Pulse

A monthly snapshot of the UK Economy from www.barometeroftrade.com

FSPA Supporting the Sports and Play industries

Date of Report: 03/04/2020

Summary

Perhaps most critical for UK businesses in this month's report is the fall of the **FTSE 100** and **250** to their lowest respective points since June 2012. There have been small resurgences over the last 2 weeks that have kept some of us hopeful for a strong recovery but as British businesses begin to hit walls with their supply and workforces, more and more companies will go bust and these indices may drop further still. In a recent survey by the ONS 44.6% of UK businesses were showing lower turnover than seasonally expected, however, this survey was conducted before the Prime Minister's national address on March 23rd which has caused further reductions in employee mobility.
One small positive to take from current global situation is the fall in **oil prices** to meet drastically falling demand. But with Russia and Saudi Arabia in talks to end a recent oil supply feud, this price is expected to bounce back to normal levels in the coming weeks.

What's happened since last month?

Index		Change	Period
GDP Growth	DOWN	-0.9%	Q3-Q4
£ to € (Euro)	DOWN	-0.7%	Mar-Apr
£ to $ (US Dollar)	DOWN	-2.5%	Mar-Apr
£ to ¥ (Yen)	DOWN	-3.2%	Mar-Apr
£ to ¥ (Yuan)	DOWN	-0.6%	Mar-Apr
£ to ₹ (Rupee)	UP	-2.1%	Mar-Apr
FTSE 100	DOWN	-18.0%	Mar-Apr
FTSE 250	DOWN	-24.6%	Mar-Apr
CPI	DOWN	-0.1%	Jan-Feb
RPI	DOWN	-0.2%	Jan-Feb
Retail Sales	UP	0.3%	Nov-Feb
Mortgage Approvals	UP	2.8%	Jan-Feb
Unemployment	UP	0.1%	Dec-Jan
Consumer Confidence	DOWN	-2.0%	Feb-Mar
Energy Prices	UP	0.4%	Jan-Feb
Crude Oil Prices	DOWN	-11.1%	Jan-Feb
Petrol Prices	DOWN	-2.7%	Feb-Mar
Diesel Prices	DOWN	-3.7%	Feb-Mar
Base Rate: 0.75%	NONE	0.0%	Mar-Apr

Figures based on most recent month/period available

What's happened since this time last year?

Index		Change	Period
GDP Growth	DOWN	-0.3%	Q4-Q4
£ to € (Euro)	DOWN	-2.9%	Apr-Apr
£ to $ (US Dollar)	DOWN	-5.5%	Apr-Apr
£ to ¥ (Yen)	DOWN	-8.9%	Apr-Apr
£ to ¥ (Yuan)	NONE	0.0%	Apr-Apr
£ to ₹ (Rupee)	UP	4.4%	Apr-Apr
FTSE 100	DOWN	-25.5%	Apr-Apr
FTSE 250	DOWN	-24.4%	Apr-Apr
CPI	DOWN	-0.2%	Feb-Feb
RPI	NONE	0.0%	Feb-Feb
Retail Sales	UP	1.4%	Feb-Feb
Mortgage Approvals	UP	11.4%	Feb-Feb
Unemployment	NONE	0.0%	Jan-Jan
Consumer Confidence	UP	4.0%	Mar-Mar
Energy Prices	UP	1.7%	Feb-Feb
Crude Oil Prices	DOWN	-8.7%	Feb-Feb
Petrol Prices	UP	2.3%	Mar-Mar
Diesel Prices	DOWN	-2.8%	Mar-Mar
Base Rate: 0.75%	NONE	0.00%	Apr-Apr

Figures based on most recent month/period available

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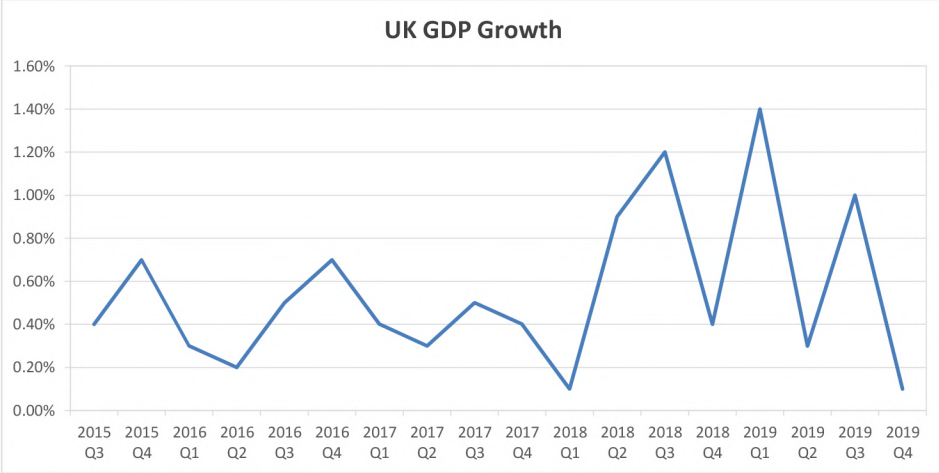
Gross Domestic Product Growth

