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CITY OF WOLVERHAMPTON COUNCIL

Pensions Committee

21 March 2018

Report title	Economic and market update – February 2018	
Originating service	Pension services	
Accountable employee(s)	Jill Davys Tel Email	Assistant Director – Investments & Finance 01902 550555 jill.davys@wolverhampton.gov.uk
Report to be/has been considered by	Rachel Brothwood Tel Email	Director of Pensions 01902 551715 rachel.brothwood@wolverhampton.gov.uk

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Recommendations for noting:

The Committee is asked to note:

1. The global economic and market update paper prepared by the fund's adviser, Hymans Robertson.

1.0 Purpose

1.1 To review conditions in the global economy and investment markets.

2.0 Background

2.1 A report is provided quarterly by the fund's investment adviser, Hymans Robertson. It is set out in Appendix A.

2.2 In a bid to lower inflation, which rose above its target level of 2%, the Bank of England raised the base rate from 0.25% to 0.5% in November 2017. The Bank has subsequently indicated that further rate hikes are likely. In the US, the Federal Reserve also continued to tighten its monetary policy by raising interest rates by 0.25%. Sterling continued to strengthen against the US dollar during the quarter ending 31 December 2017.

2.3 Equities continued to outperform bonds over the quarter, delivering positive returns as major indices hit record levels. In the short term the Fund continues to favour growth assets (and equity markets in particular) while opportunities are sought in income asssets.

3.0 Financial implications

3.1 The report contains no direct financial obligations.

4.0 Legal implications

4.1 This report contains no direct legal implications.

5.0 Equalities implications

5.1 This report contains no equal opportunities implications.

6.0 Environmental implications

6.1 This report contains no environmental implications.

7.0 Human resources implications

7.1 This report contains no direct human resources implications.

8.0 Corporate landlord implications

8.1 This report contains no direct corporate landlord implications.

9.0 Schedule of background papers

9.1 There were no preceding background papers.

10.0 Schedule of appendices

10.1 Appendix A: Economic and market update – February 2018.