

THAT WAS THE WEEK THAT WAS

By Vermeer Partners

Week ending 4th June 2021



MACRO

- In the UK, a new business survey showed nine in 10 hospitality bosses expect to face staff shortages this year
- Eurozone CPI for May rose 2% and was up on the prior reading of 1.6%. Inflation hit 2% for the first time since 2018 as European economies begin to reopen from COVID related shutdowns
- Chinese central bankers announced plans to stem the strengthening of the renminbi by raising Chinese financial institutions' required foreign currency reserves from 5% to 7%

STATISTIC OF THE WEEK

New data out showing the cost of used cars and trucks in the US jumped 10% last month on month in April and was up 21% over the year. The upsurge in prices has been triggered by a slowdown in production because of lockdowns and semiconductor shortages. While at the same time, unusually for a recession, the number of customers who defaulted on vehicle finance and had their car repossessed has declined, cutting off another source of supply for dealers

COMPANY NEWS

- **BT** was in the spotlight after it was reported that investment group LetterOne was backing a plan to build out its own fibre broadband network. LetterOne is controlled by Russian billionaire Mikhail Fridman and has agreed to finance new broadband infrastructure firm Upp to build out regional broadband networks in the UK to compete directly with BT
- **Abbott Laboratories** finished down this week after lowering its full year guidance. Abbott gave new earnings guidance below consensus and down on its prior forecasts noting that demand is being impacted by factors that include recent health authority guidance on testing for fully vaccinated individuals
- Shares in **Nvidia** finished the week higher after CEO Jensen Huang commented that he was confident that regulators would approve its acquisition of Arm

SMALL-CAP NEWS

Thinking of doing any building work? The construction sector seems to think a lot of us will be as **Michelmersh** (bricks) said its performance has continued to be robust and production volumes have been ahead of expectations. Elsewhere both **Breedon Aggregates** and **Brickability** announced some acquisitions with Express Minimix, a mini mix concrete operator based out of Durham and Taylor Maxwell, a supplier of timber (58%), bricks (31%) and masonry (11%) respectively. The latter was a far larger deal with a consideration of £63m (£40m in cash, £10m in Brickability shares and a deferred consideration of up to £13m).

THIS WEEK IN HISTORY

1720: One of the greatest speculative bubbles in history nears its peak, as the South Sea Company shares jump to from £595 to £720

1985: RJ Reynolds Tobacco reaches an agreement to buy Nabisco for \$4.9bn

RE-OPENING TIMES

One of the last great British institutions falls into foreign hands as the Jammie Dodger and Wagon Wheel (made by **Burttons Biscuits**) are sold to Nutella maker **Ferrero** for an undisclosed sum

MARKET DATA

% returns	1 Week	1 Month	1 Year	5 Years
UK Equities (% return GBP)	0.73	2.63	14.72	35.16
World Equities (% return GBP)	0.28	0.34	22.07	104.83
10 Year US Treasury Yield	1.55	1.61	0.82	1.71
GBP / USD (fx rate)	1.42	1.39	1.26	1.45

As at 4th June 2021. Source: Financial Express

Vermeer Partners

130 Jermyn Street, London, SW1Y 4UR

T +44 (0)20 7123 5200

E info@vermeerllp.com

THAT WAS THE WEEK THAT WAS

By Vermeer Partners

Week ending 4th June 2021



This publication has been produced by Vermeer Investment Management Limited (VIM) trading as Vermeer Partners. It is provided for information purposes only. VIM makes no express or implied warranties and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to any data included in this publication. VIM will not treat unauthorised recipients of this publication as its clients. Prices shown are indicative and VIM is not offering to buy or sell or soliciting offers to buy or sell any financial instrument.

Without limiting any of the foregoing and to the extent permitted by law, in no event shall VIM, nor any of its officers, directors, partners, or employees, have any liability for (a) any special, punitive, indirect, or consequential damages; or (b) any lost profits, lost revenue, loss of anticipated savings or loss of opportunity or other financial loss, even if notified of the possibility of such damages, arising from any use of this publication or its contents.

Other than disclosures relating to VIM, the information contained in this publication has been obtained from sources that VIM believes to be reliable, but VIM does not represent or warrant that it is accurate or complete. VIM is not responsible for, and makes no warranties whatsoever as to, the content of any third-party website referred to herein or accessed via a hyperlink in this publication and such information is not incorporated by reference.

The views in this publication are those of the author(s) and are subject to change. VIM has no obligation to update its opinions or the information in this publication. This publication does not constitute personal investment advice or take into account the individual financial circumstances or objectives of the client who receives it. Any securities discussed herein may not be suitable for all investors. VIM recommends that investors independently evaluate each issuer, security or instrument discussed herein and consult any independent advisors they believe necessary. The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including changes in market liquidity). The information herein is not intended to predict actual results, which may differ substantially from those reflected. Past performance is not necessarily indicative of future results.

©2021 Vermeer Investment Management Limited. All rights reserved. No part of this publication may be reproduced or redistributed in any manner without the prior written permission of VIM.

VIM is authorised and regulated by the Financial Conduct Authority (FRN: 710280) and is incorporated in England and Wales (company number: 09081916).

This material has been issued and approved for distribution in the UK by VIM.