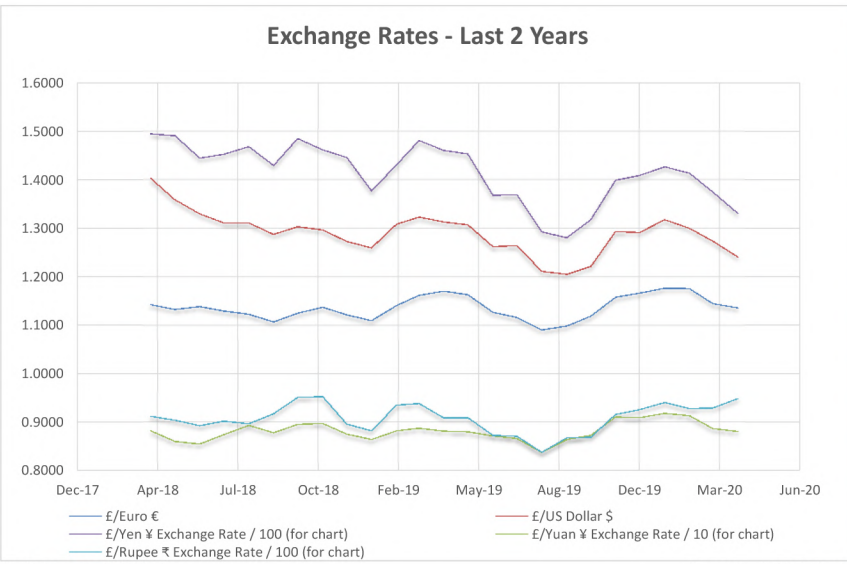


Quarter	UK GDP Growth
2015 Q3	0.40%
2015 Q4	0.70%
2016 Q1	0.30%
2016 Q2	0.20%
2016 Q3	0.50%
2016 Q4	0.70%
2017 Q1	0.40%
2017 Q2	0.30%
2017 Q3	0.50%
2017 Q4	0.40%
2018 Q1	0.10%
2018 Q2	0.90%
2018 Q3	1.20%
2018 Q4	0.40%
2019 Q1	1.40%
2019 Q2	0.30%
2019 Q3	1.00%
2019 Q4	0.10%

GDP as percentage growth/decline against previous quarter
CP SA version ie Current Prices Seasonally Adusted

Source: Office of National Statistics

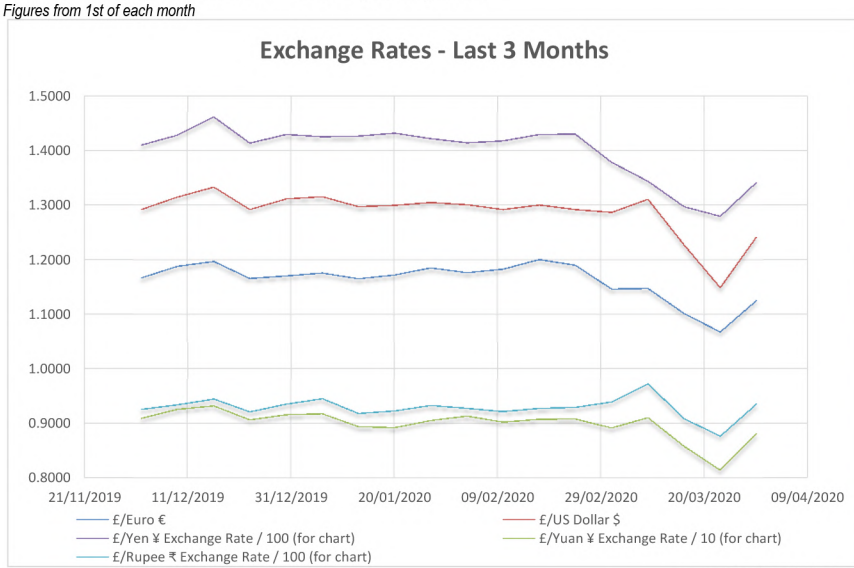
Exchange Rates



Month	£/Euro €	£/US Dollar $	£/Yen ¥	£/Yuan ¥	£/Rupee ₹
Apr-18	1.1437	1.4038	149.5749	8.8272	91.2610
May-18	1.1337	1.3596	149.2161	8.6097	90.4406
Jun-18	1.1400	1.3308	144.5914	8.5574	89.3110
Jul-18	1.1308	1.3124	145.3483	8.7448	90.2209
Aug-18	1.1241	1.3122	146.9533	8.9381	89.7282
Sep-18	1.1081	1.2885	143.0493	8.7876	91.7605
Oct-18	1.1260	1.3043	148.6250	8.9579	95.1161
Nov-18	1.1384	1.2974	146.3208	8.9787	95.3005
Dec-18	1.1224	1.2737	144.6923	8.7628	89.6685
Jan-19	1.1104	1.2608	137.8180	8.6487	88.2453
Feb-19	1.1417	1.3093	143.1981	8.8281	93.5384
Mar-19	1.1630	1.3243	148.1892	8.8792	93.8929
Apr-19	1.1712	1.3141	146.1279	8.8179	90.9324
May-19	1.1640	1.3083	145.4568	8.8073	91.0014
Jun-19	1.1277	1.2631	136.8948	8.7193	87.3647
Jul-19	1.1174	1.2652	137.0591	8.6650	87.1438
Aug-19	1.0916	1.2127	129.3466	8.3823	83.8567
Sep-19	1.0996	1.2062	128.1708	8.6503	86.7825
Oct-19	1.1197	1.2223	131.8495	8.7366	86.9501
Nov-19	1.1592	1.2947	140.0218	9.1105	91.6130
Dec-19	1.1672	1.2922	141.0178	9.0945	92.6146
Jan-20	1.1775	1.3189	142.7973	9.1851	94.0811
Feb-20	1.1770	1.3013	141.4773	9.1362	92.8055
Mar-20	1.1454	1.2748	137.5764	8.8720	92.9533
Apr-20	1.1374	1.2424	133.1729	8.8157	94.8864
Last Month %	*-0.7%*	*-2.5%*	*-3.2%*	*-0.6%*	*2.1%*

