

# THAT WAS THE WEEK THAT WAS

By Vermeer Partners

Week ending 21<sup>st</sup> May 2021



## MACRO

- In the UK the March unemployment figures came in at 4.8%, down from 4.9% in February but the number of people out of work for at least a year rose to 381,236 in January-March, up from 299,109 a year ago
- In the US, the number of new house-building projects in the US fell sharply last month, following a surge in prices of raw materials such as lumber
- The Fed minutes showed that they are “discussing that they *might discuss*” the possibility of tapering

## STATISTIC OF THE WEEK

With an increased focus on inflationary pressures and the sharp rally in commodity prices, HSBC strategists this week show that US purchases of durable goods such as electronics and cars were up 15% last quarter versus pre-Covid levels and spending on housing was more than a fifth higher

## COMPANY NEWS

- **Forterra** had very strong numbers with big upgrades highlighting the shortage of building materials in the UK
- **Cranswick** results were impressive with revenues up 14% while exceeding next year's earnings forecasts – they are big beneficiaries of the capital expenditure super-deduction rules brought in by this year's budget
- **Vodafone** shares were weak as cash flow continued to suffer due to higher than anticipated 5G investment

## SMALL-CAP NEWS

On the back of last week's announcement that **Invinity Energy Systems** (the vanadium flow battery specialists) had entered into a joint agreement with Siemens Gamesa Renewable Energy SA, to develop grid-scale batteries, they then announced on Monday the sale of a 0.5MWh system to Webcor, a leading Californian construction firm which will be located on a US Marine Corps base in Southern California. The project announced will couple three of Invinity's VS3 vanadium flow batteries with solar PV to provide resilience and energy security in the case of Public Safety Power

Shutoff (PSPS) events, wildfires, or other outages. With further deals like this we would imagine Gamesa Electric will be taking up their Option Agreement granting 9.99% of Invinity's issued share capital at £1.75 per share, the same price as Invinity's most recent placing in December 2020

## THIS WEEK IN HISTORY

**1792:** The Buttonwood Agreement is signed by a group of 24 brokers, establishing what will become the New York Stock Exchange, with rules for broker commissions set at “no lower than 0.25%”

**2012:** **Facebook** shares IPO at \$38 giving the company a market cap of \$104bn, before falling sharply for the initial few months, even though it was the largest IPO in American history at the time

## RE-OPENING TIMES

We were shaken and stirred as **Amazon** waded into further film content with talks to acquire James Bond studio MGM. The e-commerce giant spent \$11bn on video content last year and, perhaps more notably, its in-house Amazon Studios is now annually producing on the order of 300 hours' worth of original programming including hits like the TV show *Bosch* and the Academy Award-winning movie *Sound of Metal*

## MARKET DATA

% returns	1 Week	1 Month	1 Year	5 Years
UK Equities (% return GBP)	-0.24	2.57	19.98	35.55
World Equities (% return GBP)	-0.32	-1.06	24.79	106.88
10 Year US Treasury Yield	1.63	1.57	0.68	1.85
GBP / USD (fx rate)	1.42	1.39	1.22	1.45

As at 21<sup>st</sup> May 2021. Source: Financial Express

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