alinea knowledge

UK construction market

- Markit / CIPS latest construction PMI revealed commercial as the best performing area of construction output whilst housing grew at its weakest rate since March. Overall, the index stands at 52.9 in August, below July's 55.8.
- Software provider, Engage Technology Partners, analysed pay trends since June 2016 and found that construction wages have risen 11% in the period, led by crawler crane operators at 54%. However a crane hire company called the report "utter garbage."
- Barratt Developments latest accounts show a £4m provision for replacing flammable cladding – twice the £2m it said it was going to spend back in April.
- According to the latest Construction News survey of the top 100 contractors, the average pre-tax margin across the top 10 has fallen to -0.9% (from -0.5% last year), with debt rising to £3.92bn.
- Almost two-thirds of specialists saw higher materials prices in Q2 than in Q1, according to the Building and Engineering Business Survey of four specialist trade bodies.

World News

- Sweden's general election ended in gridlock as the two main political blocs - the governing centre-left coalition and the centre right Alliance - finished with nearly 40% of the vote each.
- Consumer inflation in China has increased to a 6-month high of 2.3% whilst the producer price index rose 4.1%, a little lower than the previous month.
- Construction activity in Ireland has now seen five consecutive years of growth. The Ulster Bank construction PMI registered 58.3 in August, down from July's 60.7.

Friday to Friday

	Price / index	Week % change	Annual % change
FTSE 100	7,277.70	-2.08	-1.35
FTSE 250	20,209.61	-2.32	3.06
Nikkei	22,307.06	-2.44	15.73
S&P 500	2,871.68	-1.03	16.67
Nasdaq	7,902.54	-2.55	24.25
CAC 40	5,252.22	-2.86	2.71
Dax	11,959.63	-3.27	-2.80
$ per £	1.2936	-0.23	-2.08
€ per £	1.1178	0.00	1.88
Gold £/oz	925.41	-0.10	-9.32
Brent Oil	76.83	-1.04	42.86

Materials and commodities

- The US dollar has seen its best yearly performance since 2015 this year so far but is unlikely to continue those gains past the end of the year, according to a poll by Reuters. It is thought that US growth momentum has peaked and that many things underpinning the dollar are easing such as the US-China trade dispute and the expected Federal rate hikes.
- EU Brexit negotiator, Michel Barnier, has said that the EU was open to discussing "backstops" over Brexit issues, pushing sterling to a one-week high.
- Chinese stocks slipped as investors prepared for the next round of US tariffs.

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UK economic news

- UK manufacturing grew at its slowest rate in two years in August as lower global growth caused exports to fall for the first time since 2016.
- Retail sales also slowed following the summer boost led by the heatwave. Total sales were 1.3% higher than August 2017, compared to an annual growth rate of 1.6% in July and 2.4% in August last year. The British Retail Consortium has said that the weak trend of retail sales growth has shown little sign of abating.
- Struggling retailer, Debenhams has called in KPMG to work on restructuring options.
- Sainsbury's chief executive, Mike Coupe, admitted that there could be some "extreme scenarios" in which the Competition and Markets Authority could derail Sainsbury's merger with Asda. Despite concerns, the teams remain confident that the merger is possible and will go ahead.
- Mark Carney is expected to extend his role as the Governor of the Bank of England until 2020 as Theresa May supported his plan to maintain stability at the bank throughout Brexit.
- A study by think-tank New Financial, found that the UK is the second-largest financial centre, behind the US, and nearly twice as large as France or Germany. If the UK were to lose a quarter of its international finance as a result of Brexit, it would still be double the size of any other European sector.
- The Centre for Economics and Business Research has predicted that UK businesses will stockpile approximately £40bn of imports to cope with the impact of a no-deal Brexit. This stockpiling would firstly boost, then suppress GDP for the remainder of 2019 as companies run-down their stockpiles.