What £1 buys in € / $ / ¥ / ₹
Selected as the most demonstrative currencies in the foreign exchange market
Figures from 1st of each month

Source: Bank Of England



Date	£/Euro €	£/US Dollar $	£/Yen ¥	£/Yuan ¥	£/Rupee ₹
02/12/2019	1.1672	1.2922	141.0178	9.0945	92.6146
09/12/2019	1.1885	1.3155	142.8633	9.2597	93.4450
16/12/2019	1.1973	1.3334	146.1806	9.3233	94.5034
23/12/2019	1.1659	1.2926	141.3846	9.0642	92.1224
30/12/2019	1.1709	1.3115	142.9535	9.1627	93.5582
06/01/2020	1.1761	1.3159	142.5514	9.1783	94.5654
13/01/2020	1.1658	1.2979	142.6781	8.9456	91.8173
20/01/2020	1.1726	1.2998	143.1860	8.9249	92.3306
27/01/2020	1.1855	1.3056	142.2060	9.0562	93.2877
03/02/2020	1.1770	1.3013	141.4773	9.1362	92.8055
10/02/2020	1.1830	1.2923	141.8041	9.0228	92.1655
17/02/2020	1.2009	1.3006	142.9750	9.0790	92.7970
24/02/2020	1.1905	1.2924	143.0299	9.0838	92.9688
02/03/2020	1.1465	1.2869	137.8683	8.9193	93.9376
09/03/2020	1.1479	1.3110	134.4037	9.1046	97.2703
16/03/2020	1.1024	1.2277	129.7556	8.5832	90.8694
23/03/2020	1.0681	1.1492	127.9864	8.1478	87.6765
30/03/2020	1.1258	1.2416	134.1797	8.8083	93.5657

Source: Bank Of England

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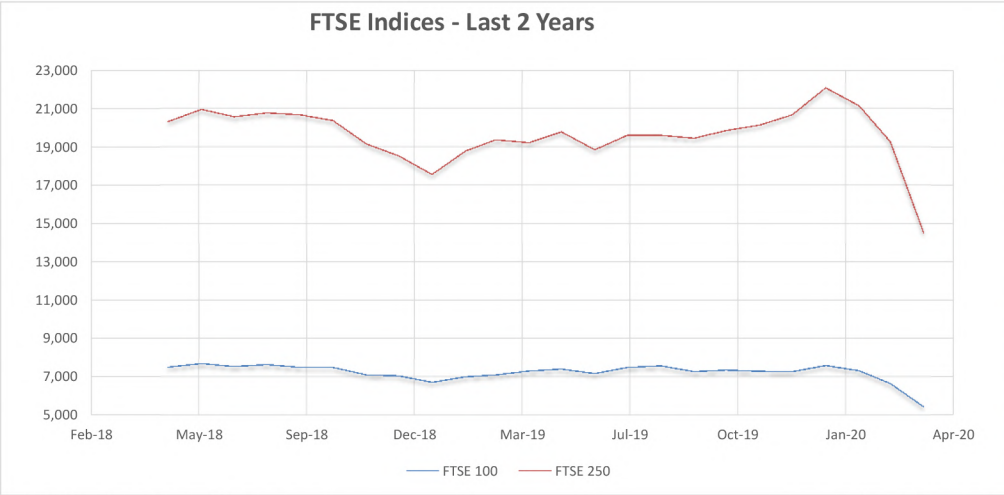
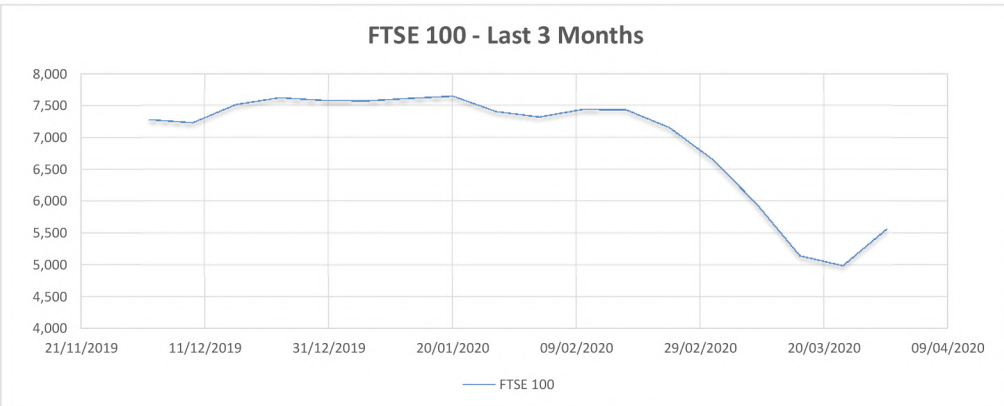
FTSE 100 & 250

