

UK Economic News

- The government has ruled out any possibility of the UK staying in the EU customs union. The first talks between the UK and the EU over the possibility of a transition period start this week.
- In 2016, the EU was the fastest growing partner for trade in British services, raising questions for future trading agreements between the EU and UK.
- A report by University College London has shown that British industry pays, on average, a third more for electricity than its European counterparts. UK Steel estimates that higher electricity prices result in an additional £43m annual cost in the UK.
- Sales of new cars in the UK fell by 5.7% in January, continuing last year's downward trend.
- IHS Markit's monthly services PMI showed UK services fell to a 16-month low of 53.0 in January, from 54.2 in December. Non-renewal of contracts, loss of existing clients and unfavourable weather were all cited as reasons for lower growth. The services sector is the largest in the UK economy, and combined with lower construction readings, the firm expects to see UK growth at its slowest pace since the EU referendum.

Commodities and Currencies

- Inflation expectations in the Eurozone have caused a sharp sell off of stocks, pushing Europe's STOXX 600 down 1.1%.
- Oil prices fell again as a stronger dollar caused a sell off.
- ArcelorMittal shares were boosted by a recovery in the steel market. Efforts to reduce pollution in China have caused a number of steel mills to close in the country, helping to curb global oversupply.

Friday to Friday

	Price / index	Week % change	Annual % change
FTSE 100	7,443.43	-2.90	3.55
FTSE 250	19,962.46	-3.17	8.42
Nikkei	23,274.53	-1.51	23.03
S&P 500	2,762.13	-3.85	20.23
Nasdaq	7,240.95	-3.53	27.78
CAC 40	5,346.98	-2.97	11.18
Dax	12,785.16	-4.16	9.73
\$ per £	1.4128	-0.36	12.94
€ per £	1.1350	-0.54	-2.10
Gold £/oz	944.14	-0.98	-3.39
Brent Oil	68.58	-2.24	20.72

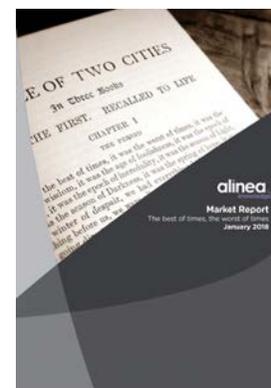
World News

- Wages in the US recorded their largest annual gain for over eight years, driving the dollar up and adding to expectations that the Fed will push up interest rates soon.

Market Report: The best of times, the worst of times

We have issued our latest Market Report, entitled: 'The best of times, the worst of times,' to reflect the recent and developing mix of buoyant activity in and outside London, amid the general Brexit gloom and nervousness.

[It is now available on our website](#)



UK Property / construction

- Investment in Central London offices increased to record levels according to CBRE. 81% of investment came from overseas, with half of that from Asian buyers.
- Marks and Spencer has announced the closure of a number of stores as part of their plans to reduce clothing and home floorspace by 25%.
- The latest survey by the RICS reported that chartered surveyors say their workloads are increasing despite uncertainties related to Brexit and skills shortages.
- Construction insolvencies increased 8% last year according to accountants Moore Stephens. The study also showed that the average payment time is 69 days.
- Average UK rents have risen at their slowest pace since 2013, increasing 1.6% last year (0.4% in London).
- UK construction PMI fell to show negligible growth in January with a reading of 50.2, down from 52.2 in December. House building, construction's main driver for growth, fell into decline, ending a 16-month period of expansion.
- Deloitte's latest regional crane survey showed sustained or increased levels of development across a range of sectors in Belfast, Birmingham, Leeds and Manchester. Between these cities, nearly 17,000 homes are under construction and, in Birmingham, over 1.4 million sqft of office space is being built.

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