

**UK news**

- **UK economy** | Faster than expected easing of lockdown measures and a “more rapid” increase in consumer spending has led to a faster rebound in the economy, according to the Bank of England. The Bank warned of a “material” rise in unemployment this year but supported the decision to end the furlough scheme at the end of October. The economy is expected to shrink 9.5% this year, less than the 14% initially expected.
- **Jobs market** | The Chartered Institute of Personnel and Development has found that 33% of employers plan to make redundancies in Q3 2020. This an increase from 22% earlier this year.

**Global news**

- **New normal** | Following on from Google’s announcement the week before, Facebook has extended its working from home policy until July 2021, providing employees with \$1,000 to spend on “home office needs”. The company’s share price has risen nearly 30% this year.
- **French “bird wing” recovery** | The Bank of France’s monthly report shows economic activity in July was 7% below normal levels. The Bank expects a sudden jump in the economy after lockdown was lifted, followed by a steady return to normal. Construction is nearing 100% of normal activity.

**Materials and commodities**

- **Bricks** | Istock is to close three factories, shedding 375 jobs (15% of its workforce) in order to “strengthen the business and improve liquidity” noting that sales volumes of clay and concrete are 80% and 85% of previous years respectively, and that whilst trading conditions are improving, they remain difficult to forecast.
- **Iron ore** | Vale docked its first skyscraper sized ore ship at China’s newest deep water port as China looks to diversify its iron ore supply chain. Daily steel outputs in China have risen 2.4% in recent months, increasing 1.4% overall in the first half of 2020.

**Construction and property news**

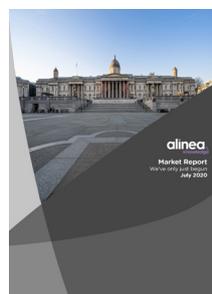
- **New lease approach** | Hammerson is to trial a new approach to leases at its Union Square centre in Aberdeen. It will offer shorter leases with a new index in place of traditional rent reviews as well as an “omnichannel top-up element”.
- **“Robust” recovery** | IHS Market/CIPS latest construction PMI hit 58.1 in July, an improvement on June’s 55.3 and importantly, a sustained reading above 50.0. Optimism over the next 12 months has increased with 43% expecting increased activity while 30% forecast a fall.
- **Piling firms** | According to analysis by The Construction Index, turnover amongst piling firms has fallen over the last two years largely due to uncertainties stemming from the Brexit vote and its impact on investment decisions. 20 companies were tracked in the analysis and 14 saw reduced pre-tax profits with five making a loss before tax.

**We’ve only just begun**

Our latest Market Report outlines our current view of inflation in construction prices, and our view on the wider issues affecting construction.

As we live through a moment in history, the report, which was very nearly called Mad World, is our attempt to layer some evidence and insight onto key issues which are or could affect our industry in the near term

[Read it on our website](#)



**Friday to Friday**

	Price / index	Week % change	Annual % change
FTSE 100	6,032.18	2.28	-16.84
FTSE 250	17,622.93	4.08	-7.70
Nikkei	22,329.94	1.17	7.95
CSI 300	4,707.93	-0.59	29.57
S&P 500	3,351.28	2.45	14.82
Nasdaq	11,010.98	2.47	38.34
CAC 40	4,889.52	2.21	-8.23
Dax	12,674.88	2.94	8.39
\$ per £	1.3041	-0.66	7.98
€ per £	1.1073	-0.31	2.85
Gold £/oz	1,559.40	3.26	25.31
Brent Oil \$/barrel	44.40	2.07	-24.14

**Weekly Summary**

As widespread lockdown rules relax across a lot of Europe, and the dust settles on data for Q2, many are now able to see how Covid-19 has affected the economy and where the drivers for recovery may come from. This in turn has enabled companies to act and plan for the coming period, with many announcing cuts to jobs.

However, significant concerns exist over a ‘second peak’ in Europe, with some companies and commentators expecting Covid-19 to continue affecting public life into next year.

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