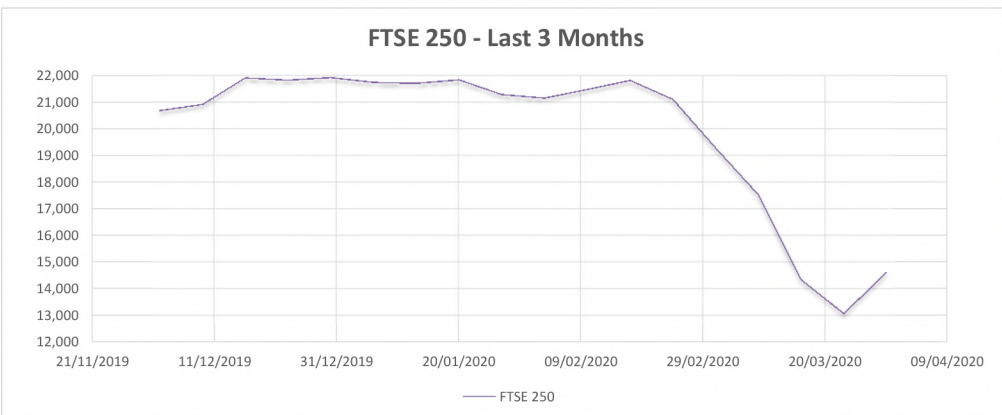


Month	FTSE 100	FTSE 250
May-18	7,520	20,348
Jun-18	7,702	20,985
Jul-18	7,548	20,606
Aug-18	7,653	20,801
Sep-18	7,505	20,696
Oct-18	7,496	20,401
Nov-18	7,115	19,172
Dec-18	7,062	18,564
Jan-19	6,734	17,587
Feb-19	7,020	18,811
Mar-19	7,107	19,400
Apr-19	7,317	19,239
May-19	7,418	19,814
Jun-19	7,185	18,877
Jul-19	7,498	19,635
Aug-19	7,585	19,634
Sep-19	7,282	19,482
Oct-19	7,360	19,873
Nov-19	7,302	20,159
Dec-19	7,286	20,700
Jan-20	7,604	22,108
Feb-20	7,326	21,161
Mar-20	6,655	19,302
Apr-20	5,455	14,547
Last Month %	*-18.0%*	*-24.6%*

FTSE 100 - an index of the top 100 companies in UK
FTSE 250 - an index of the top 250 companies in UK

Source: London Stock Exchange





LAST 3 MONTHS

Date	FTSE 100	FTSE 250
02/12/2019	7,286	20,700
09/12/2019	7,234	20,923
16/12/2019	7,519	21,921
23/12/2019	7,624	21,843
30/12/2019	7,587	21,936
06/01/2020	7,575	21,761
13/01/2020	7,618	21,717
20/01/2020	7,651	21,847
27/01/2020	7,412	21,304
03/02/2020	7,326	21,161
10/02/2020	7,447	21,493
17/02/2020	7,433	21,826
24/02/2020	7,157	21,118
02/03/2020	6,655	19,302
09/03/2020	5,966	17,547
16/03/2020	5,151	14,350
23/03/2020	4,994	13,078
30/03/2020	5,564	14,625

FTSE 100 - an index of the top 100 companies in UK
FTSE 250 - an index of the top 250 companies in UK

Source: London Stock Exchange

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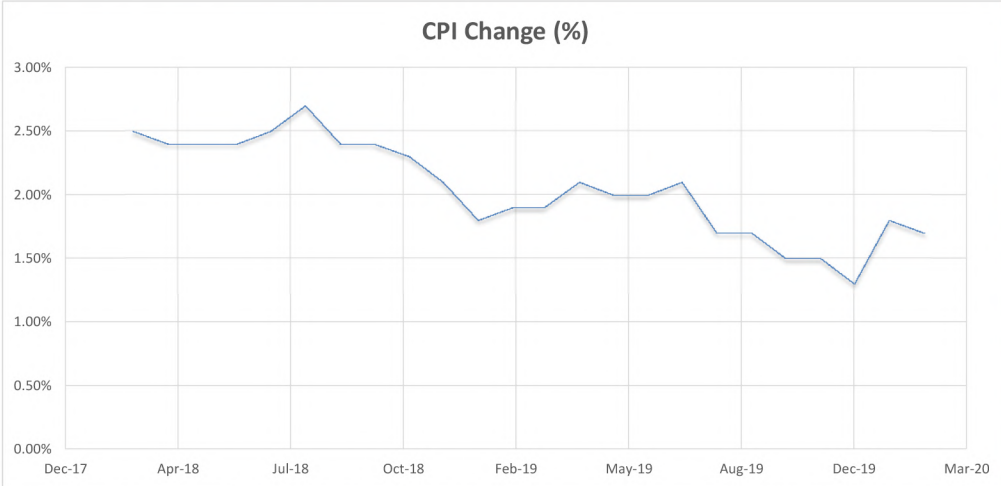
Consumer Price Index

