

May Market Commentary Compliance Notes

UK

6/4 Pension changes come into effect – but only 300 advisers to advise 2m pensioners <http://www.bbc.co.uk/news/business-32152728>

Shared parental leave also takes effect
<http://www.bbc.co.uk/news/business-32183784>

7/4 CBI says UK economy expanding faster – estimates growth at 0.7% in Q1 compared to 0.6% in Q4 2014 <http://www.bbc.co.uk/news/uk-politics-32199958>

UK service sector picks up speed – PMI very positive
<http://www.bbc.co.uk/news/business-32202702>

8/4 Shell to buy BG for £47bn <http://www.bbc.co.uk/news/business-32213341>

9/4 New car sales best since August 1998
<http://www.bbc.co.uk/news/business-32216648>

Aldi's sales overtake Waitrose <http://www.bbc.co.uk/news/business-32218170>

10/4 Pound at low, FTSE at high
<http://www.theguardian.com/business/2015/apr/10/sterling-hits-five-year-low-against-dollar-as-election-fears-spook-investors>

Also weak industrial output figures <http://www.bbc.co.uk/news/business-32246657>

10/4 FTSE closes at record high <http://www.bbc.co.uk/news/business-32246987>

US Treasury warns of danger of hung parliament: slightly rich coming from a country whose Government nearly ran out of money last year
<http://www.bbc.co.uk/news/business-32248820>

13/4 Growth of online sales drive van sales to record high. SMMT said home delivery boom resulted in almost 100,000 vans being registered in Q1 of 2015. 22.3% up on same period of 2014. 108,456 commercial vehicles in the quarter – the highest number of vans and lorries since the trade began compiling figures in 1987.
<http://www.bbc.co.uk/news/business-32279715>

14/4 UK retail sales show stronger than expected rise in February – up 0.7% on previous month and 5.7% higher than a year ago, boosted by a recovery in the housing market <http://www.bbc.co.uk/news/business-32063300>

17/4 Jobless total falls to lowest level since 2008
<http://www.bbc.co.uk/news/business-32348353>

IMF praises UK economy <http://www.bbc.co.uk/news/business-32346214>

21/4 Payday loans company Wonga posts £37m loss for 2014 – against profit of £39m for 2013 <http://www.bbc.co.uk/news/business-32392544>

22/4 Tesco posts record £6.4bn loss (£17.5m a day)

<http://www.bbc.co.uk/news/business-32408661> Chief Exec David Lewis described it as “a difficult year” as the supermarket group smashed a host of unwanted records.

24/4 Govmt cuts stake in Lloyds to 21% as Cameron promises sell-off to public

<http://www.bbc.co.uk/news/business-32444030>

27/4 Miliband plans rent controls - £200m wiped off value of housebuilders

<http://www.telegraph.co.uk/finance/newsbysector/constructionandproperty/11565524/Housebuilders-hit-by-Ed-Milibands-rent-control-plans.html>

28/4 Will HSBC really quit UK <http://www.bbc.co.uk/news/business-32446342>

UK growth slows to 0.3% in Q1 from 0.6% - “temporary slowdown” according to economists <http://www.bbc.co.uk/news/business-32493745>

29/4 Barclays sets aside another £800m for forex manipulation and fines

<http://www.bbc.co.uk/news/business-32509439>

Europe

2/4 Will Greece turn to Russia and China?

http://www.telegraph.co.uk/finance/comment/ambroseevans_pritchard/11510384/Greek-defiance-mounts-as-Alexis-Tsipras-turns-to-Russia-and-China.html

6/4 Greece to make debt repayment to IMF on schedule on April 9th Varoufakis “all obligations to all its creditors, ad infinitum.”

<http://www.bbc.co.uk/news/business-32193571>

Repayment is €450m – but could Greece go back to the polls in snap election

<http://www.theguardian.com/world/2015/apr/05/greek-finance-minister-informal-talks-imf-greek-debt-crisis>

7/4 Greece puts a figure on German reparations - €278.8bn (around £205bn) which includes interest on an occupation loan, the return of war treasures and general reparations. Having not tackled the problem for 60 years Prime Minister Alexis Tsipras set up a committee last week.

<http://www.theguardian.com/world/2015/apr/06/greece-puts-figure-of-279bn-on-claim-for-german-reparations>

8/4 Tspiras in Moscow for talks

<http://www.bbc.co.uk/news/world-europe-32213161> Can Russia help with an economic crisis of its own?

9/4 Didn't ask for cash. <http://www.bbc.co.uk/news/world-europe-32213161> May have discussed a loan for as gas pipeline. Pity he didn't ask for cash because...

10/4 Greece has repaid the IMF, but now only has six days to come up with a list of reforms and seal the deal on next rescue bailout. EU deputy finance ministers want an agreement for next Eurogroup meeting on 24 April – loan in question is €7.2bn.

