

## Morning Meeting

16 June 2020

	Index	+/-	% change
FTSE 100	6064.7	-40.5	-0.7
FTSE All-Share	3362.1	-17.7	-0.5
DJ Industrial Average	25763.2	157.6	0.6
S&P 500	3066.6	25.3	0.8
NASDAQ Composite Index	9726.0	137.2	1.4
Nikkei Japan 1000 Index	1829.3	-48.5	-2.6
Hang Seng Index	23777.0	-524.4	-2.2
EURO STOXX 50 (EUR)	3136.4	-17.3	-0.5
Switzerland SMI (PR)	9842.6	46.2	0.5
France CAC 40	4815.7	-23.5	-0.5
Germany DAX (TR)	11911.4	-37.9	-0.3

Matrix Winners	Price	+/-	% change
Bunzl plc	2069.0	185.0	9.8
LondonMetric Property Plc	213.2	6.4	3.1
Ted Baker PLC	128.3	3.8	3.1
Ashtead Group plc	2417.0	56.0	2.4
Hikma Pharmaceuticals Plc	2359.0	54.0	2.3

Matrix Losers	Price	+/-	% change
Fresnillo PLC	747.6	-46.6	-5.9
Barratt Developments PLC	499.2	-26.6	-5.1
Hurricane Energy Plc	6.6	-0.34	-4.9
easyJet plc	767.6	-37.4	-4.6
Tullow Oil plc	31.8	-1.34	-4.0

Stocks Hitting Relative High
Flutter Entertainment Plc
Bunzl plc
LondonMetric Property Plc

Currencies		+/-	12 month range	
£:\$	1.257	0.00	1.15	1.33
Y:\$	107.405	0.07	102.55	112.09
E:£	1.115	0.00	1.07	1.20
E:\$	1.127	0.00	1.07	1.14
10 Yr Bond	Yld %	+/-	-3 months	-12 months
UK	0.19	-0.01	0.38	0.93
US	0.70	0.01	0.95	2.09
Germany	-0.45	-0.02	-0.58	-0.25
	Price (p)	+/-	12 month range	
Investec plc	165.55	-2.15001	128.8	518.6

Sector Winners	% change	Mkt Wt
FTSE All-Share / Support Services - SEC	0.9	5.6
FTSE All-Share / Leisure Goods - SEC	0.85	5.6
FTSE All-Share / Health Care Equipment & Services - SEC	0.62	1.1
FTSE All-Share / Technology Hardware & Equipment - SEC	0.6	0.1
FTSE All-Share / Software & Computer Services - SEC	0.6	1.0

Sector Losers	% change	Mkt Wt
FTSE All-Share / Industrial Metals & Mining - SEC	-2.1	0.1
FTSE All-Share / Beverages - SEC	-1.8	3.7
FTSE All-Share / Oil & Gas Producers - SEC	-1.5	8.8
FTSE All-Share / Food & Drug Retailers - SEC	-1.4	2.0
FTSE All-Share / Travel & Leisure - SEC	-1.3	4.0

Stocks Hitting Relative Low
Compass Group PLC
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### Companies discussed in Morning Meeting

