

## November Market Commentary Compliance Notes

What seemed important at the beginning of October (economic news) seemed inconsequential by the end as the most turbulent month since we started these bulletins unfolded.

IMF (8/10) says recovery is weak and uneven. Sharp downgrades for Russia, Middle East, Japan and the Eurozone <http://www.bbc.co.uk/news/business-29520881> But positive on Britain (to the delight of the more patriotic tabloids and UKIP) Chief economist Olivier Blanchard said “The recovery is becoming more country specific.”

Asian stocks reacted badly to the news with Japan’s Nikkei Dow index falling 1.4% <http://www.bbc.co.uk/news/business-29531859>

Shares in China resumed trading on 8<sup>th</sup> October after a week long national holiday

16/10 Shares in Far East sharply lower on US jitters, as US consumer spending and producer prices both fell in September <http://www.bbc.co.uk/news/business-29639596>

17/10 shares in FE traded mixed on better than expected US data <http://www.bbc.co.uk/news/business-29655376> Industrial production in September up 1% and weekly jobless claims dropped to a 14 year low

\*\* 3<sup>rd</sup> quarter growth figures from China due next week

24/10 EU demands extra €2.1bn from UK because our economy doing well – France to get €790m rebate. Germany also gets rebate <http://www.dailymail.co.uk/news/article-2805663/Brussels-asks-UK-cash-economy-s-doing-Cameron-fire-MPs-Brussels-demands-surcharge-France-gets-790m-rebate.html>

### UK

1/10 Q2 growth revised upwards to 0.9% <http://www.bbc.co.uk/news/business-29422267>

UK jobless down to 2008 level

Bad month for Wonga – writes off £220m of loans <http://www.bbc.co.uk/news/business-29457044> and has ad turned down by the regulator for not showing the interest rate <http://www.bbc.co.uk/news/business-29530615> to paraphrase the famous saying, “Well, they wouldn’t, would they?”

As leading debt charity StepChange claimed that debt cost the UK economy £8.3bn

13/10 Govmt seeks buyer for Eurostar in bid to boost public finances <http://www.bbc.co.uk/news/business-29588412>

Amazon to create 1,000 jobs in the UK at its distribution centres <http://www.bbc.co.uk/news/business-29594289>

More good news for George Osborne as UK inflation falls to 1.2% - a five year low: surprised the City and made people think again as to when the next rate rise is coming <http://www.theguardian.com/business/2014/oct/14/uk-inflation-falls-five-year-low-bank-of-england-interest-rates>

UK unemployment rate falls below 2m <http://www.bbc.co.uk/news/business-29627831> Fell by 154,000 in 3 months to end of August to 1.97m – first time it has been below 2m since 2008. Unemployment rate now = 6% and ONS put employment rate at 73% close to all time high of 73.2%

Warren Buffet dumps 245m Tesco shares – calls the purchase a “huge mistake” <http://www.bbc.co.uk/news/business-29640117>

Government to consider a new ISA for peer-to-peer lending <http://www.bbc.co.uk/news/business-29653476>

20/10 UK growth to fall to 2.4% next year – below 3.1% this year – EY item club <http://www.bbc.co.uk/news/business-29680253>

BBC website 20/10 Don't expect any traditional tax giveaways ahead of the general election. In a move akin to "good luck, there's no money left", Cabinet ministers have been warned by the Treasury that it is likely they will have to rein in their spending in the run-up to the election because of a shortfall in tax revenues and concerns about the global economy, the **Financial Times** has reported today. Treasury secretary Danny Alexander has told the Cabinet tax revenues are not recovering as quickly as the economy so he might have to impose new spending controls in the Autumn Statement. Yikes.

UK tax revenues falling as more people go self employed and more jobs are created, but low paid jobs – public borrowing rises to £11.8bn in September <http://www.bbc.co.uk/news/business-29702795>

Tesco chairman Sir Richard Broadbent pays inevitable price for profits overstatement – now at £263m <http://www.bbc.co.uk/news/business-29735685>

Meanwhile Lloyds prepare to sack 9,000 more staff – 1/10<sup>th</sup> of workforce over next three years <http://www.bbc.co.uk/news/business-29734598>

Europe

Fears of recession grow stronger as German output falls due to later school holidays – was expected to fall 1.5% but down 4% - biggest drop since January 2009 <http://www.cityam.com/1412664596/german-industrial-productions-suffers-biggest-drop-since-january-2009>

German exports in sharp August fall as economy falters <http://www.bbc.co.uk/news/business-29549547>

27/10 24 European banks fail ‘stress test’ <http://www.theguardian.com/business/2014/oct/26/european-banks-fail-financial-stress-tests>

## **US**

See data in headline

US growth 'modest to moderate' <http://www.bbc.co.uk/news/business-29636953>

US growth revised up in September <http://www.bbc.co.uk/news/business-29381029>

Google Q3 profits down 5% on same period a year ago  
<http://www.bbc.co.uk/news/business-29651815>

## **Far East**

Samsung forecasts 60% fall in quarterly profits due to slowing Galaxy smartphone sales <http://www.bbc.co.uk/news/business-29516806>

Boss of Huawei says US ban is "not very important"  
<http://www.bbc.co.uk/news/business-29620442>

China growth slows to 5 year low (22/10) <http://www.bbc.co.uk/news/business-29700067>

And finally

Canberra has been voted the best place in the world to live by the OECD  
<http://www.bbc.co.uk/news/business-29531850>

Australia was the best country, followed by Norway

Number of UK wine producers continues to grow  
<http://www.bbc.co.uk/news/business-29591393>

Beer producers – mostly craft breweries – up 188% over the last 5 years