Official said, “If you take into account weekends and Orthodox Easter there are only six days left.” <http://www.bbc.co.uk/news/business-32229793>

10/4 Times <http://www.thetimes.co.uk/tto/news/world/article4406467.ece> is EU drawing up secret plans to expel Greece? Country could now be declared bankrupt next month. Memo drawn up in Finland – closely allied to Germany – has revealed preparations for a Greek exit. It warns of ‘very difficult political decisions’ unless the Eurozone agrees to pay the next tranche of aid in 3 weeks: effectively paying its own loan.

10/4 US Treasury tells of Germany and Holland for running current account surpluses. Apparently it is holding back recovery in the rest of Europe, a claim also made by Yannis Varoufakis. Obviously Angela Merkel now realises she’s been doing it wrong all this time... <http://www.bbc.co.uk/news/business-32248820>

16/4 By the middle of the month hopes of a Greek deal were fast receding, as Standard & Poor’s yet again downgraded Greek bonds, to whatever is below ‘junk bond.’ With the two year yield reaching 24% at one point, there were clear indications that the market did not expect a deal to be reached.
<http://www.theguardian.com/business/live/2015/apr/16/greek-crisis-looms-over-imf20-meeting-business-live>

Greece has to make sizeable IMF repayments in May, June and July and even higher payments to the ECB in July, August and September. The schedule published in the Economist made grim reading
<http://www.economist.com/blogs/graphicdetail/2015/04/daily-chart-7?fsrc=scn/tw/te/bl/paybacktime> But Greece is well behind Portugal and Italy when debt interest is expressed as a percentage of GDP.

More pertinently than anything else, bookmakers William Hill have now stopped taking bets on Greece leaving the Eurozone in 2015.

27/4 Greece edges closer to bankruptcy as creditors rule out a 3rd bailout

With relations between the debtor country and its paymasters reaching a **fresh nadir on Friday**, the head of Europe's finance ministers Jeroen Dijsselbloem said there would be no repeat rescue package of the magnitude agreed in 2010 and 2012. It had been thought that cash-strapped Athens would require a fresh round of loans worth around €50bn to €60bn at the end of June as it faces a series of crucial summer debt repayments.

<http://www.telegraph.co.uk/finance/economics/11565162/Creditors-rule-out-massive-third-bail-out-for-embattled-Greece.html>

Greece may default but stay in the Euro

<http://www.telegraph.co.uk/finance/economics/11554692/Greeces-grand-plan-default-and-stay-in-the-euro.html>

29/4 Tsipras believes ‘deal by next week’ – Varoufakis sidelined
<http://www.bbc.co.uk/news/world-europe-32493005>

US

6/4 Jobs figures for March weaker than expected – only 126,000 new jobs created – about half number expected. Asian shares lower on the news

<http://www.bbc.co.uk/news/business-32193564>

9/4 Fed split over interest rate rises – held close to 0% since 2008. Meeting in mid-March, some suggested late 2015, others favoured 2016

<http://www.bbc.co.uk/news/business-32226855>

24/4 Nasdaq closes at record high

The tech-heavy Nasdaq index has closed at a record high, surpassing a level it last reached in 2000 at the height of the dot-com bubble.

The index gained 20.89 points to close at 5,056.06, besting the high of 5,048.62 it hit on 10 March 2000.

<http://www.bbc.co.uk/news/business-32429413>

In news that will send a chill through many boardrooms. Jeff Bezos reported that Amazon web services were “growing fast.”

<http://www.bbc.co.uk/news/business-32442268>

29/4 Twitter reports disappointing sales

<http://www.bbc.co.uk/news/business-32506462>

Twitter has reported lower than expected revenue for the first three months of the year, saying that new products sold less well than forecast.

The micro blogging firm **warned that it expected** the negative impact on its revenue to continue for the rest of the financial year.

"It is still early days for these products," said Twitter chief executive Dick Costolo.

The firm reported revenues of \$436m, up 74% year-on-year, but below forecasts.

It also reported a net loss of \$162m, an increase from the same period a year ago when it lost \$132.4m.

However, monthly users of the service increased 18% year-on-year, totalling 302 million for the first quarter.

Far East

Samsung projects Q1 profit of \$5.44bn – beats expectations but 30% drop on previous year <http://www.bbc.co.uk/news/business-32193737> Struggling against Apple and Chinese smart phone makers Xiaomi

8/4 Japanese shares near to 15 year high

<http://www.bbc.co.uk/news/business-32213924>

Finally reaches 20,000 again <http://www.bbc.co.uk/news/business-32245508>

13/4 Further evidence slowdown in China continuing as exports fell in March – down 14.6% in yuan terms compared to expected rise of 8%. Imports fell 12.3% as trade surplus shrunk to its smallest in 13 months. Growth in 2014 was 7.4% - weakest for 25 years. <http://www.bbc.co.uk/news/business-32281957>

Emerging Markets

22/4 Russian economy shrinks 2% in Q1 2015 as sanctions bite – first contraction since 2009 <http://www.bbc.co.uk/news/world-europe-32396792>

24/4 how close are Russia and China?

<http://www.bbc.co.uk/news/world-asia-china-32409409>

And finally...

Women on banknotes <http://www.bbc.co.uk/news/magazine-32204664>