

July Market Commentary Source Notes

1/6 Government confirms sale of Lloyds shares next year

<http://www.bbc.co.uk/news/business-32955695>

CBI says activity 'up several gears' – manufacturing picked up in May

<http://www.bbc.co.uk/news/business-32951546> but pace of growth is slowing. PMI up from 51.8 to 52

4/6 Cameron warned not to take German support in reforming EU for granted

<http://www.bbc.co.uk/news/world-europe-33002119>

Former German foreign minister Joschka Fischer has warned British PM David Cameron not to be too sure of German support in his bid to reform the EU.

It comes a week after German Chancellor Angela Merkel pledged to try to find a solution to the UK's drive for reform.

Mr Fischer, an architect of European foreign policy, told the BBC that the UK was not a priority for Mrs Merkel.

4/6 Homes for sale "lowest for years" driving prices up

<http://www.bbc.co.uk/news/business-33003592>

5/6 UK welfare spending falls to 25 year low <http://www.bbc.co.uk/news/business-33009399>

Lloyds bank - in which you're shortly going to be invited to buy shares – was fined a record £117m over mis-handling of PPI claims

<http://www.bbc.co.uk/news/business-33018200>

8/6 CBI cuts UK growth forecasts 2.4% for this year and 2.5% for next year, from 2.7% and 2.6% respectively <http://www.bbc.co.uk/news/business-33043493> Blamed weaker than expected growth in Q1

8/6 Tory unity last precisely a month as 50 Conservative MPs launch 'Conservatives for Britain' – or posh UKIP as it was quickly nicknamed – and David Cameron issued 'back me or get sacked by me' ultimatum <http://www.bbc.co.uk/news/uk-politics-33038201>

10/6 HSBC to shed 8,000 jobs in UK as it looks to cut costs

<http://www.bbc.co.uk/news/business-33058957> will also re-brand high street branches in a move similar to RBS commitment to go back to Williams and Glynns.

George Osborne to use Mansion House speech to commit to Mr Micawber rule – Governments must run a surplus in 'normal times'

<http://www.bbc.co.uk/news/business-33074500> Cynics might say...

Also announces the sale of RBS and accepts a loss

<http://www.bbc.co.uk/news/business-33088599>

Mark Carney says sale will, “promote financial stability” and benefit the wider economy.

13/6 Standard & Poor’s cut UK outlook from stable to negative on Brexit vote <http://www.bbc.co.uk/news/business-33117776>

contrary indicators from the building industry – UK construction fell in April but new building rises <http://www.bbc.co.uk/news/business-33108732> Presumably this means they worked more slowly on stuff already started.

16/6 UK inflation up to 0.1% in May from -0/1% in April

17/6 Unemployment falls again – down by 43,000 to 1.81m (number out of work between February and April) Meanwhile wage rises grew at their fastest rate since August 2011, rising 2.7%, both including and excluding bonuses.

The total number of people now in work is 31.05 million people, which is 114,000 more than in the previous three month period. <http://www.bbc.co.uk/news/business-33162403>

22/6 Confidence high among small business owners: ‘robust’ improvement in confidence according to the FSB <http://www.bbc.co.uk/news/business-33218255>

25/6 Cameron to kick off EU reform talks: but summit to be dominated by Greece and migrants, not reforms for UK <http://www.bbc.co.uk/news/uk-politics-33259566>

26/6 Tesco sales still declining – just not as quickly: down 1.3% for the three months to the end of May <http://www.bbc.co.uk/news/business-33281464>

Europe

4/6 With a €300m debt repayment due to the IMF the following day Alexis Tsipras said “an agreement was in sight” after 4 hours of talks with Jean-Claude Juncker, European Commission chief. <http://www.bbc.co.uk/news/world-europe-32987562>

5/6 Greece misses the repayment to the IMF – the first time a developed country has done this since the IMF was established. Now going to bundle all four June payments together <http://www.bbc.co.uk/news/world-europe-33009034>

Last month Greek interior minister Nikos Voutsis was slightly at odds with the party line, telling Greek TV, “This money will not be given and is not there to be given.”