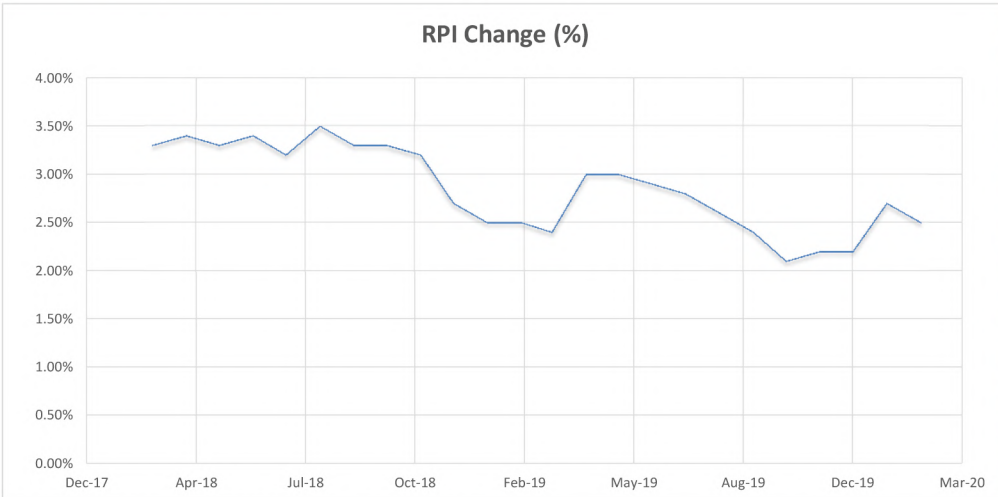


Month	CPI (%)
Mar-18	2.50%
Apr-18	2.40%
May-18	2.40%
Jun-18	2.40%
Jul-18	2.50%
Aug-18	2.70%
Sep-18	2.40%
Oct-18	2.40%
Nov-18	2.30%
Dec-18	2.10%
Jan-19	1.80%
Feb-19	1.90%
Mar-19	1.90%
Apr-19	2.10%
May-19	2.00%
Jun-19	2.00%
Jul-19	2.10%
Aug-19	1.70%
Sep-19	1.70%
Oct-19	1.50%
Nov-19	1.50%
Dec-19	1.30%
Jan-20	1.80%
Feb-20	1.70%

CPI - inflation measure which examines weighted average of prices of a basket of consumer goods & services, such as transportation, food & medical care

Source: Office of National Statistics

Retail Price Index

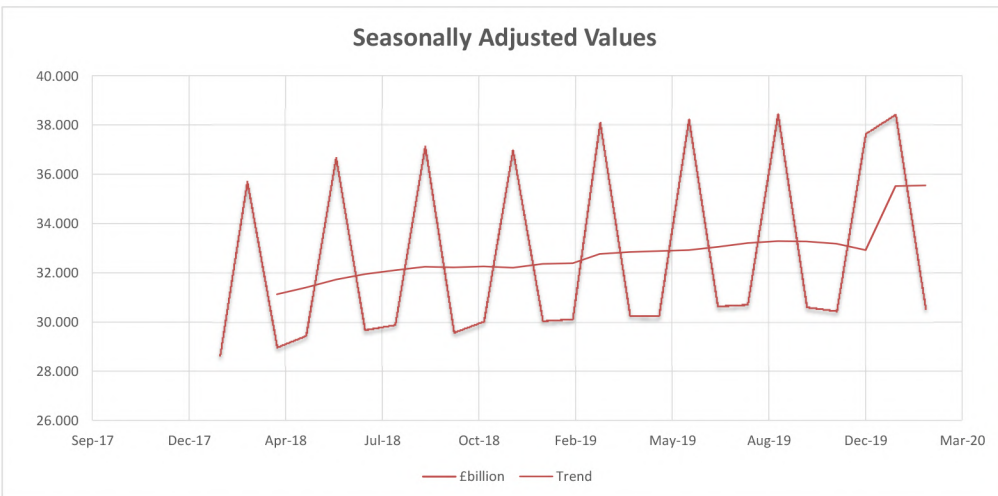


Month	RPI (%)
Mar-18	3.30%
Apr-18	3.40%
May-18	3.30%
Jun-18	3.40%
Jul-18	3.20%
Aug-18	3.50%
Sep-18	3.30%
Oct-18	3.30%
Nov-18	3.20%
Dec-18	2.70%
Jan-19	2.50%
Feb-19	2.50%
Mar-19	2.40%
Apr-19	3.00%
May-19	3.00%
Jun-19	2.90%
Jul-19	2.80%
Aug-19	2.60%
Sep-19	2.40%
Oct-19	2.10%
Nov-19	2.20%
Dec-19	2.20%
Jan-20	2.70%
Feb-20	2.50%

RPI - inflation measure which is broadly the same as CPI but also includes home costs e.g. mortgage repayments/rent/council tax

Source: Office of National Statistics

Retail Sales



Month	£billion
Feb-18	28.657
Mar-18	35.719
Apr-18	28.998
May-18	29.466
Jun-18	36.689
Jul-18	29.697
Aug-18	29.897
Sep-18	37.147
Oct-18	29.596
Nov-18	30.045
Dec-18	36.984
Jan-19	30.054
Feb-19	30.138
Mar-19	38.113
Apr-19	30.282
May-19	30.253
Jun-19	38.236
Jul-19	30.662
Aug-19	30.726
Sep-19	38.454
Oct-19	30.622
Nov-19	30.464
Dec-19	37.656
Jan-20	38.428
Feb-20	30.557
Year-On-Year Change	0.419 billion
	1.39%

Total Retail Sales Excluding Automotive Fuel
Figures based on weeks; every 3rd month is a 5-week month

