

THAT WAS THE WEEK THAT WAS

By Vermeer Partners

Week ending 6th November 2020



MACRO

- In a closer result than many anticipated, the week finished with Joe Biden clearly heading for the White House
- While the US election gathered the headlines, it went largely unnoticed that the US posted three consecutive days of record new Covid cases
- In the UK, Rishi Sunak extended the furlough scheme to March

STATISTIC OF THE WEEK

While the Bank of England continues to print more money, the sheer size of the numbers involved can obscure the true scale of the stimulus. To put the numbers into some perspective, the new £150bn quantitative-easing programme announced this week is equivalent to £5,500 for every household in the country and the Bank will soon own between a third and half of all UK government debt

COMPANY NEWS

- **Ocado** shares closed up on the week after upgrading guidance and announcing two acquisitions (robotics companies Kindred Systems and Haddington Dynamics) They are now expecting full year EBITDA to be over £60m, compared to the prior guide of over £40m
- **Linde** raised its expectations for full-year earnings as it reported better than expected quarterly results, citing increased industrial gas volumes and higher pricing
- **Paypal** beat comprehensively on Total Payment Volume (+36% vs +30% estimates) and on earnings. But they did not provide a 2021 outlook citing significant variability in macro-related factors

SMALL-CAP NEWS

Corporate activity in the small cap space continued late on Friday with an announcement that **Codemasters**, one of the UK's leading gaming companies, is to be taken over by the American business Take Two Interactive Software in a cash and share deal for \$973m. Codemasters are highly thought of within the gaming community for their expertise in driving

games (F1, Dirt, and Grid for example) but they also published legendary games in the 90's such as Brian Lara Cricket and Jonah Lomu Rugby

THIS WEEK IN HISTORY

1907: a boat organised by J. Pierpont Morgan arrives in New York from London with \$7m worth of gold, which helps calm markets after the 1907 stock market panic triggered by the bankruptcy of two US brokerage firms

2015: billionaire hedge fund manager, Xu Xiang - known as China's Warren Buffett - is arrested for allegedly manipulating the stock market during the 2015 Chinese stock market turbulence

LOCKDOWN II

Customer insights start-up **Streetbees** has just raised another \$40m from leading venture capital firms. It is another example of how tech-savvy consumers known as "bees" can be paid while staying at home. "Work" might include taking a photo of the equipment they use to make a cup of coffee, and then answering a series of questions about where they bought the beans from and what time of day it is. Answers are then analysed using artificial intelligence to determine general trends in how people think about a brand, allowing companies to target their advertising. It has proved popular with some of the world's biggest brands including Unilever, PepsiCo, Sony Pictures, Carlsberg and has grown revenues 150% over the last year.

MARKET DATA

% returns	1 Week	1 Month	1 Year	5 Years
UK Equities (% return GBP)	5.90	-0.89	-19.22	10.06
World Equities (% return GBP)	6.00	2.41	9.35	87.92
10 Year US Treasury Yield	0.83	0.76	1.81	2.34
GBP / USD (fx rate)	1.32	1.29	1.29	1.51

As at 6th November 2020. Source: Financial Express

Vermeer Partners

130 Jermyn Street, London, SW1Y 4UR

T +44 (0)20 7123 5200

E info@vermeerllp.com

THAT WAS THE WEEK THAT WAS

By Vermeer Partners

Week ending 6th November 2020



This publication has been produced by Vermeer Investment Management Limited (VIM) trading as Vermeer Partners. It is provided for information purposes only. VIM makes no express or implied warranties and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to any data included in this publication. VIM will not treat unauthorised recipients of this publication as its clients. Prices shown are indicative and VIM is not offering to buy or sell or soliciting offers to buy or sell any financial instrument.

Without limiting any of the foregoing and to the extent permitted by law, in no event shall VIM, nor any of its officers, directors, partners, or employees, have any liability for (a) any special, punitive, indirect, or consequential damages; or (b) any lost profits, lost revenue, loss of anticipated savings or loss of opportunity or other financial loss, even if notified of the possibility of such damages, arising from any use of this publication or its contents.

Other than disclosures relating to VIM, the information contained in this publication has been obtained from sources that VIM believes to be reliable, but VIM does not represent or warrant that it is accurate or complete. VIM is not responsible for, and makes no warranties whatsoever as to, the content of any third-party website referred to herein or accessed via a hyperlink in this publication and such information is not incorporated by reference.

The views in this publication are those of the author(s) and are subject to change. VIM has no obligation to update its opinions or the information in this publication. This publication does not constitute personal investment advice or take into account the individual financial circumstances or objectives of the client who receives it. Any securities discussed herein may not be suitable for all investors. VIM recommends that investors independently evaluate each issuer, security or instrument discussed herein and consult any independent advisors they believe necessary. The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including changes in market liquidity). The information herein is not intended to predict actual results, which may differ substantially from those reflected. Past performance is not necessarily indicative of future results.

This material has been issued and approved for distribution in the UK and European Economic Area by VIM.

©2019 Vermeer Investment Management Limited. All rights reserved. No part of this publication may be reproduced or redistributed in any manner without the prior written permission of VIM.

VIM is authorised and regulated by the Financial Conduct Authority (FRN: 710280) and is incorporated in England and Wales (company number: 09081916).