

World News

- Turkey's inflation soared to a 14-year high as the country's consumer price index climbed 15.4% in the year to June 2018. The figures are the worst since the start of 2004, when the method of measuring inflation was changed.
- Italy's debt to European Central Bank is set to hit €500bn this summer. Target 2 balance - the difference between incoming and outgoing cross-border payments - is €480bn in red. Meanwhile, Germany's Target 2 surplus is expected to reach €1tn, reflecting the eurozone's financial imbalance.
- The Chinese property market is being watched closely, amid concerns of a property bubble as the Government is retreating from a policy that channeled about \$1tn in subsidies to home buyers since 2016.
- German exports fell 1.3% in May year-on-year and imports were 0.8% up, data from Federal Statistics Office showed. Trade surplus decreased to €19.7bn from €21.8bn recorded in 2017.
- The latest reading from the Eurozone Sentix Investor Confidence, was 12.1, way above the 9.0 forecast. The Index rates the relative six-months economic outlook for the euro zone and is compiled from a survey of about 2,800 investors and analysts.

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Friday to Friday

	Price / index	Week % change	Annual % change
FTSE 100	7,617.7	-0.25	3.63
FTSE 250	20,618.34	-1.02	6.31
Nikkei	21,788.14	-2.32	9.33
S&P 500	2,759.82	1.52	13.80
Nasdaq	7,688.39	2.37	24.95
CAC 40	5,375.77	0.98	4.48
Dax	12,496.17	1.55	0.87
\$ per £	1.3263	0.51	2.99
€ per £	1.1297	-0.03	-0.03
Gold £/oz	944.54	-0.43	0.31
Brent Oil	77.11	-2.93	65.08

Construction and Housing

- The UK saw 10% rise in flexible workspace provision during last year, boosted by significant rise in smaller, niche operators, research by The Instant Group showed. Despite a stellar year of take-up by the big operators, independent operators now account for 83% of the total number of flexible workspace centres.
- The gap between office occupancy costs in central London and the UK's regional cities narrowed to 40% from its peak in 2016 of 44%.
- The Government has launched its much-anticipated construction sector deal, more than six months later than planned. It is hoped the deal will transform the construction industry through the use of innovative technologies, increasing productivity and delivering more homes faster, and with less disruption.

UK economic news

- The amount of Asian capital invested in City of London offices hit a record volume for the first half of the year with £3.39bn of transactions, according to Savills. Asian investors represent around 70% of the total investment volumes of £4.9bn in the City for the year to date.
- David Davis resigned as Brexit secretary over disagreement over the Government's softened Brexit strategy.
- Chancellor Philip Hammond admitted that business rates have a negative effect on high street retailers, however there are no changes to the system at the moment. He said a tax system for online retailers is being considered in an attempt to find "a better way of taxing the digital economy".
- The retailer Mothercare announced further 10 store closures by June 2019. The retailer will now shut down 60 stores but aims to raise £32.5m through the issue of new shares.

What to look for this week:

- Announcement of a new Housing Minister as Dominic Raab has been promoted to Brexit secretary.
- The Chinese Premier Li Keqiang will visit Germany to discuss the possibility of forming a united front against US President Donald Trump's trade policies.
- Brexit White Paper will be published later this week.

Materials and commodities

- The pound recovered against dollar and euro over increased expectations of a rate increase in August.