

### UK economic news

- The Services purchasing managers' index by IHS Markit, is at its lowest level since the immediate aftermath of the referendum on the EU, falling from 52.2 in October to 50.4. Economists had expected a marginal increase to 52.5.
- Ministers are expected to admit this week that Crossrail may be delayed beyond 2019, as well as requiring a further £1bn in funding, following the resignation of Sir Terry Morgan as Chairman of Crossrail last week.
- Interserve, one of the UK's largest providers of public services, confirmed that it is seeking a rescue deal in order to dress its £500m of debt. Shares fell by over 70% on the announcement. Currently, 70% of its £3.2bn turnover comes from work for the UK government.
- The European Court of Justice stated that the UK can unilaterally revoke the notification of its intention to withdraw from the EU (Article 50).
- Due to weak consumer confidence, more agile online competition, and a change in buying habits, it is expected that retail footfall will continue to decline by 4.2% year-on-year in December. It would be the quietest festive period since the credit crunch, according to Springboard analysis.

### Stocks and Commodities

- The cost of insuring sterling against future swings has risen to its highest level since the EU referendum. Head of forex strategy at the Bank of Montreal was reported as saying that due to the multiple permutations of Brexit, the pound is "purely impossible to trade at this point".
- Copper price increased by 2% to \$6,352 a tonne, after the US and China announced a trade truce. The prices are still lower than those seen in middle of the year.

### Friday to Friday

	Price / index	Week % change	Annual % change
FTSE 100	6,778.11	-2.90	-8.33
FTSE 250	17,844.11	-3.45	-10.75
Nikkei	21,678.68	-3.01	-4.96
S&P 500	2,633.08	-4.60	-0.70
Nasdaq	6,969.25	-4.93	1.89
CAC 40	4,813.13	-3.81	-10.85
Dax	10,788.09	-4.17	-17.98
\$ per £	1.2745	-0.18	-4.65
€ per £	1.1188	-0.80	-1.55
Gold £/oz	981.77	2.57	5.28
Brent Oil	61.67	3.72	-2.73

### World news

- Japan's economy contracted much more than reported in the third quarter. GDP fell 2.5% (rather than 1.9%) according to the data's second reading.
- The US yield curve reached a new 11-year low as traders prepare themselves for the Federal Reserve increasing interest rates at the upcoming meeting later this month and start to factor slower economic growth in 2019.
- Worldwide unemployment dropped from 8% in 2010 to 5.2% in September 2018, the lowest level in 40 years, analysis from investment bank UBS showed. Changes in flexible working practices, lower wages and rock-bottom interest rates are a few reasons economists attributed to the change.

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### Construction and Property

- November experienced further growth in UK construction output and new orders, the seasonally adjusted IHS Markit/CIPS UK Construction Total Activity Index showed. The rate of job creation in the construction industry was the fastest since December 2015 and business confidence has rebounded a little from the near six-year low seen in October as it registered 53.4 in November, up from 53.2 in October. It remains above the 50 no-change mark for the eight consecutive month and its the highest score since July.
- Approximately £12bn of office space changed hands in London in the first three quarters of 2018, according to CBRE. The figure is in line with last year's total, which was the highest in five years, suggesting a resiliency in the investment market.
- Knight Frank reported that take-up of new offices is on track for a five-year record, as deals have been agreed on 10.8m sqft of new space in the first three quarters of the year.
- The number of apprenticeship starts fell 24% in the 2017/2018 academic year, compared with the previous academic year, the Federation of Master Builders showed.
- The Mayor of London hinted that he is considering introducing rent controls across the capital in an overhaul of private rental laws. The assured shorthold tenancies, the standard rental agreement for almost all renters in England, would be replaced with open-ended tenancies. Providing greater security of tenure to renters is one of the changes proposed, according to the draft blueprint.
- 46% of the 245 senior industry leaders responding to the M3 Consulting London Development Barometer predict development will slow in the next five years.