Source: Office of National Statistics

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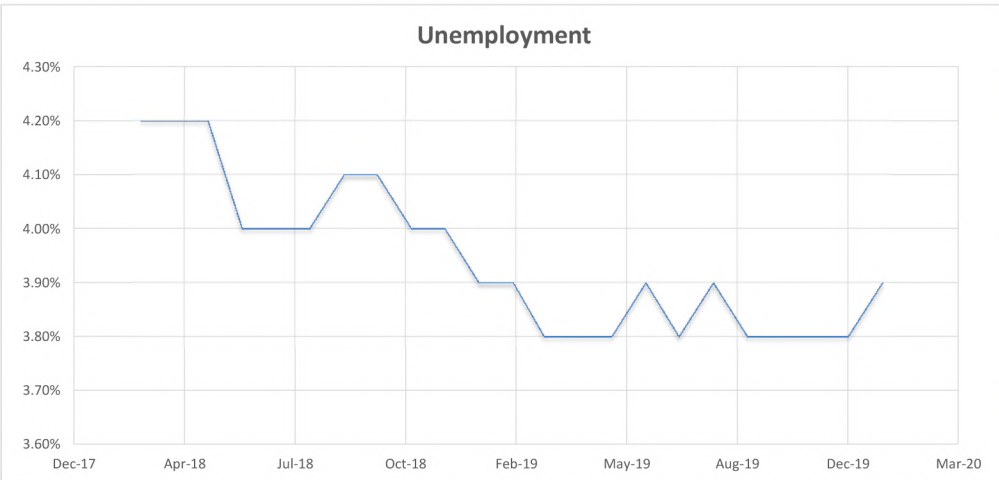
Mortgage Approvals

Total number of mortgage approvals by banks in UK

Source: Bank of England

Month	Approvals
Apr-18	63,000
May-18	64,500
Jun-18	65,500
Jul-18	65,000
Aug-18	66,500
Sep-18	65,500
Oct-18	66,500
Nov-18	64,000
Dec-18	64,500
Jan-19	66,500
Feb-19	66,000
Mar-19	62,500
Apr-19	66,000
May-19	65,500
Jun-19	66,500
Jul-19	67,000
Aug-19	65,500
Sep-19	66,000
Oct-19	65,500
Nov-19	66,000
Dec-19	68,000
Jan-20	71,500
Feb-20	73,500
Last Month %	*2.8%*

Unemployment

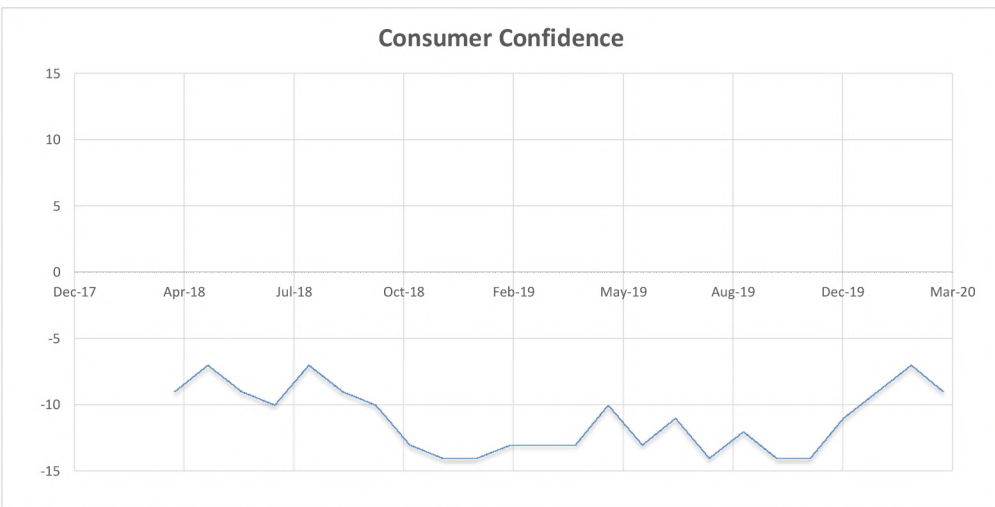


Unemployment as percentage of available workforce; figures relating to quarter ending in month shown

Source: Office of National Statistics

Month	Unemployment
Mar-18	4.20%
Apr-18	4.20%
May-18	4.20%
Jun-18	4.00%
Jul-18	4.00%
Aug-18	4.00%
Sep-18	4.10%
Oct-18	4.10%
Nov-18	4.00%
Dec-18	4.00%
Jan-19	3.90%
Feb-19	3.90%
Mar-19	3.80%
Apr-19	3.80%
May-19	3.80%
Jun-19	3.90%
Jul-19	3.80%
Aug-19	3.90%
Sep-19	3.80%
Oct-19	3.80%
Nov-19	3.80%
Dec-19	3.80%
Jan-20	3.90%

Consumer Confidence



Survey of 2,000 consumers rating the relative level of past and future economic conditions including personal financial situation, climate for major purchases, overall economic situation and savings level.

Source: Trading Economics

Month	Value
Apr-18	-9
May-18	-7
Jun-18	-9
Jul-18	-10
Aug-18	-7
Sep-18	-9
Oct-18	-10
Nov-18	-13
Dec-18	-14
Jan-19	-14
Feb-19	-13
Mar-19	-13
Apr-19	-13
May-19	-10
Jun-19	-13
Jul-19	-11
Aug-19	-14
Sep-19	-12
Oct-19	-14
Nov-19	-14
Dec-19	-11
Jan-20	-9
Feb-20	-7
Mar-20	-9
Last Month %	*-2.0%*

