehall set to employ more from the private sector**

Ministers are concerned that systems lack nimbleness and speed – therefore, tapping into the private sector to improve processes as well as address skill-shortages, in fields such as AI, data science and technology.

Many hope that the incorporation of AI as well as other technological advancements can improve decision making speeds and reduce bureaucracy.

**Live news run through**

**Gaza**

The two remaining water distribution contractors in Gaza have ceased operations due to them not having enough fuel – this comes because no oil has entered the Strip since October 7th due to Israel saying the oil was used to fuel Hamas’ operations. This in turn will stop 200,000 people receiving potable water.

**US equities lower and treasury yields climb**

This comes as markets prepare for CPI data releasing tomorrow which will shape expectations for how long the FED can keep interest rates higher. The US’ credit outlook was lowered to negative from stable by Moody’s. The BLS is expected to release a 3.3% YoY increase in inflation for October, as polled by Bloomberg.

Moody’s explained that the downgrade was due to weakening fiscal strength that may no longer be offset by the sovereign’s unique credit strengths. Moody’s currently remain the last credit rating agency to rank the US in AAA+, while Fitch and S&P stand at AA+.

**UK gilts rally as house prices ease**

UK bonds rallied on Monday pushing 2 year yields down to 4.62%, a drop of 0.05% points. Rightmove said asking prices for homes had fallen at their fastest pace for the first time in 5 years, with the average asking price falling 1.7% MoM.

**Chevron restores production at Israeli gas field**

The Tamar offshore gas field in Israel, owned by American Chevron, has been instructed to resume production by the Israeli government after previously being told to halt due to safety concerns following the October 7th attacks. The gas is first exported to Israel where it then flows to Egypt where it can be turned in LNG.

**The UAE speaks on Israel’s ‘disproportionate attacks’**

The UAE has urged the international community to find a solution to the conflict due to the ‘unparalleled and disproportionate’ attacks on Civilians which threatens to fuel radicalisation in the Middle East. Answar Gargash, Diplomatic advisor to the UAE, told a conference in Abu Dhabi that a two-state solution was the only pathway to lasting secreting and that underlying the conflict is a serious failure of policy of containment of the Palestinians.

**14/11/23 – Tuesday**

**US CPI**

US inflation fell more than expected to 3.2% for October (Compared to 3.3% exp), the first decline in 4 months. This compares to the September reading of 3.7%. Yields dropped on the news while equities rose. Investors are now becoming increasingly confident that rates have hit their terminal level.

Core inflation was also weaker than expectations as it dipped from 4.1% in September to 4% in October. It rose 0.2% MoM.

Stronger than expected US growth in GDP has stoked fires that the inflation may pick up again, this also feeds into the narrative by Jay who stated the ‘FED would not be misled by a few good months of data’ and that rates will still hike if necessary.

Instead of another rate hike, the FED is expected to push back rate cuts deeper into 2024, however, the yields to not mirror this narrative.

**Hospitals in Gaza stop functioning**

All but one hospital in north Gaza has stopped functioning according to the UN. Israeli advances into Gaza alongside the halt in the supply of fuel, water and food has besieged the territory.

Al-Ahli – the last hospital, is treating ‘all injuries up to the moderate level’ without anaesthesia and supplies were on the ‘verge of depletion’, Al-Shifa, the biggest hospital in northern Gaza, was described by the WHO as ‘almost a cemetery’.

Babies at Al-Shifa have been said to be wrapped in cellophane to prevent them from dying since the loss of power has meant that the incubators no longer work.

Al-shifa has been described by Israeli forces as a ‘significant site for Hama’s operations’ because it sits on top of an underground infrastructure that Israel intends to destroy. However, Doctors at the hospital have claimed this is false and that several patients and medical personal and civilians are instead sheltering there.

Biden is said to have spoken to Israel to ensure that hospitals are protected and that there will be ‘less intrusive action’ on them.

Israel’s assault has killed 11,000 people, 4,500 are said to be children and 3,000 women. Due to electricity disruptions, calculations have been had to sum and there is suspected to be another 3,000 civilians missing.

**Russian oil sold under $60 cap**

The US cap on Russian oil is said to be completely circumvented. Moscow released statistics on Oil sales that show the average price received per barrel was $80. ]

The cap was imposed last December by the G7 and Australia and was intended to cut off Russia’s western services as well as insurance.

Russia, however, has managed to build up a ‘shadow fleet’ of old tankers to circumvent the sanctions. Urals, Russia’s main oil export, tipped above $60 this summer as Oil prices rallied due to Suadi and Russia’s announced production cut.

In October, on 37 of 134 vessels that shipped Russian oil was covered under insurance. The sanctions, implicitly including extended shipping routes as well as higher insurance premiums, was expected to add as much as $36 p/b.

The US treasury department has allegedly requested information from 30 shipping companies controlling 98 vessels which it suspects are violating the CAP. 17 of which were from G7 cap coalition countries. 6 UAE with other in India, HK, Turkey, China and Indonesia.

Russia is still getting its barrels sold for less than the international benchmark, brent crude, which sells at $89, however, this discount was once $40 and has now been shrunk to $10.

**The flying tigers**

China has recently been pushing the message of the ‘Flying tigers’, a reference to a group of US and Chinese fighter planes who defended the Chinese Nationalist party during the second world war in the run up to the meeting between Xi and Joe Biden in San Fran for the Asia-Pacific economic conference.

However, Xi likes to push the agenda in his common slogan ‘the East rises, the West Falls’ while state media extensively covers school shootings as well as other US problems. It’s goal is to undermine the US as an aspirational place. With that said, the US also disproportionately covers negative news out of China.

