

THAT WAS THE WEEK THAT WAS

By Vermeer Partners

Week ending 14th May 2021



MACRO

- US inflation surged from a year earlier as consumer prices jumped 4.2% in the 12 months through to April, up from 2.6% in March and marking the biggest increase since September 2008
- European Central Bank policymakers said growth and inflation in the eurozone are more likely to overshoot expectations

COMMENT OF THE WEEK

James Anderson, the outgoing manager of **Scottish Mortgage Investment Trust**, urged successor Tom Slater and deputy manager Lawrence Burns to 'please help Scottish Mortgage become more unreasonable and more distinctive as the pressures of the investment world continue to pull at us.' Declaring his greatest regret while running the fund was being 'insufficiently radical,' Anderson added: 'We need to remain eccentric. In fact, we need to become more so and more prepared to be radical.'

COMPANY NEWS

- **AT&T** was said to be nearing a deal to combine its content unit Warner Media with rival Discovery
- **Diageo** said that it now sees full year profit growth to be at least 14% and noted that following strong performance in the first half, it was recommending restarting its capital return programme
- Another victory for large tech as **Amazon** won its bid to reject a €250m tax bill after EU regulators failed to show that Amazon was given special tax treatment by Luxembourg in violation of state aid rules

FUNDS

Taylor Maritime announces plans to raise \$250m to take advantage of historic low pricing in second-hand geared ships with average yields in excess of 7%

SMALL-CAP NEWS

Seaspiracy is one of the most popular programmes on Netflix at the moment and a benefactor of this topic last week was **Agronomics**. The cultivated meat specialist raised £62.5m as more investors wanted to add some exposure to the Jim Mellon backed business. This money will go towards backing current investments and they got to work quickly with a further £169k invested into **Meatable**. The other underlying company to look out for is **BlueNalu** a company that has a mission statement to be "the global leader in cellular aquaculture".

THIS WEEK IN HISTORY

1866: London banking house Overand, Gurney, & Co. fails. The bank owed £11m to its clients at the time. Its failure would lead to a severe but brief financial panic, hitting the shipbuilding industry the hardest. It is estimated that 86% of London shipbuilding companies would fail as part of the panic

1965: Warren Buffett is mentioned in the Wall Street Journal for the first time. The article covered the news from the previous day that **Berkshire Hathaway** president Seabury Stanton has stepped down due to disagreements with an "outside interest" that has gained a controlling stake in Berkshire Hathaway. That interest was Warren Buffett, who began buying up the company's shares in 1962, but accelerated purchases in 1964 to own 40% of the company

MARKET DATA

% returns	1 Week	1 Month	1 Year	5 Years
UK Equities (% return GBP)	-1.90	1.20	24.55	35.11
World Equities (% return GBP)	-3.32	-2.38	28.10	103.25
10 Year US Treasury Yield	1.63	1.64	0.76	1.71
GBP / USD (fx rate)	1.41	1.38	1.22	1.44

As at 14th May 2021. Source: Financial Express

Vermeer Partners

130 Jermyn Street, London, SW1Y 4UR

T +44 (0)20 7123 5200

E info@vermeerllp.com

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