



Weekly Market Update

Monday 2nd December 2019

Weekly Highs and Lows:

GBP/EUR: 1.1645 / 1.1764

GBP/USD: 1.2828 / 1.2951

EUR/USD: 1.0981 / 1.1028

 Labour pledges to cut rail fares as parties return campaigning.

- Pound pushes to near 7-month highs last week
- Commuters and businesses in London face 27-day strike costing the UK capital £40 million a day.
- Cyber Monday set to deliver "Record U.S Sales"

FX Movements

GBP/EUR started last week at 1.1660 pushing higher early morning as the Tories keep in the lead against the opposition Labour Party with roughly a 40/44% of the vote intention which the Labour party sits at around 30%. The Pound broke through the 1.1700 region. With extra help from the German IFO figures that came out the Pound managed to hold itself above 1.1700 for the rest of the day seeing the countries figures came out worse than expected. On Tuesday GBP didn't manage to

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hold itself as new polls came out suggesting The labour Party had trimmed the gap between the Tories seeing the Pound fall to the low of the week of 1.1645. On Wednesday the Pound shot through the 1.1700 mark again on the back of election polls (again) pushing to the highest point since the 6th May (near 7-month highs). The Pound managed to keep its head above the 1.1700 region for the rest of the week.

GBP/USD opened last week just at 1.2850 pushing into the 1.2900 region by mid-day of Monday. The Pound against the US Dollar had a similar trend last week as the Euro in which supports GBP movement is determined by the current polls that are being released by YOUGOV. The Pound managed to reach 1.2950 mid-week as polls concluded that the Tories were ahead by some distance against the Labour Party. On Thursday, GBP/USD pulled away from weekly highs as the latest polls indicated that Johnson was projected to win the General election with a majority of 68 seats, but with the US being on holiday for Thanksgiving the pair retraced its rally and was seen posting a modest loss to around 1.2910.

This week's Economic Calendar

Monday:

- 08:55 EU German Markit manufacturing PMI
- 09:30 UK Markit manufacturing PMI
- 14:00 EU ECB's President Lagarde speech
- 14:45 U.S Markit Manufacturing PMI
- 15:00 US ISM Prices

Tuesday:

• 17:30 EU ECB's De Guindos speech

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Wednesday:

- 08:50 EU German Markit services PMI
- 09:00 EU Markit PMI Composite
- 09:30 UK Markit Services PMI
- 14:45 US ADP Employment change
- 15:00 US ISM Non-manufacturing PMI
- 15:00 US Fed's Quarles Speech

Thursday:

- 10:00 EU Retail Sales
- 10:00 EU Gross Domestic product
- 13:30 US Tarde Balance
- 13:30 US Initial Jobless claims

Friday:

- 07:00 EU German Industrial production
- 09:00 US OPEC meeting
- 13:30 US Nonfarm payrolls
- 13:30 Average hourly Earnings
- 13:30 US Unemployment Rate
- 15:00 US Wholesale Inventories
- 15:00 US Michigan Consumer Sentiment Index

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The Fact of the Week

On a trip to Nepal, Apollo astronaut Stu Roosa met Nepalese who believe the spirits of their dead reside on the Moon. Roosa could not understand why a few of the local citizens treated him like a god, nor why they were distressed when he told them he saw no one else on the Moon.

In Today's News

Cyber Monday expected to rake in 'record US sales'

Retailers were poised for record-breaking Cyber Monday sales following blockbuster spending in this year's Black Friday events, a forecast showed. Consumers in the US were expected to spend \$9.4bn (£7.3bn) online on Monday, according to Adobe Analytics. The report found Black Friday, a global shopping event held last week, raked in a record \$7.4bn in the US.

The bumper sales come amid criticism from activists over the environmental impacts of the annual shopping sprees. <u>The Abode report</u>, which measures transactions from 80 of the top 100 US online retailers, found the biggest selling items on Black Friday included Frozen 2 toys, FIFA 20 video games and L.O.L Surprise Dolls. It found this year's event also set records for mobile shopping, with \$2.9bn in sales coming from smartphones.

Last year Cyber Monday delivered \$7.9bn in US sales, Adobe said.

BBC NEWS

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London Bridge: Vigil to be held for attack victims

The Mayor of London is among those expected to attend a vigil for the victims of the London Bridge attack in the capital later. Jack Merritt, 25, and Saskia Jones, 23, will be honoured in a remembrance service at Guildhall Yard in the City. They were stabbed to death by convicted terrorist Usman Khan, 28, at a prisoner rehabilitation event on Friday.

It comes amid an urgent review of the licence conditions of convicted terrorists released from prison. A book of condolences will be opened at Guildhall Art Gallery, and members of the public will be invited to lay flowers outside nearby Mansion House. The service will take place at 11:00 GMT, less than a mile from Fishmongers' Hall, where Usman Khan launched his attack on Friday.

BBC NEWS

Have a Great week

SAB Corporate Finance Team

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