

AI: is your job safe?

Global Matters Weekly

6 February 2023

– Jackson Franks — Analyst

Artificial Intelligence, otherwise known as AI, is becoming ever more prominent in our day-to-day lives, both personally and at work. The market size of AI is gaining momentum. According to Precedence Research, the global AI market size was estimated at USD 119.78bn in 2022 and it is expected to be USD 1,597.1bn by 2030, with a forecast Compound Annual Growth Rate (CAGR) of 38.1% from 2022 to 2030¹. So, what's driving this growth?

The rapid penetration of digital technologies and internet has significantly contributed towards the growth of the global AI market in the past few years. The heavy investments by the tech giants in research and development are continuously fuelling the technological advancements in various industries. The growing demand for the artificial technology among the automotive, healthcare, banking & finance, manufacturing, food and beverages, logistics, and retail is expected to significantly drive growth in the forthcoming years. But the real question is, does AI have the ability to take our jobs?

I wanted to put this to the test, so before writing this blog I signed up to OpenAI, an AI research and deployment company. OpenAI have trained a model called ChatGPT which interacts in a conversational way. So, to see if AI has the ability to take my job, I put this to the test and asked ChatGPT² to write my blog. Within less than 30 seconds it was done. Here's how it went.

Question 1: Provide an update of the UK commercial real estate market from 01/02/2022 to 31/01/2023

'The UK commercial real estate market experienced a slow recovery in the first half of 2022 following the COVID-19 pandemic, with declining demand and rental values in many segments, particularly in the retail and office sectors. However, by the end of the year, there were signs of improvement as vaccine rollouts and pent-up demand fuelled a rebound in activity levels, with the industrial and logistics sectors leading the way. Nevertheless, uncertainty remains high, and the market is expected to remain cautious in the near term.'

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Question 2: What are the forecast trends for 2023 in the UK commercial real estate market?

'The following are some of the forecast trends for the UK commercial real estate market in 2023:

- 1. Continued demand for logistics and industrial space: The trend of e-commerce and the rise of online shopping are expected to continue driving demand for logistics and industrial space, as companies seek to optimize their supply chains and meet the needs of an increasingly digital consumer base.*
- 2. Adaptation to new working patterns: The COVID-19 pandemic has changed the way we work, with more remote and flexible working arrangements. This trend is expected to continue in 2023 and is likely to result in changes to office space requirements, with companies seeking more flexible and cost-effective solutions.*
- 3. Resilience in the residential sector: The UK residential market is expected to remain robust, driven by low interest rates, a shortage of supply, and high demand. This sector is likely to continue to attract investment and provide stable returns for investors.*
- 4. Continued uncertainty in the retail sector: The retail sector is expected to face continued challenges in 2023, with the rise of e-commerce and changes to consumer habits affecting demand for retail space. However, the sector is expected to adapt, with the development of new models of retailing and the emergence of new formats and uses for retail space.*
- 5. Increased focus on sustainability: Sustainability is becoming an increasingly important factor in the real*

estate market, and this trend is expected to continue in 2023. Investors and developers are expected to focus on environmentally friendly and energy-efficient buildings, and to seek out opportunities to reduce their carbon footprint.

These are some of the key trends that are expected to shape the UK commercial real estate market in 2023. The market is dynamic and subject to change, so it is important to stay up to date with developments and to remain adaptable in the face of changing circumstances.'

So, what are your thoughts? For me, the output is outdated, albeit insightful. Reference to low interest rates is misleading considering the sharp increase in rates over the last 12 months, so please ignore the contents in the above sections. My conclusion? My job is safe for now but with AI having the ability to process data and learn 10x quicker than humans, this may be a different conversation in a couple of years. In the interim, I will use AI to enhance my productivity!

The Marketplace

- Global equities returned 1.3% last week
- Most major developed indices saw positive gains last week on the back of decent US Q4 earning reports and upside surprises in economic data
- Brent crude fell 7.8% last week to \$79.9 per barrel
- Gold fell 3.3% last week to \$1864.97 per ounce

Market Focus

US

- US equities returned 1.6% last week
- The Federal Reserve raised short-term interest rates by another 0.25% last Wednesday in line with expectations
- The US unemployment rate fell to 3.4%; its lowest level since 1969
- Tensions continue to rise between the US and China. Secretary of State Antony Blinken's scheduled trip to Beijing was postponed following a Chinese surveillance balloon being spotted over multiple sensitive nuclear sites in Montana and subsequently shot down

Europe

- European equities returned 1.8% last week
- The Eurozone economy unexpectedly grew 0.1% in the last three months of 2022
- Eurozone headline inflation fell by more than expected in January to an annual rate of 8.5%, from 9.2% in December. But core inflation remained at an all-time high of 5.2%
- The EU has agreed to impose a cap of \$100 per barrel on sales of Russian diesel to third countries as part of an effort to limit Moscow's revenues

