

THAT WAS THE WEEK THAT WAS

By Vermeer Partners

Week ending 25th June 2021



MACRO

- In the UK, the Bank of England continued to seek to calm fears about inflation, which is expected to exceed 3% in coming months, saying the surge in prices was "transitory" and should not affect monetary policy
- In the US, Federal Reserve Chair, Jerome Powell, appeared to return to a more dovish stance at the House Select Subcommittee dismissing the idea of 1970s style inflation
- US PMI data showed manufacturing chalk up its fourth straight monthly increase as factories struggle to keep pace with demand due to supplier delays with record growth in input costs whilst hiring remains a difficulty

STATISTIC OF THE WEEK

Microsoft joins the \$2 trillion club as it became only the third publicly traded company to reach a \$2tn market cap — after Apple and, briefly, Saudi Aramco — as shares in large-cap tech stocks recover from their short sell-off earlier in the year

COMPANY NEWS

- DS Smith** results showed a pickup in volumes during the second half of the year offset by higher paper costs
- The **Glaxo SmithKline** investor day revealed that they will retain 20% of the consumer healthcare business post spin-off and cut the dividend by around a third
- Stellar results from **Nike** as US revenues were up 29% vs Q419 and China was up 14% vs Q419

SMALL-CAP NEWS

Accsys, a company that makes high performance sustainable wood products, reported impressive results, with revenue increasing 10%. They also highlighted trading has remained robust at the start of the new financial year, with Accoya demand continuing to outstrip supply. Accsys have focused on two products, Accoya is a modified wood that is found in doors/windows/decking/cladding and Tricoya is Accsys version of an MDF panel (through an acetylation process). As building work becomes more sustainable it will be

interesting to see the future demand for this company's technology and intellectual property.

THIS WEEK IN HISTORY

1775: US congress authorizes the issuance of continental currency, the first official paper currency of the United States

1998: As the financial institutions in Japan continue to report record losses due to the "property price bubble burst". The Long-Term Credit Bank (LTCB) is the latest casualty as share value drops 45% in one day's trading taking the banks shares to just 3% of the value they were in 1987. The Japanese Government has promised to support the bank "if necessary" and protect depositors "at any cost."

RE-OPENING TIMES

The New York Times has revealed that Morgan Stanley will demand that employees be vaccinated in order to return to its New York offices next month. That goes further than many other big companies, and what's more, the bank will also require contingent workers, clients and visitors entering Morgan Stanley's buildings in New York City and Westchester to be vaccinated

MARKET DATA

% returns	1 Week	1 Month	1 Year	5 Years
UK Equities (% return GBP)	1.33	1.27	18.95	37.06
World Equities (% return GBP)	1.37	3.48	25.03	106.40
10 Year US Treasury Yield	1.54	1.56	0.68	1.57
GBP / USD (fx rate)	1.39	1.42	1.24	1.37

As at 25th June 2021. Source: Financial Express

This publication has been produced by Vermeer Investment Management Limited (VIM) trading as Vermeer Partners. It is provided for information purposes only. VIM makes no express or implied warranties and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to any data included in this publication. VIM will not

Vermeer Partners

130 Jermyn Street, London, SW1Y 4UR

T +44 (0)20 7123 5200

E info@vermeerllp.com

vermeerllp.com

THAT WAS THE WEEK THAT WAS

By Vermeer Partners

Week ending 25th June 2021



treat unauthorised recipients of this publication as its clients. Prices shown are indicative and VIM is not offering to buy or sell or soliciting offers to buy or sell any financial instrument.

Without limiting any of the foregoing and to the extent permitted by law, in no event shall VIM, nor any of its officers, directors, partners, or employees, have any liability for (a) any special, punitive, indirect, or consequential damages; or (b) any lost profits, lost revenue, loss of anticipated savings or loss of opportunity or other financial loss, even if notified of the possibility of such damages, arising from any use of this publication or its contents.

Other than disclosures relating to VIM, the information contained in this publication has been obtained from sources that VIM believes to be reliable, but VIM does not represent or warrant that it is accurate or complete. VIM is not responsible for, and makes no warranties whatsoever as to, the content of any third-party website referred to herein or accessed via a hyperlink in this publication and such information is not incorporated by reference.

The views in this publication are those of the author(s) and are subject to change. VIM has no obligation to update its opinions or the information in this publication. This publication does not constitute personal investment advice or take into account the individual financial circumstances or objectives of the client who receives it. Any securities discussed herein may not be suitable for all investors. VIM recommends that investors independently evaluate each issuer, security or instrument discussed herein and consult any independent advisors they believe necessary. The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including changes in market liquidity). The information herein is not intended to predict actual results, which may differ substantially from those reflected. Past performance is not necessarily indicative of future results.

©2021 Vermeer Investment Management Limited. All rights reserved. No part of this publication may be reproduced or redistributed in any manner without the prior written permission of VIM.

VIM is authorised and regulated by the Financial Conduct Authority (FRN: 710280) and is incorporated in England and Wales (company number: 09081916).

This material has been issued and approved for distribution in the UK by VIM.