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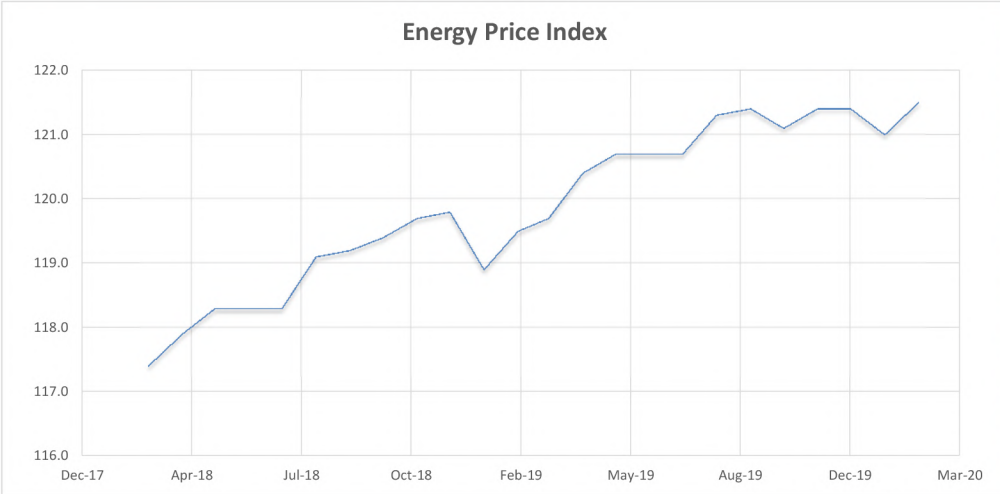
Energy Prices

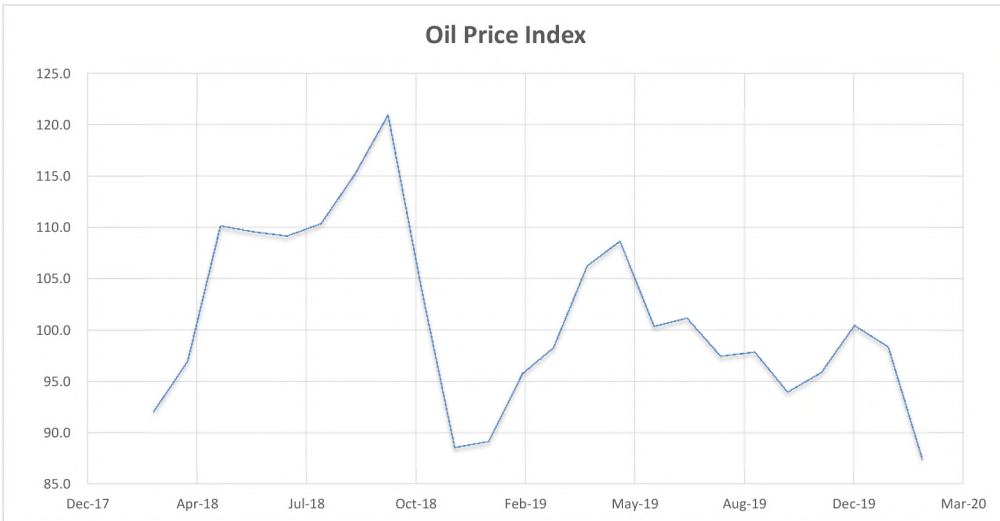


Based on starting index of 100 in 2010

Source: Office of National Statistics

Month	Price Index
Mar-18	117.4
Apr-18	117.9
May-18	118.3
Jun-18	118.3
Jul-18	118.3
Aug-18	119.1
Sep-18	119.2
Oct-18	119.4
Nov-18	119.7
Dec-18	119.8
Jan-19	118.9
Feb-19	119.5
Mar-19	119.7
Apr-19	120.4
May-19	120.7
Jun-19	120.7
Jul-19	120.7
Aug-19	121.3
Sep-19	121.4
Oct-19	121.1
Nov-19	121.4
Dec-19	121.4
Jan-20	121.0
Feb-20	121.5
Last Month %	*0.4%*

Oil Prices

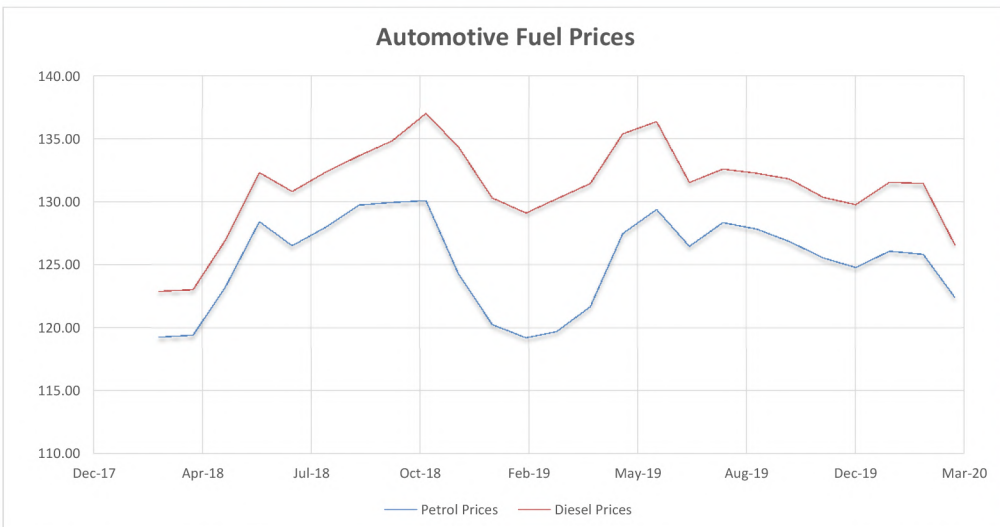


Crude Oil Price Index; 2010=100

Source: Office of National Statistics

Month	Oil Prices
Mar-18	92.1
Apr-18	97.0
May-18	110.2
Jun-18	109.6
Jul-18	109.2
Aug-18	110.4
Sep-18	115.2
Oct-18	121.0
Nov-18	103.9
Dec-18	88.6
Jan-19	89.2
Feb-19	95.8
Mar-19	98.3
Apr-19	106.3
May-19	108.7
Jun-19	100.4
Jul-19	101.2
Aug-19	97.5
Sep-19	97.9
Oct-19	94.0
Nov-19	95.9
Dec-19	100.5
Jan-20	98.4
Feb-20	87.5
Last Month %	*-11.1%*

