

THAT WAS THE WEEK THAT WAS

By Vermeer Partners

Week ending 11th December 2020



MACRO

- the UK and EU fail to reach agreement over a trade deal but agree to continue talks
- Meanwhile the UK signs a trade deal with Singapore, the new deal covers more than £17bn of trade in goods and services and largely replicates the existing EU-Singapore FTA
- As expected, the ECB left interest rates unchanged whilst announcing an increase in its bond buying programme

STATISTIC OF THE WEEK

As **LinkedIn** becomes an increasingly useful tool to shed a light on employment patterns around the world, it highlights a dramatic move in jobs moving out of large cities this year. In the US, moves to New York have dropped by 23.4% and to San Francisco by 21.1%, while there have also been steep falls in Seattle and Boston. Meanwhile, Jacksonville in Florida is up 10% and Salt Lake City, Utah, up 9.6%. Either way, it makes commercial and residential real estate in the most expensive areas of the most expensive cities in the world look less appealing

COMPANY NEWS

- Walt Disney** said it plans to double annual spending on original content to \$15bn by 2024. It has a new target to sign up 300m streaming subscribers in three years
- DS Smith** closed up on the week after reporting first half results. Operating profit fell 34% to £230m, slightly ahead of consensus estimates with revenue declining 9.4% to £2.89bn
- Astra Zeneca** agreed to buy US biotechnology group Alexion in a \$39bn deal

FUNDS

A meeting with a leading European growth fund points to the opportunity that exists in Italian fintech banks which are breaking traditional banking and asset management models

SMALL-CAP NEWS

Ceres Power, the fuel cell experts, announced two meaningful deals. Bosch (who own 17.6% of company) will pay £23m and aim for annual production of 200MW. They also publicised a strategic collaboration with AVL List, an Austrian global powertrain engineering consultancy which gives the technology more credibility and the ability for it to be incorporated into future transport designs

THIS WEEK IN HISTORY

1941: At 7:48am local time, Pearl Harbour is attacked by Japan. The stock market was closed on the day of the attack, but the next day when the Dow Jones Industrial Average opened it fell 3.49% to 112.53

2017: Bitcoin enjoys the start of a manic week rising from \$13,000 to almost \$20,000 before falling back to close to the \$2,000 level by the end of the following year

BACK TO TIERS

Heather Parry, a spokeswoman for the British Christmas Tree Growers Association, said the last weekend in November had been the busiest on record. "The Christmas tree is that beacon of hope," she said. Early indications suggested that sales of real trees had grown by 31% compared with the same period last year, and many of the buyers were new customers

MARKET DATA

% returns	1 Week	1 Month	1 Year	5 Years
UK Equities (% return GBP)	-0.06	2.83	-7.88	30.80
World Equities (% return GBP)	1.31	3.75	16.41	108.31
10 Year US Treasury Yield	0.90	0.89	1.79	2.13
GBP / USD (fx rate)	1.32	1.32	1.33	1.50

As at 11th December 2020. Source: Financial Express

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