

THAT WAS THE WEEK THAT WAS

By Vermeer Partners

Week ending 11th September 2020



MACRO

- In the UK, the prospect of a “no-trade deal” Brexit increased as the government threatened to break international law and disregard parts of its Withdrawal Agreement with the EU
- In a move designed to kick back at recent trade disputes with the EU, China banned pork imports from Germany on the eve of critical trade and investment talks
- Jane Fraser is to become CEO of **Citigroup** and the first woman to lead a major Wall Street bank

STATISTIC OF THE WEEK

A report from Berenberg showed that over 95% of the world’s hydrogen is currently produced from fossil fuel (grey or blue hydrogen, the difference being that blue involves carbon capture). The hope of many policymakers is that the mix will shift from fossil-fuel-derived hydrogen towards green hydrogen, owing to the improving efficiency and scale of electrolysis, higher carbon taxes, and other government incentives.

COMPANY NEWS

- The technology sector continued to be weak as allegations of fraud at US electric vehicle start-up **Nikola** were made by a short-selling fund in the US
- **Rio Tinto** are set to part ways with their CEO, Jean-Sebastien Jacques, following their demolition of the Juukan Gorge caves, some of the most archeologically significant sites in Australia
- **LVMH** pulled out of its \$16.6bn takeover of US jeweller Tiffany after becoming embroiled in trade tensions between Paris and Washington
- **AstraZeneca** said they were still on track to submit data on its Covid-19 vaccine candidate to regulators before the end of the year

FUNDS

A meeting with an Indian investment trust showed that the return on equity from Indian companies has been on average

17.0% over the last 20 years compared to 12.1% from Asia (ex Japan) and 12.8% from Emerging Markets

THIS WEEK IN HISTORY

2001: 2,900 people lost their lives as terrorists attacked the World Trade Centre in New York. Trading on the US stock exchange never opened, and would not reopen again until September 17th

2008: the US government announced its takeover of Fannie Mae and Freddie Mac as a result of losses from heavy exposure to the collapsing subprime mortgage market.

RE-OPENING TIMES

Government responses to the recent spike in Coronavirus cases highlights further devolved decision making across the Union: In England, gatherings of more than six people will be illegal. In Wales and Scotland, children under 12 are exempt; people in Wales will also be able to meet in groups of up to 30 outdoors. While Northern Ireland has taken a more measured approach and not announced any changes to how many people can meet.

MARKET DATA

% returns	1 Week	1 Month	1 Year	5 Years
UK Equities (% return GBP)	3.97	-1.49	-16.62	17.04
World Equities (% return GBP)	1.99	2.90	5.99	92.94
10 Year US Treasury Yield	0.67	0.64	1.75	2.20
GBP / USD (fx rate)	1.28	1.31	1.23	1.54

As at 11th September 2020. Source: Financial Express

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