#### UK Equities

Greggs

Company Update

- Over the past few months, markets have focused on the positive combination of central bank and government stimulus alongside the more recent unlocking of many economies. The past week, however, has been characterised by concerns over second waves of the coronavirus breaking out and some of those concerns surfaced yesterday. The Indian southern state of Tamil Nadu re-imposed a total lockdown of the city of Chennai and neighbouring areas, while the impact of Beijing locking down residential compounds and its large food market continued to reverberate around markets. New Zealand has found two new cases of the coronavirus, imported by two passengers flying in from London, having previously said that it was free of the virus. European markets yesterday focused on the negative medical news with the EuroStoxx 50 lower by 0.6% on the day. US markets, however, were buoyed by news of further stimulus, with the S&P 500 closing the day 0.8% higher. Core government bond markets were little changed.
- The US Federal Reserve announced an expansion of its secondary market corporate credit facility, where it said last night it would begin to buy debt issued by individual corporations based on a broad index of corporate bonds. Investment grade bond issuance in the US has already nearly surpassed its total 2019 issuance level in the first half of 2020 as companies have raised cash in order to bolster balance sheets and take advantage of low absolute borrowing rates. Originally, the Fed's focus was on ETF purchases. In other positive developments for risk sentiment, Bloomberg news is reporting that President Trump is planning a further \$1trn stimulus package, centring on infrastructure projects such as roads, bridges and 5G telecoms networks.
- In the UK, there are a number of points to note. Firstly, non-essential shops opened yesterday and today's media is full of photos showing long lines outside of some shops. One retail survey suggests that yesterday's footfall was "only" 36% lower compared with the same Monday last year. The debate over the two metre social distance rule in the UK continues. Secondly, the mood music on Brexit negotiations appeared to improve yesterday, as PM Boris Johnson and EU institutional leaders agreed to inject new momentum into the talks.
- The EU seems to be relieved that Mr Johnson is keen to intensify talks in July, with an end-of-July deadline earmarked for a deal. Sterling has increased by c.0.8% against the US dollar since the start of yesterday's trading session and is one obvious beneficiary of an early Brexit deal. Thirdly, data released by the ONS this morning showed that, against expectations, the UK unemployment rate (ILO) held steady at 3.9% in April, where consensus had been for a rise to 4.7%. The ILO definition of employment includes those who have worked for at least one hour and those temporarily absent from a job, hence furloughed workers are classified as employed, but the number is still a shock. Average weekly earnings showed signs of weakness, however, with total pay growth moderating in April to +1.0% (year-on-year) from +2.4%. In separate data, the number of people seeking unemployment benefits increased by more than 1.5 million in the two months to May. In April alone, employment dropped by 429,000 people, even as the government's furlough programme protected millions of jobs.
- In other economic news yesterday, there was a clear contrast between weak backward-looking data and more optimistic forward-looking survey data. Trade between EU countries fell by 32% in April, with imports lower by a quarter. Meanwhile, the New York Fed's Empire State Manufacturing Index rose from 29.1 in May to 56.5 in June, the highest reading since October 2009.
- Finally, North Korea destroyed an inter-Korean liaison office on its side of the border today shortly after threatening military action in the region over anti-Pyongyang leaflets sent into its territory.

## Events Calendar

Date	Company	Event
16 June 2020	Ashtead Group Plc	Q4 2020 Earnings Release
17 June 2020	Berkeley Group Holdings Plc	Q4 2020 Earnings Release
17 June 2020	Domino's Pizza Group Plc	Q1 2020 Sales and Revenue Release - Trading Update
17 June 2020	Hill & Smith Holdings Plc	Q1 2020 Sales and Revenue Release - Trading Update
17 June 2020	Kingfisher plc	Q4 2020 Earnings Release
17 June 2020	SSE Plc	Q4 2020 Earnings Release
18 June 2020	National Grid Plc	Q4 2020 Earnings Release
19 June 2020	John Wood Group Plc	Q2 2020 Sales and Revenue Release - Trading Update
25 June 2020	Auto Trader Group Plc	Q4 2020 Earnings Release
25 June 2020	Dixons Carphone Plc	Q4 2020 Earnings Release
25 June 2020	NIKE, Inc.	Q4 2020 Earnings Release
26 June 2020	Marston's Plc	Q2 2020 Earnings Release
26 June 2020	Tesco Plc	Q1 2021 Sales and Revenue Release - Trading Statement
29 June 2020	Prosus NV	Q4 2020 Earnings Release
30 June 2020	easyJet Plc	Q2 2020 Earnings Release
30 June 2020	FedEx Corp.	Q4 2020 Earnings Release
01 July 2020	Rolls-Royce Holdings Plc	Q1 2020 Sales and Revenue Release - Trading Update
01 July 2020	J Sainsbury Plc	Q1 2021 Sales and Revenue Release - Trading Statement
02 July 2020	Associated British Foods Plc	Q3 2020 Sales and Revenue Release - Trading Update

	Monday 15 <sup>th</sup> June	Tuesday 16 <sup>th</sup> June	Wednesday 17 <sup>th</sup> June	Thursday 18 <sup>th</sup> June	Friday 19 <sup>th</sup> June
UK		ILO Unemployment Rate 3-M	CPI Core NSA Y/Y CPI EU Harmonized NSA Y/Y PPI Output NSA Y/Y ONS House Price NSA Y/Y	Retail Sales SA Y/Y BoE Official Bank Rate BoE Inflation Report	
US	Empire State Index SA	Retail Sales SA M/M Industrial Production SA M/M Business Inventories SA M/M NAHB Housing Market Index SA	Housing Starts SAAR	Initial Claims SA Philadelphia Fed Index SA Leading Indicators SA M/M	Current Account SA
RoW	EU - Trade Balance SA	GR - ZEW Economic Sentiment NSA GR - CPI EU Harmonized NSA Y/Y (Final)	EU - CPI EU Harmonized Y/Y (Final)		

## Central Bank Meetings

**Bank of England**

18<sup>th</sup> June 2020

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