

THAT WAS THE WEEK THAT WAS

By Vermeer Partners

Week ending 16th September 2020



MACRO

- The Eat Out to Help Out Scheme helped the UK inflation rate fall to 0.2% in August, from 1% in July, its lowest level in five years
- Meanwhile, UK retail sales rose in August for the fourth consecutive month, helped by demand for home improvement goods
- In the US, the Federal Reserve signalled it would hold interest rates at historic low levels until at least the end of 2023, but stopped short of expanding its quantitative-easing programme

STATISTIC OF THE WEEK

The UK government's plans to introduce the Internal Market Bill arguably breaks international law; but it is not the first time a major nation has committed such an offence. The EU banned GMOs which breached a WTO ruling; and ignored the UN Charter in the Kadi Barakaat case. China has repeatedly broken international law in its treatment of Uyghurs; and Israel has for years lived in contravention of international law with its West Bank settlements

COMPANY NEWS

- A bid for UK security services firm **G4S** from Garda World Security who confirmed it had made an all-cash offer equivalent to around £2.95bn
- **Ocado** closed up on the week after issuing its Q3 trading update. Retail sales rose 52% with average orders per week increasing by 9.6%. They stated that the recent switch from Waitrose products to M&S had increased their average basket by around five items
- US Software company **Snowflake** rose 100% on its first day of trading. The company, which has limited revenue and is not yet profitable, ended the week with a market cap of nearly \$63bn

FUNDS

A call with **Secure Income REIT** showed a 6% fall in property valuations in their half-year results, mainly due to a 20.3%

write-down in the value of its Travelodge portfolio. But the shares trade at a large discount to their net asset value

SMALL-CAP NEWS

ITM Power announced a strategic partnership to create green hydrogen in clusters in Scotland with Scottish Power and BOC with the aim of only using electric or hydrogen vehicles by 2029. This turn-key solution gives a good benchmark to future deals leading up to ITM's Gigafactory opening in Sheffield later this year

THIS WEEK IN HISTORY

1920: JP Morgan Bank in New York is bombed. The explosion occurred just before noon by a horse-drawn carriage packed with explosives. 40 people were killed

2008: "We're f*cked...it's going to be a calamity": according to his later memoirs, colourful language from Tim Geithner, Secretary of the US Treasury, on being told of Lehman Brothers' demise

RE-OPENING TIMES

The High Court ruling on business interruption policies saw judges largely in favour of policyholders where cover was based on protection against diseases. But they were less favourable where businesses took out cover to protect themselves against being unable to use their premises. If closures were not mandatory, businesses were not covered

MARKET DATA

% returns	1 Week	1 Month	1 Year	5 Years
UK Equities (% return GBP)	-0.47	-0.96	-16.73	17.09
World Equities (% return GBP)	-1.35	0.81	5.94	97.58
10 Year US Treasury Yield	0.70	0.67	1.80	2.13
GBP / USD (fx rate)	1.29	1.32	1.25	1.56

As at 16th September 2020. Source: Financial Express

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