

June Market Commentary Compliance Notes

Guardian article 22/5 on 'two stage parliament'

<http://www.theguardian.com/commentisfree/2015/may/22/queens-speech-europe-america>

Goldman Sachs warn world is drowning in debt

<http://www.telegraph.co.uk/finance/economics/11625406/The-world-is-drowning-in-debt-warns-Goldman-Sachs.html>

El Nino to disrupt food markets/prices

<http://www.bbc.co.uk/programmes/p02s6y8j>

UK

8/5 House prices up 1.6% in April <http://www.bbc.co.uk/news/business-32649101>

9/5 Shares and £ surge on election outcome <http://www.bbc.co.uk/news/business-32644523>

London estate agents up the most

9/5 UK trade deficit narrows in March <http://www.bbc.co.uk/news/business-32654335>

12/5 New biz secretary Sajid Javid promises significant reform of strike laws <http://www.bbc.co.uk/news/business-32702585>

Government sells more Lloyds shares taking stake below 20% <http://www.bbc.co.uk/news/business-32701270>

UK industrial growth at 6 month high in March <http://www.bbc.co.uk/news/business-32705691>

14/5 Mixed messages – BofE suggests weaker recovery and downgrades growth forecasts <http://www.bbc.co.uk/news/business-32722821> but UK jobless falls again. Down to 7 yr low with 1.83m out of work <http://www.bbc.co.uk/news/business-32719779>

16/5 Osborne to have 2nd budget on July 8th <http://www.theguardian.com/politics/2015/may/16/george-osborne-july-budget-austerity-conservatives-deficit>

18/5 Possible Brexit? Chairman of JCB says UK would be fine – Deutsche Bank start looking at moving staff to Germany <http://www.bbc.co.uk/news/business-32789709>

JCB link <http://www.bbc.co.uk/news/business-32775396>

19/5 UK inflation turned negative in April for first time since 1960: down by 0.1% - danger of deflation. Caused by drop in transport costs in turn caused by falling oil price, but BoE Governor Mark Carney appeared relaxed.

Bank of England governor Mark Carney said he expected inflation to remain very low over the next few months.

But Mr Carney added that "over the course of the year, as we get towards the end, inflation should start to pick up towards our 2% target".

20/5 Early shots fired in EU referendum campaign – business should speak up for EU says CBI <http://www.bbc.co.uk/news/business-32805539>

M&S profits up 6% to £662m <http://www.bbc.co.uk/news/business-32800614>

21/5 Airbus warns about exit from EU <http://www.bbc.co.uk/news/business-32820717>

Record fines for banks for fixing currency markets
<http://www.bbc.co.uk/news/business-32817114>

Both Barclays and RBS shares rose on the news, as the fines were lower than expected. That's alright then. Business as normal...

22/5 Cameron begins EU re-negotiation at summit in Latvia
<http://www.bbc.co.uk/news/uk-politics-32840696>

Nationwide profits up 54% to £1bn <http://www.bbc.co.uk/news/business-32841012>

31/5 Economic growth – pace is increasing says CBI
<http://www.bbc.co.uk/news/uk-32949991>

Europe

12/5 Greece raids its emergency reserves to make loan repayment
<http://www.bbc.co.uk/news/business-32701278>

Effectively borrowed from the IMF emergency cash reserves to make a repayment to the IMF. Confused? Of course you are.

<http://www.telegraph.co.uk/finance/economics/11598961/International-Monetary-Fund-will-not-take-part-in-third-Greek-bail-out.html>

Greece avoided an unprecedented default to the International Monetary Fund on Tuesday after raiding its emergency cash account at the Fund, in a major sign the country is edging ever closer to stiffing its senior creditor.

Athens tapped €650m from its "special drawing rights" (SDR) account held by the Bank of Greece at the IMF, scraping together a further €100m in cash reserves to avoid going into arrears.

The news came after reports in [Spanish paper El Mundo said](#) the IMF was ready to pull the plug on the debt-stricken country.

When even the Spanish are criticising the way you run your economy you know you're in trouble.

