

# THAT WAS THE WEEK THAT WAS

By Vermeer Partners

Week ending 9<sup>th</sup> July 2021



## MACRO

- In the UK, the economy grew by a slower than expected 0.8% in May, which raised questions about the intensity of the bounce-back from coronavirus lockdowns
- After a strong ascent, oil prices fell after OPEC producers cancelled a meeting when major players were unable to come to an agreement to increase supply
- The ECB became the latest central bank to nudge their inflation targets higher, the first time the official target has been changed in over 20 years

## STATISTIC OF THE WEEK

Chinese regulators flex their muscles over **Didi Group**, the newly listed ride hailing app, with accusations surrounding data breaches. The Cyberspace Administration of China announced the ban on Sunday, citing serious violations on Didi's collection and usage of personal information, without elaborating. That unusually swift decision came two days after the regulator said it was starting a cybersecurity review of the company

## COMPANY NEWS

- UK supermarket chain **Morrisons** accepted a £6.3bn takeover bid from US private equity group Fortress.
- **Ocado** showed slightly better earnings from its UK retail business, but largely offset against further capex required for its technology infrastructure
- **Royal Dutch Shell** issued a trading statement that showed them benefiting from the higher oil price and they said they would increase capital distributions to shareholders

## FUNDS

An impressive fund raise from **Urban Logistics**, three times oversubscribed, raising money to continue investing in so-called "last mile" warehouse logistics hubs

## THIS WEEK IN HISTORY

**1914:** German industry leaders are all called to an "Imperial Meeting". The Kaiser goes around the room asking each individual one question: "Are you ready for war?". Heads of manufacturing, railroads and other industries all say yes. The German banks say no, and that they require two weeks to prepare

**1983:** The US supreme court rules it unconstitutional to pay women a smaller pension than men. Opponents had argued that since women live longer, a lower payment was justified

## RE-OPENING TIMES

Time to review the Goldman Sachs statistical model built to simulate the Euros and released at the start of the tournament in early June. Starting by modelling the number of goals scored by each team using a comprehensive dataset of international football matches since 1980, the finest minds at Goldmans concluded that Belgium would win, narrowly beating Portugal. Well, I would love to say it was England they failed to predict but as we now know Football came Rome.

## MARKET DATA

% returns	1 Week	1 Month	1 Year	5 Years
UK Equities (% return GBP)	0.21	1.01	21.47	28.21
World Equities (% return GBP)	-0.11	4.17	26.62	93.29
10 Year US Treasury Yield	1.37	1.50	0.62	1.37
GBP / USD (fx rate)	1.39	1.41	1.26	1.30

As at 9<sup>th</sup> July 2021. Source: Financial Express

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