

# THAT WAS THE WEEK THAT WAS

By Vermeer Partners

Week ending 19<sup>th</sup> March 2021



## MACRO

- A continuation of the war of words between the EU and UK amid growing frustration in Brussels that they are not getting their expected supply of Astra Zeneca vaccines
- In the US, bond yields continue to rise despite another dovish statement from the Federal Reserve
- The Bank of Japan meanwhile tweaked its yield-curve control policy to allow marginally higher rates

## STATISTIC OF THE WEEK

The Motion Picture Association (MPA) said this week that video streaming subscriptions had passed the one billion mark, growing 26% last year to 1.1bn worldwide. **Netflix** recently surpassed 200m subscribers while **Disney+**, which is only a year old, reached more than 100m. Meanwhile cinema revenues fell by more than \$30bn to \$12bn and China passed the US as the world's top box-office market

## COMPANY NEWS

- **National Grid** announced it would be acquiring the UK's largest local electricity network, Western Power Distribution, while selling its majority stake in its UK gas network
- **Fevertree** shares were weak as it showed continued revenue growth in the US but weaker pricing
- **Nike** revealed a headline miss on revenues driven by store closures and supply chain issues in the US, but very confident they will get it all back in next quarter

## FUNDS

After much speculation, Baillie Gifford, the Edinburgh based global growth investor, finally confirmed that James Anderson will step back from managing Britain's most successful investment trust, **Scottish Mortgage** next year

## SMALL-CAP NEWS

With some of the euphoria in the hydrogen sector at the beginning of this year having subsided, there were signs of

green shoots with **ITM Power** announcing its first deal in Japan by selling a 1.4 MW electrolyser to Sumitomo Corp. More impressively, **Ceres Power** announced an equity raise of £181m whilst also signing a memorandum of understanding for the joint development (under its collaboration with Doosan) of a megawatt class solid oxide fuel cell system for eco-friendly marine propulsion and power generation with Korea Shipbuilding & Offshore Engineering, a division of the world's largest shipbuilding company Hyundai Heavy Industries.

## THIS WEEK IN HISTORY

**1933:** March 15<sup>th</sup>: the highest single day percentage rise in stock market history as the Dow Jones rises 15% in the depths of the Great Depression

**2008:** Bear Stearns is bought out by JP Morgan at a fraction of its market value two days earlier

## RE-OPENING TIMES

In the UK, Barclaycard data this month showed that consumer spending fell 13.8% in February as lockdown continued but there were some bright spots: grocery up 21% and takeaways and fast-food up 30%. Perhaps more striking was that during lockdown we have spent an average of £771.34 each on dispensable items. Barclaycard which tracks around half of the nations spending patterns reported some unusual individual items including an inflatable pub, a Slush Puppie machine and a piece of the moon.

## MARKET DATA

| % returns                            | 1 Week | 1 Month | 1 Year | 5 Years |
|--------------------------------------|--------|---------|--------|---------|
| <b>UK Equities (% return GBP)</b>    | 0.36   | 3.07    | 32.78  | 29.39   |
| <b>World Equities (% return GBP)</b> | -0.45  | 0.55    | 40.50  | 94.57   |
| <b>10 Year US Treasury Yield</b>     | 1.73   | 1.29    | 1.12   | 1.88    |
| <b>GBP / USD (fx rate)</b>           | 1.39   | 1.40    | 1.15   | 1.45    |

as at 19<sup>th</sup> March 2021. Source: Financial Express

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