

UK Economy

- The UK's manufacturing output fell unexpectedly by 0.9% in October. An increase of 0.2% had been predicted. The largest fall came from the pharmaceutical industry.
- Britain's largest online fashion retailer, Asos, has plans to double its UK manufacturing as a result of the weak pound. Currently 4% of its own-brand products are made in two factories in London. However it notes that whilst the manufacturing capacity is available, the necessary skills are not.
- Data from Lastminute has shown that Spaniards and Italians are taking advantage of the Immaculate Conception public holiday in Europe, as well as favourable exchange rates, to spend a long "shopcation" in London.
- The UK's trade deficit has been reduced from 5.9% to 5.4% in Q2 2016 after a major error in the ONS data was uncovered. However, figures suggest that the improvement will be partially reversed by revisions for Q3. The ONS say that the estimates for GDP are not affected.
- There are reports that the Home Office has modelled the effects of reducing student visas from 300,000 to 100,000.

UK Property / construction headlines

- London prime housing prices are experiencing their worst December in six years as asking prices in inner London fall 6%. Rightmove expect the weakness to continue into next year with prices falling 5%. The report also showed that demand in London had fallen 7.2% compared to November 2015.
- Savills has warned that up to half of all commercial developments in Central London could be delayed over concerns over Brexit.

Friday to Friday

	Price / index	Week % change	Annual % change
FTSE 100	6,954.21	+3.32	+16.82
FTSE 250	17,733.12	+1.71	+5.07
Nikkei	18,996.37	+3.10	-1.22
S&P 500	2,259.53	+3.08	+12.28
Nasdaq	5,444.50	+3.59	+10.36
CAC 40	4,764.07	+5.19	+4.71
Dax	11,203.63	+6.57	+8.35
\$ per £	1.2581	-0.79	-17.30
€ per £	1.1939	+0.45	-13.67
Gold £/oz	922.27	-0.27	+30.68
Brent Oil	54.33	+0.44	+43.24

Stocks / commodities

- Oil and Gas UK has shown that investment into the UK Continental Shelf (UKCS) has fallen nearly 40% in the last two years and overall spending has reduced nearly 20% in the last year. The rate or return for UKCS firms has fallen to its lowest since 1997 as a result of low oil prices.
- As well as last week's OPEC output cut, Russia has pledged to cut 300,000 barrels/day from production which has provided a boost to oil prices.
- Iron ore prices have surged to a two year high despite expectations of price falls in 2017 as new supply comes online.

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World Economy

- China's authorities are set to impose new regulations on outbound investments to attempt to curb the outflow of capital. They are most concerned about mergers and acquisitions worth more than \$10bn. State-owned enterprises are to be banned from investing more than \$1bn in a single overseas real estate transaction.

Brexit

- Approximately half of Leave supporters surveyed by YouGov for OpenBritain are unwilling to see Brexit through as it means taking a financial hit.
- The EU's chief negotiator has said that a new UK / EU deal would need to be negotiated within 18 months.
- Further legal challenges against the government's Brexit plans have been logged which aim at not stopping Brexit but, "shaping it". Other questions raised include:
 - Is there a mandate to leave the European Economic Area or just the European Union?
 - Is Article 50 revocable? or could there be another referendum on the final deal - or is the consequence of triggering Article 50 that we will leave the EU whatever the terms?

