

# THAT WAS THE WEEK THAT WAS

By Vermeer Partners

Week ending 4<sup>th</sup> September 2020



## MACRO

- In the UK, we continue to see major shifts in the jobs market as **Costa Coffee** and **Pret a Manger** make large redundancies while **Amazon** say that by the end of the year they will have created 10,000 new jobs to take its total permanent UK workforce to more than 40,000
- Volatility in the technology sector which the FT attributes to aggressive call option trading by Japanese trading house, **SoftBank**

## STATISTIC OF THE WEEK

We wrote a few weeks ago about **Facebook** experiencing the largest ever daily fall in a company's market-capitalisation in August 2018. Thursday saw that dubious honour handed over to **Apple** whose market cap fell by around \$179billion in just one day

## COMPANY NEWS

- Pernod Ricard** and **Brown Forman** both had good results showing that revenue was up year-on-year over June, July and August and that there is good evidence of recovery in the large drinks and spirits businesses
- Melrose** showed that it has continued generating cash through the crisis and, more recently, has seen a better than expected recovery in some its businesses
- Ciena** had good results but a weak outlook statement and the shares fell 25% helping to contribute to a wider sell-off in the technology sector

## FUNDS

A call with an Asian value fund who showed that the performance differential between growth and value in Asia has been 65%; and 38% between large and small cap.

## SMALL-CAP NEWS

**Strix Group**, a global leader in kettle safety controls launched a new business line this week with its HaloPure water purification and disinfection technology. This IP was bought in March 2019 and used as a 'disinfecting mist' during Covid

in some hospitals. It will be firstly focusing within the livestock farming industry in China which they believe the total addressable market is worth RMB 5billion

Closer to home we 'met' with **FRP Advisory** the administration specialists who have been involved with the high-profile investigations into Patisserie Valerie and reorganisation of Debenhams. Post results this week the shares dropped back but they believe they are about to get very busy and that the Government have just delayed the inevitable for some weaker corporations

## THIS WEEK IN HISTORY

**1789:** A new law establishing the US Treasury Department is passed. Alexander Hamilton was named the first Secretary of the Treasury, and William Duer became first assistant secretary

**1976:** Mexico devalues the peso an astonishing 50% overnight as the country struggles to repay debts with a currency fixed to the US Dollar

## RE-OPENING TIMES

High value homes in the UK continue to beat expectations as August saw more than twice as many £1m+ houses sold compared to the same month last year

## MARKET DATA

% returns	1 Week	1 Month	1 Year	5 Years
UK Equities (% return GBP)	-2.54	-3.34	-19.38	14.01
World Equities (% return GBP)	-1.39	1.58	4.82	90.01
10 Year US Treasury Yield	0.72	0.55	1.57	2.20
GBP / USD (fx rate)	1.33	1.31	1.23	1.52

As at 4<sup>th</sup> September 2020. Source: Financial Express

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