

THAT WAS THE WEEK THAT WAS

By Vermeer Partners

Week ending 23rd April 2021



MACRO

- In the UK, the Treasury and Bank of England have launched a joint taskforce to explore a potential central bank digital currency
- UK inflation at 0.7% year-on-year to the end of March and unemployment still low at 4.9% but, to an extent, relatively meaningless while c. 5m workers remain on furlough until September
- In India, the massive deterioration in the Covid situation intensified as Delhi went into lockdown
- News broke that the Biden administration is considering a 43% CGT rate for the very wealthy. It is estimated that it would hit only around 0.3% of the US population

COMPANY NEWS

- **Coca Cola** announced that sales rebounded during the first quarter. By March, unit case volume had returned to levels last seen in 2019
- **Netflix** put on 4m subscribers, lower than expected, as Covid-19 production delays resulted in a "lighter content slate"
- **Breedon** said they had experienced a good start to 2021 with revenues increasing 27% year-on-year
- **Melrose** announced the sale of most of Nortek
- **AT&T** had very positive numbers with good churn numbers and a positive tone
- **Nestle** enjoyed its fastest quarterly sales growth in a decade including a 17.1% jump in sales of Nespresso products

FUNDS

Baillie Gifford's new private equity vehicle **Schiehallion** raked in \$700m in a heavily over-subscribed C-share issue

SMALL-CAP NEWS

Vermeer Partners sponsors the **Entrepreneurs Collective** and there were two notable attendees at the monthly competition. Pitching was Sam Jones, of **Gener8 Ads**, who

then turned up on Dragons Den a day later with backing from both Peter Jones and Touker Suleyman. On the judging panel was Michael Tobin, OBE, who is also Chairman of **Audioboom Group**. The latter, a global leader in podcasting, upwardly revised its 2021 forecast this week after continued "strong sales momentum". The improvement was driven by more advertising bookings, continued audience growth (who hasn't listened to a podcast recently?!) and the launch of podcast Dark Air, with more than 90% of the program's advertising inventory being sold before the podcast had premiered

THIS WEEK IN HISTORY

1933: The US officially leaves the gold standard. Equity indices rise around 10% while the US dollar falls 14% against other gold-based currencies

1968: In the throes of the great inflationary expansion of the late 1960's and early 1970's, William Martin of The Federal Reserve is quoted as saying; "We are in the worst financial crisis since 1931"

RE-OPENING TIMES

Encouraging news two weeks into the gradual re-opening of hospitality and retail: Barclaycard show a 438% week-on-week spike in spending on hair and beauty treatments, Pizza Express are to recruit 1,000 new staff, meanwhile major pub groups Stonegate and Greene King report strong trade until around 8pm when the temperature drops

MARKET DATA

% returns	1 Week	1 Month	1 Year	5 Years
UK Equities (% return GBP)	-1.04	3.91	21.75	30.19
World Equities (% return GBP)	-1.13	4.72	35.15	103.40
10 Year US Treasury Yield	1.56	1.74	0.63	1.89
GBP / USD (fx rate)	1.39	1.37	1.24	1.44

As at 23rd April 2021. Source: Financial Express

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