

UK news

- **Consumer Debt** | UK consumers repaid a record £7.9bn of debt as lockdown restricted business and social life. This was the largest net repayment since records began in 1993 according to the Bank of England. Yet businesses took on a further £8.4bn of debt during April, on top of £30.2bn borrowed in March.
- **Retailers** are adapting their stores ahead of their permitted openings next week. Guidance covers quarantining products, closed changing rooms, and one-way routes. Last week's easing of restrictions saw shopper numbers increase 31% on the previous (bank holiday) weekend.
- **Post Brexit emissions** | The UK's plans for an emissions trading system after it leaves the EU plan to go 'further, faster' than the EU. Plans currently intend to cut the emissions cap by 5% and possibly become more expensive than the EU scheme in order to reach a zero carbon target by 2050.
- **Travel restrictions** | New 14-day quarantine rules come into effect today for international arrivals and will be enforced through random checks by Public Health England. Exemptions include lorry drivers, medical workers, and fruit pickers. Airlines have started legal proceedings in a bid to overturn the rules.

Materials and commodities

- **Oil tankers** have been queuing outside of China's busiest oil ports, feeding refineries which are quickly ramping up production.
- **Oil recovery** | Saudi Arabia increased oil prices by the largest amount in at least 20 years after Opec+ agreed to extend its historic cuts. Nearly all discounts made during the price war earlier this year have been erased.
- **Bricks** | Reduced demand has encouraged Ibstock and Forterra to outline restructuring plans which include making 600 redundancies. Ibstock commented that sales have recovered from lockdown lows but remain 70% lower on an annual basis.
- **Precious metals** | Palladium has ended its stellar rise. The metal's price had increased by over 270% in five years but ailing car manufacturing has caused prices to fall by nearly 30%.
- **Cryptocurrency** | China is trialling a new, digital currency in four Chinese cities.

Construction and property news

- **WeWork** is reportedly in talks to reduce its space in the Stage, Shoreditch. In 2017 the flexible workplace provider agreed to lease two buildings.
- **IWG** is to take over an office in Hong Kong which has been vacated by WeWork.
- **Crossrail** | Bond Street station will be ready for trial runs in July. It is the only one of the stations to be sufficiently completed in order to undertake the next stage of testing.
- **Administrations** increased in the construction industry in May as 35 companies collapsed, up from 9 in April (although lower than February when 36 companies fell into administration).
- **Trade credit protection** | A new, Government-backed scheme will protect trade credit insurance cover. Construction is one of the largest users of trade credit insurance and accounts for a third of the UK market.

The world

- **US economy** | The Congressional Budget Office (CBO) released projections showing that the pandemic will remove \$8tn of economic growth in the US in the next decade as it shaves 3% off output.
- **Germany** | Industrial output recorded its steepest fall in April, falling nearly 18%. Manufacturing fell 35% and construction 4.1%. This increases expectations that Germany will experience a severe decline of 10% in Q2. Forecasters expect GDP in 2020 to fall 6.3% on the assumption that the €130bn stimulus package will help the economy in the second half of the year.

Friday to Friday

	Price / index	Week % change	Annual % change
FTSE 100	6,484.30	6.71	-11.56
FTSE 250	18,229.32	6.96	-5.22
Nikkei	23,072.51	5.46	10.48
CSI 300	4,001.25	3.47	12.25
S&P 500	3,193.93	4.91	11.16
Nasdaq	9,814.08	3.42	26.76
CAC 40	5,197.79	10.70	-3.10
Dax	12,847.68	10.88	6.66
\$ per £	1.2700	3.09	-0.32
€ per £	1.1245	1.39	-0.03
Gold £/oz	1,330.87	-4.99	23.42
Brent Oil \$/barrel	42.30	12.32	-33.16

The week's news was dominated by large-scale anti-racism protests around the world. Whilst this is an important issue, in a similar way to when the Covid-19 pandemic was at its peak, this paper will remain focussed on the economy and construction issues.

Weekly summary

Europe is increasingly opening its economies back up, working to push stock markets to three-month highs.

However, due to the speed at which economies were closed, it is only in the next few months that we will be able to see the full social and monetary impact. This week we will see data releases on including GDP and construction output in the UK.

Some positive signals are beginning to show: the indices in the table above are mostly positive for the first time in a few months. It is encouraging to see demand for construction materials increasing in China, however we wait to see what impact this will have on the materials market in the UK.

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