UK

- UK equities returned 1.6% last week
- Bank of England policymakers voted 7-2 to raise the key interest rate by 0.5% to 4%, in line with expectations
- The International Monetary Fund projected that the UK economy would contract by 0.5% this year

Asia/Rest of The World

- Global emerging market equities returned 1.4% last week
- Japanese equities rose by 2.9% last week
- Tokyo's Consumer Price Index for January came out with an upside surprise as headline inflation advanced to +4.4% year-on-year (vs. +4.0% expected), hitting a four-decade high
- Japanese composite PMI moved back into expansionary territory at 50.8, following two months beneath the 50-mark, driven by services which saw a strong move higher to 52.4
- Meanwhile in Australia the composite PMI rose to 48.2 (vs. 47.5 previously), below the expansionary 50-mark but a change from three consecutive declines.

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Asset Class/Region	Currency	Currency returns			
		Week ending 3 Feb. 2023	Month to date	YTD 2023	12 months
Developed Market Equities					
United States	USD	1.6%	1.5%	7.8%	-6.5%
United Kingdom	GBP	1.6%	1.4%	5.6%	10.1%
Continental Europe	EUR	1.8%	2.1%	9.7%	1.0%
Japan	JPY	-0.6%	-0.3%	4.2%	5.4%
Asia Pacific (ex Japan)	USD	-1.1%	0.8%	9.5%	-6.5%
Australia	AUD	0.9%	1.1%	7.4%	11.7%
Global	USD	1.3%	1.3%	8.5%	-6.1%
Emerging markets equities					
Emerging Europe	USD	-0.6%	1.5%	5.0%	-68.1%
Emerging Asia	USD	-1.1%	1.2%	9.9%	-10.3%
Emerging Latin America	USD	-3.0%	-3.4%	6.1%	7.8%
BRICs	USD	-3.8%	-0.7%	6.4%	-14.5%
China	USD	-4.9%	-0.3%	11.4%	-10.0%
MENA countries	USD	-0.5%	-0.2%	1.3%	-12.2%
South Africa	USD	-1.3%	1.6%	6.3%	-5.5%
India	USD	0.5%	0.4%	-0.9%	-6.5%
Global emerging markets	USD	-1.2%	0.7%	8.7%	-11.7%
Bonds					
US Treasuries	USD	0.0%	-0.1%	2.4%	-8.2%
US Treasuries (inflation protected)	USD	-0.9%	-0.3%	1.6%	-8.1%
US Corporate (investment grade)	USD	0.3%	0.1%	4.0%	-9.0%
US High Yield	USD	1.0%	1.1%	5.1%	-4.4%
UK Gilts	GBP	1.7%	1.7%	4.4%	-17.6%
UK Corporate (investment grade)	GBP	1.8%	1.9%	6.1%	-11.3%
Euro Government Bonds	EUR	0.5%	0.8%	3.4%	-13.7%
Euro Corporate (investment grade)	EUR	0.7%	1.0%	3.0%	-9.5%
Euro High Yield	EUR	1.1%	1.2%	4.4%	-5.9%
Japanese Government	JPY	0.6%	0.7%	0.4%	-4.5%
Australian Government	AUD	1.1%	1.0%	4.1%	-6.1%
Global Government Bonds	USD	0.0%	0.1%	3.0%	-13.2%
Global Bonds	USD	0.2%	0.2%	3.6%	-12.3%
Global Convertible Bonds	USD	0.6%	1.0%	6.3%	-9.9%
Emerging Market Bonds	USD	0.8%	1.3%	4.9%	-17.9%

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Asset Class/Region	Currency	Currency returns			
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Property					
US Property Securities	USD	1.7%	1.1%	11.8%	-10.0%
Australian Property Securities	AUD	4.3%	4.8%	13.4%	-5.8%
Asia Property Securities	USD	-2.7%	0.0%	2.5%	-8.1%
Global Property Securities	USD	0.8%	1.3%	9.7%	-11.9%
Currencies					
Euro	USD	-0.4%	-0.4%	1.1%	-5.4%
UK Pound Sterling	USD	-2.6%	-2.0%	-0.2%	-11.3%
Japanese Yen	USD	-0.9%	-0.7%	0.0%	-12.4%
Australian Dollar	USD	-2.3%	-1.5%	1.9%	-2.7%
South African Rand	USD	-1.7%	-0.2%	-2.4%	-12.6%
Swiss Franc	USD	-0.3%	-0.8%	-0.3%	-0.5%
Chinese Yuan	USD	-1.2%	1.7%	1.7%	-6.5%
Commodities & Alternatives					
Commodities	USD	-4.4%	-4.2%	-4.0%	3.9%
Agricultural Commodities	USD	0.2%	-1.0%	1.3%	5.6%
Oil	USD	-7.8%	-5.4%	-6.9%	-12.3%
Gold	USD	-3.3%	-3.4%	2.2%	3.4%
Hedge funds	USD	0.3%	0.4%	2.1%	-1.1%

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