

# THAT WAS THE WEEK THAT WAS

By Vermeer Partners

Week ending 22<sup>nd</sup> January 2021



## MACRO

- The UK PMI fell to 40.6 in January, the lowest reading in eight months and well below the 45.5 level expected
- In the US, new President Biden hit the ground running with a slew of executive orders, including a proposal to re-join the Paris climate accord
- China GDP numbers for the fourth quarter came in at 6.5% making it one of the few countries to have seen economic growth in 2020

## STATISTIC OF THE WEEK

Amid growing demand for investing in Chinese equity funds, numbers this week showed that foreign direct investment into China increased 6.2% year-on-year to a record high of CNY 999.98 billion or USD 144.37 billion in 2020. Foreign investment in the services industry was up 13.9% at CNY 776.8 billion during that period, while that in the high-tech service sector surged 28.5%

## COMPANY NEWS

- **Siemens** enjoyed very good quarterly results driven by growth in its digital industries business
- **Netflix** shares rose on the back of solid subscription numbers and an announcement that they are on the cusp of finally becoming cashflow positive
- **Experian** showed its resilience as organic revenue grew 7% over the last quarter and said that it expects to deliver a strong performance for the year ahead

## MARKET POLITICS

Pete Buttigieg, Joe Biden's new transportation secretary, hinted there could be new regulations or legislation governing self-driving cars to boost development, which would transform the industry

## SMALL-CAP NEWS

There was a great contract win in the Far East from **Strix**. Predominantly a company that makes kettle elements (and controls), they have diversified their business to be experts

in the purification of water – highlighted by the contract with Chia Tai Group (livestock) for their HaloPure technology. It is well set for the anticipated policy change in China which will require regulated water for use in all livestock farms, hospitals and clinics.

## THIS WEEK IN HISTORY

**1980:** the silver price reaches its all-time inflation-adjusted high

**1984:** Steve Jobs unveils the first Apple Mac computer. The original Macintosh sold for \$2,495 (more than \$6,000 in today's dollars). Apple shipped 70,000 Macs over the following five months

## RE-OPENING TIMES

Non-European users of WhatsApp learnt that as of February 8<sup>th</sup> they will no longer be able to opt-out of their data being shared with **Facebook**, prompting users to flock to rival messenger groups such as Telegram and Signal. It was reported that 8.8m users worldwide signed up to Signal last week

## MARKET DATA

% returns	1 Week	1 Month	1 Year	5 Years
UK Equities (% return GBP)	-0.68	3.84	-10.37	34.78
World Equities (% return GBP)	0.85	1.66	12.23	112.40
10 Year US Treasury Yield	1.09	0.93	1.77	2.07
GBP / USD (fx rate)	1.37	1.34	1.31	1.42

As at 22<sup>nd</sup> January 2021. Source: Financial Express

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