

World news

- The European Commission, in its Spring economic forecast, showed that Europe's economy grew by 0.4% in Q1 2019. This translates to 1.5% annualised growth, matching the previous forecast.
- EU employment is at a record high, with nearly 15m jobs added since the last European parliament elections in 2014. The nominal gross wage grew at an annual rate of 1.7%. According to the European Commission, the ratio of wages to GDP is declining, showing a smaller share of income is going to labour and a larger proportion is going to corporate profits.
- New factory orders in Germany rose 0.6% month-on-month in March, provisional data from Germany's Statistics Office identified. Year-by-year basis orders fell 6% in March.
- BMW AG's earnings for the automotive division fell by 42% to €1.1bn in Q1 2019. This is due to car prices declining, price competition, spending on new technologies and the tariff wars between the US and China.

Stocks

- Chinese stocks climbed after the announcement that the Chinese vice-premier will visit Washington for the eleventh round of trade talks, following days of uncertainty.

Contacts



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



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

Friday to Friday

	Price / index	Week % change	Annual % change
FTSE 100	7,380.64	-0.64	-2.46
FTSE 250	19,705.17	-0.76	-3.51
Nikkei	22,258.73	0.00*	-0.95
CSI 300	3,913.21	0.00*	3.67
S&P 500	2,945.64	0.20	10.60
Nasdaq	8,164.00	0.22	13.24
CAC 40	5,548.84	-0.37	0.59
Dax	12,412.75	0.79	-3.17
\$ per £	1.3138	1.59	-2.93
€ per £	1.1743	1.30	3.66
Gold £/oz	970.91	-2.50	-0.16
Brent Oil	71.24	-1.26	-4.85

*these might be affected by minimum trading days

UK economic news

- Last weeks' local elections saw the Conservative party lose 1,334 councillors, Labour lost 84 seats and Lib Dem gained 703 seats. These will change the balance of power within the 77 councils.
- Car new registrations shrunk 4.1% in April, the second worst reading for any April since 2012, SMMT, the organisation that represents car manufacturers and salespeople, reported. Registrations by private motorists fell by 10.3%, a steep decline suggest consumers are being extra cautious to spend.
- One in seven UK firms are potentially under sustained financial strain and has been able to stagger on due to low interest rates, a study from KPMG identified.
- Mark Carney, Governor of Bank of England, warned that a modest recovery over the next three years would warrant higher interest rates than financial markets were currently anticipating.

UK Construction and Property

- Workloads for SME construction firms dipped for the first time in six years, according to the Federation of Masters Builders. Although 49% of respondents indicated that there had been no change in workload between the end of 2018 and the start of 2019, 29% said workload slowed. A marked change from the figure for the previous quarter of 13%.
- The latest seasonally adjusted IHS Markit/CIPS UK Construction Total Activity Index (previously called the purchasing managers index) was 50.5 in April 2019, up from 49.7 in March, only just posting above the neutral 50.0 threshold for the first time since January 2019.
- A recent study from Begbies Traynor, an insolvency specialist, showed the number of companies involved in the development of building projects in significant financial distress reached 13,018 in Q1 2019, up from 11,813 in Q1 2018.
- The Construction Products Association downgraded its forecast for UK construction activity. The latest forecast anticipates overall construction output falling by 0.4% in 2019, revised down from a forecast three months earlier of marginal growth of 0.3%. In February the CPA was predicting 3% growth in UK construction output in 2020; now it is forecasting just 1.4% growth, largely driven by activity on major infrastructure projects and supported by sharp increases in warehouses and ports activity.
- New commercial property lending increased 12% last year even though property deal volumes fell by 13%, according to the Cass Business School UK Commercial Real Estate Lending Report. The mismatch may be due to the lending market taking time to catch up with the property market. Debt supply usually lags behind borrower demand by one year, and 2017 was a strong year for property transactions.