

### Brexit and Britain

- Theresa May met the European Commission President on Friday and signed a deal, that among other things preserved the rights of the EU citizens staying in Britain, and British expats in the EU. It established that Britain will pay a net €40bn to €60bn (to be confirmed). Trade talks can now commence early next year.
- Brexit secretary David Davis confirmed that the government has not conducted sector-by-sector assessments of the impact of leaving the EU.
- Industrial output, which accounts for almost 14% of UK's national income, remained flat in October, ending six months of growth.
- UK services sector slowed down as prices rose during November, Purchasing Managers Index data showed.
- A new study by Bank of England suggests Britain does not rely on the 'kindness of strangers' to fund its current account gap (because British nationals make capital gains on foreign assets).
- The UK government's new Investment Management Strategy II contains plans to reconsider the tax treatment of those working for short periods of time in the UK.
- The Bank of England's final meeting of the year is expected to have the committee unanimously voting to hold interest rates at present 0.5% levels.
- Financial services firms plan to move 10,500 jobs out of the UK due to Brexit, reports based on figures from EY shows. The figures are lower than last year's forecasts.
- Shadow Chancellor, John McDonnell, formally launched a report suggesting that part of the Bank of England could move to Birmingham. The move would create a 'new economic policy hub'.

### Friday to Friday

	Price / index	Week % change	Annual % change
FTSE 100	7393.96	1.28	6.32
FTSE 250	19992.54	0.70	12.74
Nikkei	22811.08	-0.03	20.08
S&P 500	2651.65	0.36	17.35
Nasdaq	6840.08	-0.11	25.63
CAC 40	5399.09	1.55	13.33
Dax	13153.7	2.27	17.41
\$ per £	1.3367	-1.06	6.25
€ per £	1.1364	0.21	-4.81
Gold £/oz	932.52	-1.83	1.11
Brent Oil	63.4	-0.52	16.69

### UK Property / construction

- UK construction output shrank in October at the fastest quarterly pace in five years. However HS2 railway sparked 37.4 per cent growth in new orders. Ignoring the HS2 effect, all new work excluding infrastructure grew by 4.1 per cent.
- Carillion's largest shareholder, Kiltearn Partners, has sold off half of its stake.
- The UK nuclear industry has committed to cut construction costs by 30 per cent, as the government gave a strong signal to help finance new reactors.
- Help for homeowners struggling to pay their mortgage will be largely withdrawn by 2022. Support for Mortgage Interest, a 'help to pay' mortgage repayments scheme will be changed to a loan rather than financial help.
- Hammerson bought Intu, making Hammerson Europe's second largest retail operator and the UK biggest.

### World News

- EU and Japan reached a free trade deal, creating the world's largest open economic zone, encompassing approximately 30 per cent of global GDP.
- New study by Carbon Tracker, the climate think-tank estimates 54 per cent of EU coal-fired power stations are lossmaking and 97% will by 2030.
- Acquisitions by China across Eurasia more than doubled to \$32.2bn in a push to dominate the global logistics industry and support a 'new Silk Road'.
- Turkey's GDP grew at 11.1% in the third quarter, the fastest expansion in six years, official data shows. Growth was driven by construction, services and a healthy rise in exports.
- New Zealand is looking at banning foreigners from buying houses, a move that could make the nation a global test case, in order to tackle its homeless crisis.
- China's volatility can be seen in a 2018 investment outlook: equities are 5 per cent down and 10-year government bond yields jump above 4%.

### Commodities and Currencies

- Sterling is looking quite deflated after Brexit Secretary, David Davis comments over the weekend.
- Bitcoin added to UK cross-border payment service called Revolut, a digital payment company. The move was backed by Lloyds Banking Group and MasterCard.

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