

UK Economy

- Business investment in the UK grew in the year following the referendum, according to revisions published by the ONS last week. Previous estimates showed no annual growth but the latest revisions show an increase of 2.5% in Q2 2017.
- A survey by the British Retail Consortium has found that a third of British retailers are expecting negative impacts to their business following Brexit, and over half are preparing for increased competition.
- Consumer spending grew in September, but not enough to stop the year-on-year decline. Annual spending is 0.3% below levels seen last year. Figures for annual spending have fallen for four of the past five months, the longest decline since April 2013.
- Britain's Northern cities are lobbying the government to ensure that current European investment funding is replaced after the UK's exit from EU. Manchester's mayor, Andy Burnham, has asked for "a 10-year commitment to funding at the current level". The EU currently provides Structural and Investment funds worth £157m to Manchester, Liverpool and Tees Valley.
- The number of VAT and/or PAYE businesses in the UK continued to grow to 2.67m in March 2017 compared with 2.55m in March 2016. The number of companies and public corporations has continued to rise to 70.7% of total UK businesses, which has offset a gradual fall in sole proprietors and partnerships.
- GDP per head grew 0.1% in Q2 2017, compared with Q1, and 0.9% year-on-year. Net national disposable income increased 2.0% largely due to increased foreign direct investment.

Friday to Friday

	Price / index	Week % change	Annual % change
FTSE 100	7522.87	2.04	6.79
FTSE 250	20166.54	1.47	12.07
Nikkei	20690.71	1.64	22.74
S&P 500	2549.33	1.19	18.34
Nasdaq	6590.18	1.45	24.52
CAC 40	5359.9	0.56	20.45
Dax	12955.94	0.99	23.50
\$ per £	1.3065	-2.49	5.16
€ per £	1.1136	-1.82	0.02
Gold £/oz	976.94	2.26	-3.35
Brent Oil	55.62	-3.34	7.11

Commodities

- "Some extraordinary measures" are needed to ensure a stable oil market in 2018, according to OPEC's secretary-general, whilst acknowledging that a rebalancing process is underway. It is expected that OPEC's supply pact will be extended into 2018, with new members joining.
- The EU has set new duties on steel from Brazil, Iran, Russia and Ukraine after complaints from EU steel makers that steel for construction and machinery was being sold at excessively low prices. Anti-dumping levies of between €17.6 and €96.5/tonne will be introduced. The European Commission originally proposed a minimum price of €472.27/tonne, but failed to get backing from EU members.
- Some investors have begun to bet on crude oil reaching \$100 per barrel by December 2018.

UK Property / construction headlines

- Construction PMI fell below 50.0 (to 48.1) for the first time in 13 months. The survey found that new construction work had fallen for the third month in a row, the longest period of decline since 2013 (excluding the referendum dip).
- A review of last year's Housing White Paper has suggested that policies could increase housing shortages in the North and Midlands if a blanket approach to assessing needs is taken.
- A levy to pay for Crossrail 2 has been rejected by City Hall unless it can be "reassured" that the new tax (Mayoral Community Infrastructure Levy 2) will not jeopardise new development within the City.
- The latest hotels forecast from PwC shows a healthy London hotel market with occupancy increasing and revenue per room up 6% this year. 7,000 rooms are expected to be added in 2018 but investment volumes are expected to fall 10%.

World News

- S&P 500 closed 0.6% up on Thursday, the sixth consecutive closing high for the first time in more than 20 years, fuelled by signs of economic strength and renewed optimism over tax cuts.
- Global economy is experiencing its broadest and strongest upturn for more than 5 years, an index by Brookings Institution think-tank shows. The index suggests a positive outlook for the rest of the year and states 2018 remains healthy.

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