

THAT WAS THE WEEK THAT WAS

By Vermeer Partners

Week ending 5th March 2021



MACRO

- In the UK, the budget contained few surprises and – as expected – outlined plans for a sharp rise in corporation tax over the next few years
- Lloyds Bank outlined plans to become a private landlord, buying and renting out new and existing housing stock in the UK
- In the US, bond markets continued to sell off as Federal Reserve Chairman Jerome Powell expressed little worry about inflation and provided no indication of policy changes ahead

STATISTIC OF THE WEEK

The American Rescue Plan, adopted by the Senate on Saturday, sees the third and so far largest of the payments sent to Americans under coronavirus relief packages. Eligible individuals with an adjusted gross income (AGI) of \$75,000 or less are entitled to the full \$1,400. The ceiling is \$112,500 for individuals filing as head of household and \$150,000 for couples filing jointly.

COMPANY NEWS

- **Renishaw**, one of the great British success stories, puts itself up for sale
- **AT&T** shares picked up a bit as Elliot, the activist investor, increased their stake
- **Persimmon** announced forward sales levels of £2.3bn 15% higher year on year, supported by low interest rates, good mortgage availability and ongoing government support measures

FUNDS

Berkshire Hathaway's annual newsletter was released this week. Even the world's most famous investor makes mistakes as Warren Buffet holds his hands up to the \$37bn he paid for Precision Castparts in 2016: the maker of airplane parts had to write down \$10bn last year. Meanwhile it looks like Buffet has laid down his elephant gun for the time being as more of the \$138bn cash pile is being spent on smaller

acquisitions rather than the giant investments he has made in the past

SMALL-CAP NEWS

If Carlsberg made hard working business people they would probably come in the shape of Vin Murria OBE who has decided to follow her 12.45% beneficial interest and become deputy-chair of **M&C Saatchi**. Best known for leading **Advanced Computer Software Group**, her enviable track record was showcased with schedule 2(g) of AIM Rules where it lists other roles - 10 current and 15 previous jobs. We look forward to seeing how the company progresses under her guidance.

THIS WEEK IN HISTORY

1847: Alexander Graham Bell is born. He would patent the telephone, and would incorporate the American Telephone and Telegraph Company, now just known as **AT&T**

1957: The S&P 500 Index is introduced. Out of the 500 names that made up the index then, only 53 remain

RE-OPENING TIMES

As the vaccination programme gathers pace, **Apple** said that all their 270 stores in the US are now open, for the first time since March last year. Meanwhile **Amazon** opens its first "till-less" grocery store in Ealing, west London. Only available to app users they must scan in their phone code to enter.

MARKET DATA

% returns	1 Week	1 Month	1 Year	5 Years
UK Equities (% return GBP)	2.63	3.32	0.34	26.94
World Equities (% return GBP)	1.29	-2.11	18.77	96.89
10 Year US Treasury Yield	1.56	1.19	0.92	1.88
GBP / USD (fx rate)	1.38	1.37	1.29	1.42

As at 5th March 2021. Source: Financial Express

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