

# THAT WAS THE WEEK THAT WAS

By Vermeer Partners

Week ending 3<sup>rd</sup> September 2021



## MACRO

- In the US, a weak payrolls report showing just 235,000 jobs created last month compared to 1.1m in July
- The US consumer confidence reading came in at a six-month low and follows the poor University of Michigan readings from several weeks ago, which came in at its lowest level since 2011
- ECB hawks sprang into action as Holzmann (Austria), Knot (Netherlands) and Weidmann (Germany) all highlighted upside risks to inflation and called for an end to the ECB's Pandemic Emergency Purchase Programme (PEPP) and a halt to further monetary easing

## THE POLITICAL WEEK

This week saw the abrupt resignation of Japan's prime minister, Yoshihide Suga. Taro Kono and Fumio Kishida, two former foreign ministers, have emerged as the leading contenders, with the former expected to usher in a new group of younger political leaders who have been shut out of senior cabinet posts and the latter seen as the continuity candidate

## COMPANY NEWS

- **Melrose** released H1 results well ahead of expectations with the GKN UK pension commitment ahead of plan and a further capital return planned for March next year

## FUNDS

A substantial £236m property portfolio deal was announced on Tuesday morning with **Regional REIT** buying more offices outside the M25. With this particular portfolio 22% vacant, combined with the asset management track record of Stephen Inglis and Simon Marriott, we would expect some near-term upside. Financed with a combination of debt, cash on their balance sheet, and new shares this looks to be an attractive deal for all parties

## SMALL-CAP NEWS

An AIM oil and gas producer buying wind turbines? In a positive update on drilling for oil in the Dutch North Sea

(3,200 barrels of oil per day - more than they thought they would) Andrew Austin, CEO, also announced **Kistos** had signed an Agreement with Infinergy and Windcollectief Noord-Holland to enter into exclusive negotiations to acquire Windpark Ferrum - three wind turbines on the TATA-owned site in IJmuiden

## THIS WEEK IN HISTORY

**1976:** Vanguard introduces the first retail index mutual fund, the "Vanguard First Index Investment Trust" which tracked the S&P 500. The fund was started with \$11.3m in assets. Today the fund manages \$770bn!

**1998:** The Dow Jones Industrial Average falls 512 points, or 6.4%, in one day due to worries of economic weakness in Russia, Latin America and Asia. US markets are down 19% in just the past month and a half

## RE-OPENING TIMES

In Europe, infections and hospitalisations seem to have hit a plateau, with the EU commission announcing 70% of the adult population now vaccinated. However, there remains fragmentation among member states, with France, Spain and Germany having comfortably vaccinated most of their adult populations, while eastern countries such as Bulgaria and Romania linger on only 20% and 32%, respectively

## MARKET DATA

% returns	1 Week	1 Month	1 Year	5 Years
<b>UK Equities (% return GBP)</b>	0.38	1.52	26.96	23.32
<b>World Equities (% return GBP)</b>	0.28	2.89	27.40	96.85
<b>10 Year US Treasury Yield</b>	1.33	1.19	0.63	1.60
<b>GBP / USD (fx rate)</b>	1.39	1.39	1.33	1.33

As at 3<sup>rd</sup> September 2021. Source: Financial Express

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