8/6 European commission president Jean-Claude Juncker accuses Alexis Tsipras of lying to his own parliament <http://www.theguardian.com/world/2015/jun/07/jean-claude-juncker-angrily-accuses-greek-alexis-tsipras-lying-bailout-talks> Juncker denied he had a personal problem with Tsipras, but said “he has to observe some minimum rules.”

IMF want Greece to reduce pensions and benefits – increase VAT. Close local pharmacies. Hairdressing was a strenuous occupation that allowed you to retire and

collect your pension at 50. Widely acknowledged that it would have been cheaper for the Greek railways to pay for every passenger to take a taxi.

12/6 IMF/Greece talks break down <http://www.bbc.co.uk/news/world-europe-33099000> 'No more time for gambling and the game will soon be over.'

13/6 Markets rattled as EU leaders discuss Greek default for the first time <http://www.bbc.co.uk/news/business-33106990> shares on Athens stock market down 6%

16/6 Greek meltdown – Europe accused of plotting regime change <http://www.telegraph.co.uk/finance/economics/11676867/Greece-accuses-Europe-of-plotting-regime-change-as-creditors-draw-up-ultimatum.html>

Europe wants reductions in pensions (already cut by 44%) – Tsipras pledges to defend Greece's 'sovereign dignity whatever the consequences.' Europe now planning for state of emergency with Greece running out of food and medical supplies. But consider the position of a country like Slovakia where there is near universal indignation at funding a Greek welfare structure that Slovaks can only dream of. "Alexis Tsipras is swindling the whole world and this cannot go on forever," said Jozef Kollar, vice-chairman of the finance committee.

Hollande sounds alarm on Grexit <http://www.bbc.co.uk/news/business-33132591>

Bond yields went up significantly in Portugal and Spain as Podemos predictably leant support to Syriza – stock markets down

18/6 Rest of world prepares for Greece to default but Merkel says debt deal "still possible" <http://www.bbc.co.uk/news/business-33177021>

19/6 Emergency meetings as Greek banks about to run out of cash – money flowing out of banks <http://www.theguardian.com/world/2015/jun/18/greece-faces-banking-crisis-after-eurozone-meeting-breaks-down> Guardian reported that €1bn left the Greek banking system on Thursday 18th

Meanwhile Alexis Tsipras was in Moscow...

Monday 22/6 Greece faces a critical 24 hours as European leaders gather for an emergency summit in Brussels that could break the deadlock around the country's debt crisis.

On Sunday, Greek PM Alexis Tsipras set out new proposals to try to prevent a default on a €1.6bn (£1.1bn) IMF loan.

One European official said the proposals held plenty of promise.

Greece must repay the loan by the end of June or risk crashing out of the single currency and possibly the EU.

<http://www.bbc.co.uk/news/world-europe-33220220> (shows Greece's declining bank deposits)

Also Guardian 'Markets surge on hopes of 11th hour deal'

<http://www.theguardian.com/business/live/2015/jun/22/greek-crisis-eurozone-summit-leaders-eurogroup-ecb-live> Greece makes concessions & journalists wait to film the queues at the cash points

Possible concessions on pensions Juncker's head of cabinet, Martin Selmayr, said the Athens proposal offered "a good basis for progress", though he described the negotiations as a "forceps delivery", underscoring the exertions to prevent Greece leaving the eurozone.

Although in many families grandparent's pension is biggest source of income

How did Greece get into this mess? <http://www.bbc.co.uk/news/business-33232074>

Why should I care about Greece? <http://www.bbc.co.uk/news/world-europe-33225461>

By Friday 25th everyone was agreed that Sunday 28th was the final deadline. But as Robert Peston wrote on the BBC website, this may only be the end of an act, not the end of the play.

There is a script which seemingly all eurozone leaders are urged to learn, which is that if the currency union is in the grips of crisis, no solution can or should be found till markets and economy are on the verge of a heart attack.

Now you can add to that the Greek banks running out of money.

