

THAT WAS THE WEEK THAT WAS

By Vermeer Partners

Week ending 15th January 2021



MACRO

- The UK economy was 8.9% smaller in November than in the same month of 2019, but forecasters had been braced for an annual decline of more than 12%
- In the US, Joe Biden proposed a \$1.9tn stimulus package. If adopted, the proposal would tack on \$1,400 to the \$600 in direct payments for individuals that Congress approved most recently
- The last throes of the Trump administration saw the US commerce department finalise new rules to make it easier to block Americans from importing technology from China

STATISTIC OF THE WEEK

As attention once again focuses on an US presidential impeachment trial we are reminded that Congress has conducted three presidential impeachment trials in the past: Andrew Johnson in 1868, for firing a cabinet secretary without the consent of Congress; Bill Clinton in 1998 for perjury and obstruction of justice; and Donald Trump in 2020 for abuse of power and obstruction of Congress.

Johnson, Clinton and Trump were all acquitted, so they stayed in office.

Richard Nixon faced possible impeachment on the grounds of obstruction of justice, abuse of power and contempt of Congress, but resigned before the vote.

COMPANY NEWS

- **JPMorgan** reported a 20% increase in trading revenues year on year, led by a 32% jump in revenues from stock trading
- **Tesco** issued its third quarter and Christmas trading statement. Like for like sales rose 5.7% vs 5.2% ahead of consensus estimates.
- **Persimmon** said that demand for new homes had remained resilient throughout the second half of 2020, though weekly sales in the final quarter had trended back towards normalised levels. Its average selling price for the full year rose 7% to £230,500.

SMALL-CAP NEWS

There was further consolidation on the high street with **Frasers** (Sports Direct) buying Psyche's stores and **Marks & Spencer** purchasing collapsed fashion brand Jaeger. Meanwhile **BooHoo** raised its guidance for revenue growth reporting new customers and fewer returns. The company also updated on the "Agenda for change" which showed steady progress following their supply chain issues.

THIS WEEK IN HISTORY

2000: The Dow Jones reaches its internet bubble peak of 11,722.98. Although the Dow would fare better than the technology heavy NASDAQ index, it would still fall nearly 40% to 7,286.27 by October 9th 2002

2009: Zimbabwe unveils 100,000,000,000,000 (100 trillion) dollar banknotes. It would be the highest denomination banknote in the history of money. By the end of February, they were worth 31 cents in U.S. dollars

LOCKDOWN LOWDOWN

James Howells from Cardiff who binned a hard drive containing **Bitcoin** now worth £230m has offered to share 25% of his wealth with Newport Council if they help him retrieve the hard drive from landfill sites.

MARKET DATA

% returns	1 Week	1 Month	1 Year	5 Years
UK Equities (% return GBP)	-1.82	3.56	-10.60	37.51
World Equities (% return GBP)	-1.30	1.40	10.60	106.63
10 Year US Treasury Yield	1.11	0.92	1.79	2.03
GBP / USD (fx rate)	1.36	1.34	1.30	1.43

As at 15th January 2021. Source: Financial Express

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