

THAT WAS THE WEEK THAT WAS

By Vermeer Partners

Week ending 11th June 2021



MACRO

- In the UK, early signs that the June 21st relaxation of Covid restrictions is going to be put back a month
- The US inflation print at 5% was much higher than expected but Treasury yields fell
- The ECB said it would maintain the pace of its bond buying programme despite raising growth and inflation forecasts

COMMENT OF THE WEEK

Flex, the world's third largest manufacturer of computer chips, said that the disruption to supply will last for at least another year

COMPANY NEWS

- **IWG** highlighted the effect lockdowns has had on its office space business as it said income will be "well below" last year
- Green hydrogen producer, **ITM Power**, said it has amassed an order backlog of £154m
- Altice, the telecoms group controlled by the billionaire Patrick Drahi, has become **BT's** biggest shareholder after spending £2.2bn to take a 12.1% stake
- **Halma** increased its dividend by 7%, its 25th year of successive increases

SMALL-CAP NEWS

A busy week with positive prints from **ITM Power** (progress in upscaling size of electrolyser stack) and **Urban Logistics REIT** (15.6% total accounting return with a declared dividend of 7.6p). Elsewhere **Venture Life** deployed some of their raised cash by purchasing BBI Healthcare for £36m, which is a women's health and diabetes company and will be immediately earnings enhancing. The standout, however, was saved for Friday with **Avacta Group** following up their UK announcement at the beginning of the month by stating their lateral flow test had been given regulatory approval in the EU. We look forward to hearing orders in due course

THIS WEEK IN HISTORY

1942: the United States and the Soviet Union signed a lend-lease agreement to aid the Soviet war effort in World War II

2020: US stocks plunge 7% in a day as markets grow concerned about the number of Covid cases reappearing in some US states

RE-OPENING TIMES

An increasing focus on the lack of available workers in the US. A **McDonalds** in Florida is now paying people \$50 just to turn up for an interview, while **Amazon** is hiring 75,000 workers with a starting pay of more than \$17 per hour and \$1,000 signing on bonuses

MARKET DATA

% returns	1 Week	1 Month	1 Year	5 Years
UK Equities (% return GBP)	0.21	2.18	19.74	37.27
World Equities (% return GBP)	0.56	2.91	27.23	105.67
10 Year US Treasury Yield	1.45	1.64	0.66	1.64
GBP / USD (fx rate)	1.41	1.41	1.26	1.43

As at 11th June 2021. Source: Financial Express

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