

UK economic news

- Workers aged 25 and over on the National Living Wage will receive a 4.9% rise to £8.21 an hour from today. Despite the increase, households are seeing above inflation increases to regular bills.
- Britain's manufacturing index rose to 55.1 in March from 52.1 in February. It is the highest reading for 13 months according to IHS Markit Manufacturing PMI. This was due to businesses ramping up production to build up stockpiles.
- British households spent £4.4bn more in Q4 2018 than they earned, compared to £7.2bn of net borrowing in the previous quarter, according to ONS data.

Brexit:

- After the Brexit Deal was voted down on Friday, the UK is now scheduled to leave the EU on 12th April unless a deal is reached in the meanwhile. The EU is actively encouraging the UK to find a solution to the deadlock, warning that "no deal is the most likely outcome now". Today there is a new round of indicative votes to see if the MPs agree on the way forward. The EU is holding an emergency summit on 10 April to consider any UK requests.
- Brexit has cost the UK around £600m every week (about 2.4% of GDP) since the 2016 referendum, according to a report by Goldman Sachs which highlights the economic impact of the uncertainty surrounding Britain's exit from the EU. Another report from a German think tank said that €57bn is the combined income per year that Britain will lose in the event of a no-deal Brexit, equating to €873 per head. The rest of the EU stands to lose €22bn.

Friday to Friday

	Price / index	Week % change	Annual % change
FTSE 100	7,279.19	0.99	3.15
FTSE 250	19,117.49	0.63	-1.76
Nikkei	21,205.81	-1.95	0.24
CSI 300	3,872.34	1.01	-0.67
S&P 500	2,834.40	1.20	7.33
Nasdaq	7,729.32	1.13	9.43
CAC 40	5,350.53	1.53	3.55
Dax	11,526.04	1.42	-4.72
\$ per £	1.3034	-1.36	-7.04
€ per £	1.1607	-0.89	1.72
Gold £/oz	991.54	-0.30	4.86
Brent Oil	68.39	2.03	-2.68

World news

- German manufacturing slipped to 44.1 in March, worse than a flash reading of 44.7 that was already well below economic estimates, IHS Markit's Purchasing Managers' Index identified.
- French manufacturing also shrank more than expected as the Purchasing Managers Index was revised down to 49.7, below the 50, no change mark, signalling a contraction.
- The Turkish lira fell to an eight-month low against the US dollar, following a 40% slump in the first eight months of last year. The Turkish economy shrank by 3% in Q4 2018 and inflation reached almost 20%.
- Italy is the first G7 nation to join and support China's infrastructure Silk Road project. A non-binding declaration endorsed the deal, as well as "a number of agreements between companies in sectors including energy and steel".

Construction and Property

- Two central London offices have been sold in transactions totaling £163m in a sign that the capital's investment market is picking up after a slow start to the year. Monument Place in the City was sold to a private Hong Kong investor and a Midtown office building at 20 St Andrew Street was bought by the National Bank of Kuwait, acting on behalf of a private client.
- During 2018 the number of new build dwellings completed was 165,090, a 1% increase on 2017. The annual new starts totalled 165,160, which was the same as in 2017, data released by the Ministry of Housing, Communities & Local Government showed.
- Housebuilder Persimmon launched a retention scheme in which consumers will retain 1.5% of the total home value if any faults are identified at the point of key release. The consumer will retain the value, until the issues are fixed.
- House prices rose in all the UK's major cities for the first time since August 2015, Zoopla's latest Cities House Price Index showed. Annual house price growth ranged from 6.8% in Leicester, followed by Manchester at 5.8% and Glasgow at 5.7%. Cambridge posted the weakest increase at 0.2%, followed by London at 0.4%.

Contacts



Rachel Coleman, Senior Research Analyst
rachel.coleman@alineaconsulting.com



Magdalena Tuta, Assistant Research Analyst
magdalena.tuta@alineaconsulting.com