China’s ‘great firewall’ which blocks sites outside its borders, have been created so that when the Chinese jump over said wall, they are ‘patriotic defenders’

**15/11/23 – Wednesday**

**Supreme court rules Rwanda Asylum is unlawful**

The supreme court has ruled that deporting asylum seekers to Rwanda is unlawful in a major blow to Rishi’s government. It was said that asylum seekers may force ill treatment as well as refoulment (the forced return of asylum seekers to their home countries where they will likely face persecution).

The ruling has fuelled arguments to for the UK to leave the European Convention on Human Rights. Suella was a key proponent of the policy and warned that Rishi had failed to prepare any ‘plan B’. She said that if the UK did not want to leave the ECOH then he would have to block off the convention, as the Human Rights act and other obligations which inhibit the UK’s ability to remove those who do not belong in our country.

The UN convention for refugees is another issue, aside from the ECHM to prevent displacing the refugees.

**UK inflation**

UK inflation slowed more than expected to 4.6% for October, far below the 6.7% pace recorded for September and below 4.8% estimates. With that said, this simply means that prices have slowed down in their growth, rather than prices are falling – therefore, as long as purchasing power stays repressed due to essentials representing a higher proportion of disposable income, it does not mean much to the everyday person.

The fall was driven in part by a reduction in Of-gem’s price cap, reflecting lower wholesale gas prices. Slowing food inflation also helped.

The core CPI rate rose to 5.7% YoY for October, lower than 6.1% in September. Services inflation also slowed from 6.9% to 6.6%.

The overall price level in the UK was still 16% higher than that of October 2021.

Interest rates are expected to be cut in June 2024.

Eurozone inflation fell to 2.9% in October, from 4.3% in September.

**Al-Shifa update**

The IDF launched an attack on Al-Shifa to some extent today as they raided the hospital, home to 9,000 civilians in refuge from the IDF’s attacks, to identify Hamas militants in the area. The IDF reportedly killed 4 members of Hamas outside the hospital and identified weapons as well as ‘terrorist infrastructure’ within. Al-Shifa shut down during the weekend due to a lack of fuel.

Additionally, two telecom networks, operating in Gaza, are expected to shut-down due to a lack of fuel which will lead to a telecoms blackout in the coming hours.

More than 11,000 Palestinians have now been killed due to the offensive.

32 patients have allegedly died in Al-Shifa since Saturday because of loss of power as well as dire conditions.

**17/11/23 – Friday**

**UK retail sales fall to a two year low**

UK retail sales fell to their lowest since February 2021 as consumers curb spending in the face of inflation as well as the cost of living crisis- the news sent Gilt yields lower- suggesting economic uncertainty.

Sales dropped by 0.3% in October MoM, expectations were a 0.3% rise. YoY, this represented a 2.7% drop, much larger than the forecast of a 1.5% year on year decline. Two year yields dropped to around 4.5% today on the back of the news. 10 years are now hovering around 4.09%.

The data also showed that consumers spent 3.1% more on goods than in February 2020, but bought 16.9% less. Despite the drop in inflation to 4.6%, down from 6.7%, consumers are still facing a fifth higher prices than that of early 2021.

**Christine Lagarde on EU SEC**

Christne Lagarde has called for the EU having its own version of the SEC as well as a unified stock exchange – this will help with ‘deglobalisation, demographics and de-carbonisation’.

She said the transition to renewable energies would cost 620bn euros by 2030 with the online transition costing 125bn per year.

While the European Securities and Market Authority (ESMA), based in Paris, oversees the financial markets in Europe, national watchdogs still yield a lot of power.

The regions stock market is half the size of the US despite the fact the EU has 3x as many exchanges, this in turn makes it so there is less liquidity in markets compared to the US counterparts.

**Iran told US it did not want Israel-Hamas war to escalate**

Iran warned that although it did not want the conflict to continue, in channels with the US, a regional conflict could be unavoidable if the attacks on Gaza continue. US officials have confirmed that Iran did not play a role in the October 7 attacks in the sense that they were not alerted prior to the attack.

Iran also stated that Hizbollah, as well as other Islamist militants in Yemen, Iraq, Syria and Palestine were not Iran proxies and instead, had their own leaders and independent political identity- this is contrary to western coverage.

Allegedly, the Yemeni army has began to attack the occupied land with missiles and drone strikes suggest that the war is already beginning to expand.

**Live News Run through**

**US housing starts rise**

Housing starts increased in October by 1.9% to a seasonally adjusted rate of 1.37mn. Single family starts on the other hand increased 0.2% and are up 13.1% from a year ago.

Permits to build new family homes increased 0.5% from September and are up 13.9% from a year ago – this demonstrates that despite higher interest rates, demand is still present.

**Nation wide**

The third largest mortgage lender announced today that arrears are beginning to rise. 0.38% of the residential mortgages are behind on payments for more than 3 months at the end of September, compared to 0.32% at the start of April – it was premised with inflation, higher economic uncertainty and high borrowing costs presenting ‘key risks’.

**Kishida – Japan Prime Minister**

Kishida called on China to work with Japan for a ‘brighter future’ in his first F2F meeting with Xi in a year. The talks were done at the APEC summit in San Fran and were aimed at maintaining high level talks in order to avoid misunderstandings as Japan expands its defence spending to counter a military threat from China.

Xi said that Japan and China needed to manage differences in opinion while pursuing a mutually beneficial relationship.

Biden and Xi have agreed to resume high-level military communications (which were paused after Nancy Pelosi went to Taiwan) as well as set up a counter-narcotics working group.