Investors are now less confident about investing in the UK than they were earlier in the month, with both the general election and the Brexit vote, according to the latest Lloyds Private Bank Investor Sentiment Index (ISI).

SEPTEMBER ANALYSIS

Investors towards the UK took a dive in September, with confidence in UK equities, UK government bonds and UK corporate bonds falling. The UK equities sector was the biggest loser and saw its trust level fall for 18 months in a row. Uncertainty about the type of deal that the UK can secure on exiting the European Union could well be why investors are wary of longer-term prospects for investing in the region.

Investors are also much less optimistic about US equities when compared to this time a year ago, (down 9.91%) and is now at the lowest level it has been since November 2010, unsurprising given the continued low interest rate environment. Investors are now less confident about investing in the UK than they were in the aftermath of the general election or the Brexit vote, according to the latest Lloyds Private Bank Investor Sentiment Index (ISI).

Our monthly index has followed something of an unsteady course so far this year. It was only three months ago when we were seeing record sentiment highs, but the ride since then has been bumpy. Investors should stay calm and focus on the long-term.

Our Chief Investment Officer says

Markus Stadlmann, CIO, Lloyds Private Bank:

With autumn rapidly closing in, it appears that UK investors are bracing themselves for stormier conditions ahead. Although the markets have been gaining momentum, we believe that the best relative value can be found in US treasuries.

Away from home, we are keeping a close eye on events across the Atlantic. In our view, there are enough signs of true improvement to suggest that US growth expectations will be overshot. Furthermore, while we generally think bond markets are overvalued, we believe that the best relative value can be found in UK treasuries.

Our monthly index has followed something of an unchanged course so far this year. It was only three months ago when we were seeing record sentiment highs, but the rise since then has been bumpy. Investors should stay calm and focus on the long-term.

NOTES TO EDITORS

All figures, unless otherwise stated, are as at 31st August 2017. Total sample size was 4,469 adults, of which 1,076 were investors. Fieldwork was undertaken between 30th August - 02nd September 2017. The survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 18+).

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Our annual index has followed something of an unchanged course so far this year. It was only three months ago when we were seeing record sentiment highs, but the rise since then has been bumpy. Investors should stay calm and focus on the long-term.