

THAT WAS THE WEEK THAT WAS

By Vermeer Partners

Week ending 16th April 2021



MACRO

- China's economy continued its strong recovery as output leapt 18.3% year on year in the first three months of 2021
- In the US, consumer prices in March were 2.6% higher than a year earlier, up from 1.7% in February. The much-debated increase in headline inflation was the biggest since November 2009, when similar "base effects" were in play after the global financial crisis

COMMENT OF THE WEEK

The 2020's are expected to be the strongest phase of volume growth in global copper demand in history, according to a new report from Goldman Sachs, arguing that the critical role copper will play in achieving the Paris climate goals should not be understated. Without serious advancements in carbon capture and storage technology in the coming years, the entire path to net zero emissions will have to come from abatement - electrification and renewable energy. As the most cost-effective conductive material, copper sits at the heart of capturing, storing, and transporting these new sources of energy

COMPANY NEWS

- LVMH** reported a 32% jump in year-on-year sales defying any pandemic-related gloom for the sector
- Nvidia** shares performed well after announcing that it would start offering its first server microprocessors, pushing into a market dominated by **Intel**
- Shares in **Amazon** finished the week higher after workers in Alabama voted against forming a union. The vote was the first of its kind and was set to determine whether warehouse workers based in Alabama would become the first of Amazon's workers in the US to join a retail union

SMALL-CAP NEWS

Wine and wires. Not usually a good cocktail but this week they were electric with stellar numbers from **Naked Wines** and **Volex**. The former announced US sales growth of 75%, vindicating the keen management focus and investment on

the lucrative opportunity on offer in this market. Volex, the electrical cabling specialists, also had an impressive update with revenues and underlying operating income that are expected to be 7% and 16% ahead of estimates, driven by strong demand in consumer electronics and electric vehicles markets. 12% of revenues were derived from electric vehicle end markets, which has shown significant growth

THIS WEEK IN HISTORY

1864: "Blue Monday" on the New York Stock Exchange. A small panic erupts on Wall Street as Anthony Morse, a leading stock speculator, fails. The decline primarily involved mining companies, who saw their shares fall more than 90% on average

1912: News of the Titanic sinking sent shares of International Mercantile Marine Co., the owner of the Titanic, down as much as 11% on the day. Preferred shares fell more than 13%

RE-OPENING TIMES

More trouble for the giant container ship, Ever Given, which blocked the Suez Canal recently. This time round its due to a legal dispute between the ship's Japanese owners and the Egyptians. The Suez Canal Authority (SCA) are demanding the enormous sum of \$900m in compensation – perhaps the world's largest ever parking ticket!

MARKET DATA

% returns	1 Week	1 Month	1 Year	5 Years
UK Equities (% return GBP)	1.00	3.07	26.69	30.17
World Equities (% return GBP)	0.64	5.12	37.17	98.47
10 Year US Treasury Yield	1.58	1.18	0.65	1.76
GBP / USD (fx rate)	1.38	1.39	1.25	1.42

As at 16th April 2021. Source: Financial Express

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