

## UK news

- **Bank of England** | The Monetary Policy Committee voted unanimously to maintain the 0.1% base rate and increase bond-buying, but at a slower pace. The Bank also noted that the economy is shrinking a bit less severely than they anticipated.
- **Retail sales** rebounded more than expected last month, increasing 12% whilst remaining 13.1% lower annually. The GfK consumer confidence index also showed a small improvement.
- **EU trade deal** | With the anniversary of the EU referendum this week, Michael Gove commented that unless significant progress is made towards a deal in October, it will be difficult to agree one before the end of the Transition Period as any deal has to be ratified by the 27 EU members.
- **Public debt** in the UK grew past 100% of GDP for the first time since 1963 as the government borrows to pay for counter-coronavirus measures. The Institute for Fiscal Studies has said that additional borrowing to boost the recovery would be worthwhile.

## Global economy

- **Global growth** | IHS Markit has forecast that global growth will fall 6% this year, but expects the recovery to begin in Q3. Its PMI surveys suggest that the worst of the economic impact from Covid-19 was in April.

## Materials and commodities

- **US oil** | The number of active shale oil rigs in the US has fallen 69% in the last year with total output set to fall 50% over the next year. Analysts have suggested that this will cause an abrupt end to the US' energy dominance as its conventional oil supply has been in decline since 1970.
- **Dry bulk** transport rates have increased substantially this month (shown in the chart to the right), boosted by demand for iron ore.
- **Bricks** | Michelmersh Brick Holdings has reported a return to full operating capacity after implementing safe operating procedures. The firm added that uncertainty remains over the level of demand as coronavirus uncertainty persists.

## Construction and property news

- **Scottish sites** are able to resume work this week on tasks where two-metre distancing can be maintained. The next stage of reopening includes physical distancing and/or with PPE, but the date for this is unknown.
- **Machinery emissions** | The tightening of Low Emission Zone standards for construction machinery which was originally planned for 1st September 2020 has been delayed by six months because of the "inevitable disruptions to suppliers" caused by Covid-19.
- **Furlough** | More than a third of construction workers in the UK were on furlough in May but they are returning to work quicker than workers in other sectors according to the latest survey by the ONS.
- **Caterpillar robotics** | Caterpillar has acquired an automotive robot company from San Francisco saying that they will look to provide customers with improved productivity, lower operating costs and greater efficiency through automation.
- **Roofing cartel** | Two suppliers of roofing lead who together account for 90% of rolled lead supplies, have admitted to taking part in anti-competitive arrangements and could face penalties of up to £11m.
- **Infrastructure work** | The Government unveiled its latest infrastructure pipeline which amounts to £37bn of work across 260 projects, such as the Stonehenge Tunnel project and a £7bn Smart Motorways Alliance. The list also includes several science and research projects and a significant number of new schools under the Free School Programme. Unlike previous pipelines, this one covers just the year 2020/2021

## Friday to Friday

	Price / index	Week % change	Annual % change
FTSE 100	6,292.60	3.07	-15.05
FTSE 250	17,487.26	2.40	-9.51
Nikkei	22,478.79	0.78	5.74
CSI 300	4,098.71	2.39	6.91
S&P 500	3,097.74	1.86	4.99
Nasdaq	9,946.12	3.73	23.84
CAC 40	4,979.45	2.91	-9.93
Dax	12,330.94	3.19	-0.07
\$ per £	1.2363	-1.31	-2.65
€ per £	1.1051	-0.73	-1.43
Gold £/oz	1,412.09	2.31	28.60
Brent Oil \$/barrel	42.19	8.93	-35.29

## Global shipping rebound

The Baltic Dry Index in 2020



## Weekly Summary

It is encouraging to see some positive news or activity from across sectors and regions this week, albeit with a continued reminder of rapidly increasing public debt and a looming deadline for the end of the Transition Period.

Flash PMI surveys for manufacturing in the US, Eurozone, UK, Japan and Australia are expected this week, as well as updated IMF forecasts.

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