26/6 Still deadlock – weekend crucial

28/6 EU rejects request to extend bailout past 30/6 when Greece owes €1.6bn to IMF: Greece to hold a referendum on 5th July with Tsipras supporting a "resounding no." <http://www.bbc.co.uk/news/world-europe-33302526>

Is Grexit inevitable? <http://www.bbc.co.uk/news/world-europe-32332221>

Tough choices for ECB – does it continue funding Greek banks in run up to referendum? Or let them run out of money? <http://www.bbc.co.uk/news/business-33297621> Are the banks already insolvent?

29/6 Greek banks to stay shut all week with cash limit of €60 per day – but machines will run out <http://www.bbc.co.uk/news/world-europe-33307263>

Measures taken to protect liquidity

How events will unfold <http://www.theguardian.com/world/2015/jun/30/what-next-five-key-decisions-that-will-decide-greeces-fate>

Greece due to make €1.6bn repayment to IMF on 30/6 €7.2bn left in bailout package but this is lost if the €1.6bn isn't repaid. Goes to referendum on Sunday will Europe telling Greece that no = leave the euro. Tsipras says he will resign if vote doesn't go his way

US

4/6 E-sports will be “as big as NFL” <http://www.bbc.co.uk/news/technology-32819070>

13/6 Youtube to launch video gaming channel
<http://www.bbc.co.uk/news/technology-33119707>

US Students heading for Germany <http://www.bbc.co.uk/news/magazine-32821678>

US economy added 280,000 jobs in May: much better than expected
<http://www.bbc.co.uk/news/business-33025802>

12/6 Boss of Twitter to step down as user growth slows
<http://www.bbc.co.uk/news/business-33103860>

16/6 Gap to close 175 shops across the US <http://www.bbc.co.uk/news/business-33144076>

Jeb Bush and Donald Trump enter US Presidential race
<http://www.bbc.co.uk/news/world-us-canada-33152947>

18/6 Fitbit valued at \$4.1bn after raising price
<http://www.bbc.co.uk/news/business-33178793>

Shares soar - company is already profitable <http://www.bbc.co.uk/news/business-33172222>

Fed may raise rates in the Autumn – September looks likely
<http://www.marketwatch.com/story/june-fed-hike-still-off-the-table-but-get-ready-for-autumn-move-2015-06-05>

Far East

5/6 Shares in mainland China reach 7 year high, SC going above 5,000 for first time since 2008. Wonder if it is being achieved on margin trading?
<http://www.bbc.co.uk/news/business-33017564>

8/6 Japanese growth in Q1 revised sharply higher – up 1% not 0.6%
<http://www.bbc.co.uk/news/business-33043977> Gave higher than expected annual growth of 3.9% boosted by rise in business spending.

23/6 Chinese factory activity shrinks for fourth month in a row
<http://www.bbc.co.uk/news/business-33234915>

Japanese index up to 15 year high <http://www.bbc.co.uk/news/business-33234812>

China is ‘lead suspect’ in cyber attack on US <http://www.bbc.co.uk/news/world-asia-china-33281269>

Chinese shares down 7% as investors worry new issues are absorbing liquidity
<http://www.bbc.co.uk/news/business-33281146>

China led global bank takes shape <http://www.bbc.co.uk/news/world-asia-33307314>

Emerging Markets

16/6 Nestle to destroy noodles worth \$50m <http://www.bbc.co.uk/news/world-asia-india-33144830> I leave you to form your own mental image of \$50m worth of noodles...

19/6 Belgium seizes Russian assets <http://www.bbc.co.uk/news/world-europe-33197782>

Puerto Rico can't pay \$72bn debts and is close to default
<http://www.bbc.co.uk/news/world-us-canada-33317495>

And finally...

KFC sues over 8 legged chicken – illustrates the cut throat nature of doing business in China and power of social media <http://www.bbc.co.uk/news/world-asia-china-32964606>

As if noodles were not enough we must now consider an eight-legged chicken...

Pitta Bread <http://www.bbc.co.uk/news/technology-33229424>