18/5 Varoufakis expects deal "within a week." Denied Greece could leave Eurozone – "another currency is not on our radar." <http://www.bbc.co.uk/news/world-europe-32790726>

Notes from Channel 4 news 20/5 Varoufakis says Greece 'determined to stay in the Euro.' Repayment due to IMF on 5th June as deposits in Greek banks continue to fall. Varoufakis says if it is a choice between repaying IMF and Greek citizens, he will 'prioritise paying pensions and public sector workers.' Germany warns Greece could soon default.

25/5 Greek interior minister says Greece cannot meet IMF repayment of €1.6bn due on June. Nikos Voutsis told Greek TV, 'This money will not be given and is not there to be given.' <http://www.bbc.co.uk/news/business-32864068>

GDP has fallen by 25% since 2010 and unemployment rate is 26%

26/5 Germany and France move towards closer ties in Eurozone without need for Treaty reform – blow to Cameron's re-negotiation plans
<http://www.telegraph.co.uk/news/politics/david-cameron/11629345/France-and-Germany-plot-closer-ties-for-EU-in-blow-to-Cameron.html>

USA

9/5 US firms add 233,000 jobs in April – stocks jump on news
<http://www.bbc.co.uk/news/32650336> and unemployment rate down to 7 year low of 5.4% <http://www.bbc.co.uk/news/business-32659351>

12/5 US telecoms giant Verizon buys AOL for \$4.4bn – also includes Huffington Post
<http://www.bbc.co.uk/news/business-32702558>

18/5 Apple shares seriously undervalued – set to dominate TV and cars
<http://www.bbc.co.uk/news/business-32786631>

20/5 LA follows Seattle and SF with \$15 minimum wage
<http://www.bbc.co.uk/news/business-32806059> equivalent to £9.67

25/5 Janet Yellen - rates could rise this year: delaying would pose threat to the economy
<http://www.bbc.co.uk/news/business-32854996>

28/5 Nasdaq at new record high <http://www.bbc.co.uk/news/business-32902181>

30/5 US economy shrank in Q1 <http://www.bbc.co.uk/news/business-32931189>
down 0.7% on same quarter last year, with Bureau of Economic Affairs sharply
revising its earlier estimate of 0.2% growth

Far East

9/5 Chinese exports down 6.2% in April against a forecast rise
<http://www.bbc.co.uk/news/business-32639974>

12/5 China cuts interest rates for 2nd time this year: down to 5.1% to stimulate
slowing economy <http://www.bbc.co.uk/news/business-32680744>

20/5 Japan economy grew by 0.6% in Q1 – better than the 0.4% expected and a
hopeful sign that the economy may be recovering from last year's recession
<http://www.bbc.co.uk/news/business-32791729>

22/5 Chinese stocks hit 7 year high as market continues to rally
<http://www.bbc.co.uk/news/business-32840669>

The mainland index had hit a seven-high on Thursday on hopes of more stimulus
from the government after a private survey showed more weakness in the vast
manufacturing sector.

25/5 Japanese shares hit 15 year high on good trade data – still a deficit, but better
than expected with exports up 8% on a year ago
<http://www.bbc.co.uk/news/business-32872762>

28/5 Japan now on longest rally since February 1988
<http://www.bbc.co.uk/news/business-32910993>

Emerging Markets

16/5 Renewable energy, finance, steel and media – India and China sign deals worth
\$22bn <http://www.theguardian.com/world/2015/may/16/china-and-india-sign-business-deals-worth-more-than-22bn>

Continuing problems for Russian economy in Q1
<http://www.bbc.co.uk/news/business-32754571>

30/5 Indian economy surges by 7.5% <http://www.bbc.co.uk/news/business-32928138>
higher than previous quarter and above expectations: has now outpaced
China for two of the last three quarters

And finally

Picasso's Women of Algiers smashes records and sold for \$179.3m – nude courtesans
<http://www.bbc.co.uk/news/entertainment-arts-32700575> Buyer chose to remain
anonymous

Hornby to revive Thomas the Tank Engine <http://www.bbc.co.uk/news/business-32748288>