

### UK Property / construction headlines

- UK construction output grew 0.8% in Q1, in-line with estimates, but quarterly figures showed a 0.7% decrease (third monthly fall in a row). Annual output was up 2.4% led by commercial and private housing whilst infrastructure and industrial construction output saw significant falls.
- In April, UK housing sales fell to their lowest level since the EU referendum. The number of new instructions continued to fall for the 14<sup>th</sup> month in a row and 15% more respondents said new instructions had dropped in April, according to the RICS.

### World news

- JPMorgan is to buy an office in Dublin which can house more than 1,000 workers as it seeks to expand its presence in Ireland.
- Emmanuel Macron was inaugurated as French President at Elysee Palace. His first role will be to name a Prime Minister.
- A lack of affordable housing in the US is pushing down levels of home ownership (which is at a 50-year low) as well as productivity levels as people cannot move to where the jobs are. Throughout the recovery, companies were biased towards high-end residential as lending for construction is easier to gain at this level.
- EcoBank Transnational Inc has suggested that Brexit will be a benefit to African exporters in the long-run, however the immediate effects will be negative.
- China's President Xi pledged an extra £100bn to build a new Silk Road for free trade. China aims to enhance links to Asia, Africa, Europe and America with massive infrastructure investment.

### Friday to Friday

	Price / index	Week % change	Annual % change
FTSE 100	7,435.39	+1.89	+21.13
FTSE 250	19,762.97	+0.32	+18.69
Nikkei	19,883.90	-0.06	+21.15
S&P 500	2,390.90	-0.35	+16.82
Nasdaq	6,121.23	+0.34	+29.75
CAC 40	5,405.42	-0.50	+25.13
Dax	12,770.41	+0.42	+28.31
\$ per £	1.28798	-0.53	-10.37
€ per £	1.17867	+0.08	-7.36
Gold £/oz	952.93	+0.72	+7.46
Brent Oil	50.84	+3.54	+6.01

### Manifesto rumours

Whilst official manifestos are quickly approaching, several key points (or entire manifestos) have been leaked or rumoured. Such as:

- The Conservative party is to suggest a new generation of social housing with fixed-term council houses paid out of existing infrastructure budgets.
- The Labour party is expected to unveil a new, ten-year, £250bn infrastructure fund which promises 100,000 new social homes a year. They are also expected to expand current stamp duty on share transactions.

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### UK Economy

- In its latest inflation update, the Bank of England expects wages to rise by 2%, a significant downgrade from the 3% which had been forecast in February. Inflation expectations were increased from 2.7% to 2.8% for the end of the year. This means that inflation will outstrip wage growth for the first time since 2013. The year is expected to present a “challenging time for British households.” The bank agreed to hold interest rates stable for now but expects that a smooth Brexit will force rates to rise faster.
- According to a survey by the CIPD, the professional body for HR managers, the basic median pay award over the next year is expected to be 1.0%, down from 1.5% last year.
- UK banks are preparing for the additional costs of restructuring, funding and legal bills brought about by Brexit. The total cost is expected to be hundreds of millions of pounds.
- UK industrial output declined by 0.6% in March, more than the 0.2% expected by economists. Overall annual growth fell from 3.3% in February to 2.3% in March.

### Stocks and Commodities

- Sterling rebounded slightly leading to an increase in hedges. Sterling has been the best-performing G10 currency against the dollar this year and analysts expecting it to breach \$1.30 for the first time since September.
- Oil prices increased as Saudi Arabia and Russia jointly agreed that production cuts would be extended until March 2018.