Automotive Fuel Prices



Road fuel prices; pump price pence/litre
First week of each month

Source: gov.co.uk

Month	Petrol Prices	Diesel Prices
Mar-18	119.29	122.92
Apr-18	119.43	123.05
May-18	123.27	126.99
Jun-18	128.43	132.34
Jul-18	126.54	130.83
Aug-18	128.02	132.39
Sep-18	129.76	133.67
Oct-18	129.98	134.86
Nov-18	130.11	137.03
Dec-18	124.30	134.38
Jan-19	120.27	130.33
Feb-19	119.23	129.13
Mar-19	119.72	130.25
Apr-19	121.70	131.48
May-19	127.50	135.41
Jun-19	129.41	136.39
Jul-19	126.49	131.55
Aug-19	128.37	132.61
Sep-19	127.86	132.29
Oct-19	126.87	131.82
Nov-19	125.56	130.38
Dec-19	124.81	129.79
Jan-20	126.09	131.56
Feb-20	125.85	131.48
Mar-20	122.43	126.62
Last Month %	*-2.7%*	*-3.7%*

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Forecasts

Summary

Economic forecasting is notoriously difficult and often depends on the mindset of the forecaster. However we have included some highlights below from the most recent quarterly Bank of England Inflation Report which provides a comprehensive analysis from many sources including their own.

The following charts are re-produced from Bank Of England Monetary Policy Report, January 2020.
https://www.bankofengland.co.uk/monetary-policy-report/2020/january-2020

Forecast Interest Rates

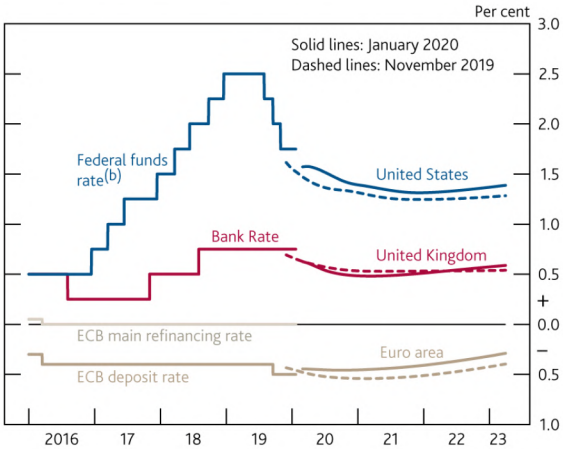
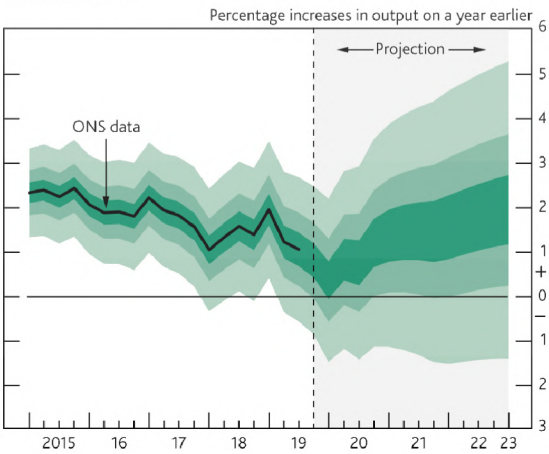


Chart shows latest forecast using solid line.
UK interest rates are expected to fall to 0.5 in 2020, however sooner in the year than the forecast in last quarter's report. The BofE then forecast the base rate will prove more volatile over the following 2 years.

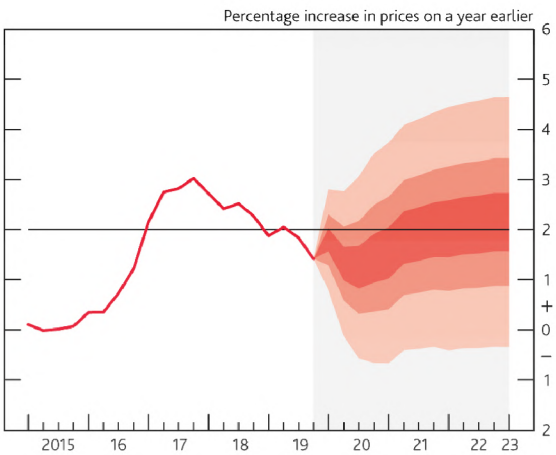
Sources: Bank of England, Bloomberg, European Central Bank (ECB) and Federal Reserve (ref 1.3p7)

Forecast GDP



The fan chart shows highest probability in the central, darkest band.
The chart does not include the data for 2019 Q3 - 0.7%.
Despite a prediction of little to no growth for the beginning of 2020,
GDP is expected to restabilise after Q4 0f 2020 to between 1.25 - 2.75% growth.

Forecast Inflation (CPI)



The fan chart shows highest probability in the central, darkest band.
The Government's 2% target is shown as a horizontal line.
Inflation is expected to rise sharphly over the first half of 2020 but would still remain below the target rate before it falls to around 1% in 2021.

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