

# THAT WAS THE WEEK THAT WAS

By Vermeer Partners

Week ending 2<sup>nd</sup> April 2021



## MACRO

- In the UK, data from the ONS showed that the household savings ratio rose to 16.1% near to a record high
- The US economy added 916,000 jobs in March and the unemployment rate edged down to 6% in a sign that the recovery is accelerating

## STATISTIC OF THE WEEK

To Twitter this week where business commentator @TrungTPhan attempts to compile the unofficial list of the greatest investment decisions ever. Contenders include Eduardo Saverin who invested \$15k into **Facebook** in 2004, now worth c. \$14bn; and Jackie & Mike Bezos who lent their son Jeff \$250k to start **Amazon** in 1995. But the spoils must go to Koos Bekker, CEO of **Naspers**, a South African traditional print media business, who bought 46.5% of **Tencent** for just \$32m in 2001. It has now grown to \$250bn, an almost unbelievable return of 7800x and likely one of the best investment decisions of all time.

## COMPANY NEWS

- Next** upgraded its full-year profit expectations but ruled out paying a dividend until the outlook is clearer and issued a stark warning about the future of its physical stores
- It was a bad week for **Credit Suisse** on continuing news related to its exposure to the liquidation of Archegos Capital. It was reported that the bank sees losses running to billions of dollars from its exposure to Archegos
- Lululemon** results showed its e-commerce business continuing to accelerate with revenue soaring 24% in its most recent quarter

## SMALL-CAP NEWS

As people were heading back for outdoor sport, **Directa Plus**, the producer of graphene nanoplatelets-based products for consumer and industrial use, announced it has been granted an EU-wide patent covering the use of its G+ graphene in golf ball applications. Following the grant of patent, they will

commence a selection process for a partner. This was further to their trading update in March where trading was reported as "strong" and positive developments made in their battery, environmental and surgical (face mask filter) subsidiaries

## THIS WEEK IN HISTORY

**1917:** The United States purchases the Dutch West Indies, now known as the Virgin Islands, from Denmark for \$25 million in gold

**1999:** **Priceline.com** goes public in one of the hottest IPOs ever. Timed nearly perfectly with the top of the tech bubble, shares were initially priced at \$16 and closed the day at \$69, a first day return of 331% (for those lucky few who could get in at the offer price). After its IPO, Priceline had a market cap larger than that of United Airlines, Continental Airlines and Northwest Airlines combined!

## LOCKDOWN LOWDOWN

With a growing focus on rare earth metals such as lithium, neodymium and dysprosium - essential ingredients in electric cars, wind turbines and mobile phones - data released this week highlights how reliant we are on China. China exports 407,886 metric tonnes a year, accounting for 58% of the world's production. According to a new research report published by MarketsandMarkets™, the Rare Earth Metals Market is projected to grow from \$5.3bn in 2021 to \$9.6bn by 2026

## MARKET DATA

% returns	1 Week	1 Month	1 Year	5 Years
UK Equities (% return GBP)	-0.04	2.47	25.07	30.21
World Equities (% return GBP)	0.84	3.89	43.98	100.55
10 Year US Treasury Yield	1.72	1.42	0.63	1.78
GBP / USD (fx rate)	1.39	1.40	1.24	1.42

As at 2<sup>nd</sup> April 2021. Source: Financial Express

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