27 May 2020

Investec
Investec Bank plc (UK)

Economics

Global Economic Overview

Desperately seeking stimulus for global recovery

Global

With social distancing appearing to have brought the initial wave of COVID-19 under control, the majority of countries have now begun to ease their lockdowns. Evidence from the past month suggests that global activity has not only bottomed out but has gently risen off its lows. Providing that countries can continue to relax restrictions gradually without a spike in new cases, the recovery should take hold in H2. In the absence of any major surprising developments, we have made only modest tweaks to our forecasts; we still look for a contraction of 3.9% in 2020, now followed by a rebound of 6.8% in 2021 (prev. 6.7%). Risks are still judged to remain to the downside, with the rapid development and distribution of a vaccine being a critical factor if the global economy is to avoid significant 'scarring'.

United States

Medical developments will be the key drivers over the course of 2020 - our GDP forecast for this year remains at -5.6%. The impact is already evident in the labour market, with unemployment rising to 14.7% in April. States are beginning to reopen however, with policy-aided businesses and consumers hoping to resume normal operations soon. US saving rates soared through lockdown, which could spur a mild spending boom through Q3. Still, economic risks remain with chatter of negative rates persisting. The Fed is not keen on this however. President Trump will look to reopening the economy to boost his approval rating ahead of this year's Presidential race, which history suggests he needs to do if re-election is to be on the cards.

Eurozone

GDP fell by 3.8% (qoq) in Q1; Q2 will see a much sharper drop as shutdowns only took hold in March. We look for a decline of 8.0% in 2020 output, followed by a modest rebound of 5.5% in 2021. ECB policy is set to remain accommodative for some time. While we have dropped our call for a Deposit rate cut in Q2, we see no change in rates until late 2023. We would not rule out additions to its QE programmes, despite the German Constitutional Court ruling seemingly casting doubts. The shift in our ECB view sees our near-term euro forecast revised to $1.09 in Q2 and Q3, with our Q4 expectation remaining at $1.10.

United Kingdom

Our -10.8% GDP forecast for 2020 would probably be the largest contraction in output since 1709. Surveys point to an improving situation through late-Q2, though a sizeable contraction over the quarter as a whole is inevitable. The relevant coronavirus metrics are coming down, prompting the government to begin easing restrictions. It will look for this sooner rather than later, as public debt levels are set to soar following the mitigating policy decisions. Talk of negative rates is growing louder in the UK, and is showing up in various yield curves, including negative short gilt yields, though we think the Bank will avoid this. There were huge increases in lending to corporates in March as firms looked to shore up their cashflow. In terms of a base case on an EU trade deal, we suspect a zero-tariff goods arrangement will be agreed. Our end-year sterling view is unchanged at $1.26 and 87p against the euro.

Please click here for a summary of our economic and market forecasts

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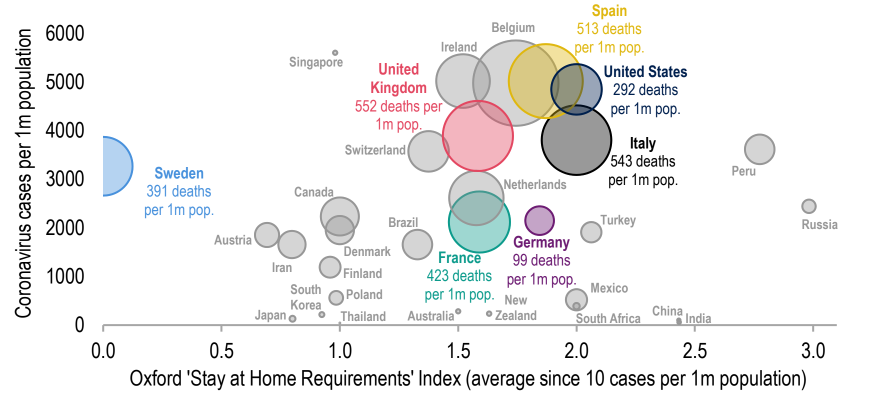
Global

While the number of confirmed COVID-19 cases now stands at over 5 million, the initial wave appears to have been brought under control. To date, the daily infection rate has averaged just 2.2% in May; down from April's 4.8% and the 8.0% seen in March. However, this improving pattern is not universal. Both Brazil and Russia look to be struggling, with the two countries accounting for 1 in 4 new global cases despite comprising less than 5% of the world population. But this is the exception, with the majority of countries having now begun to relax social distancing measures as their focus shifts from tackling a health crisis to preventing a prolonged economic slump. Among the furthest down the path to normality is China, where the virus...

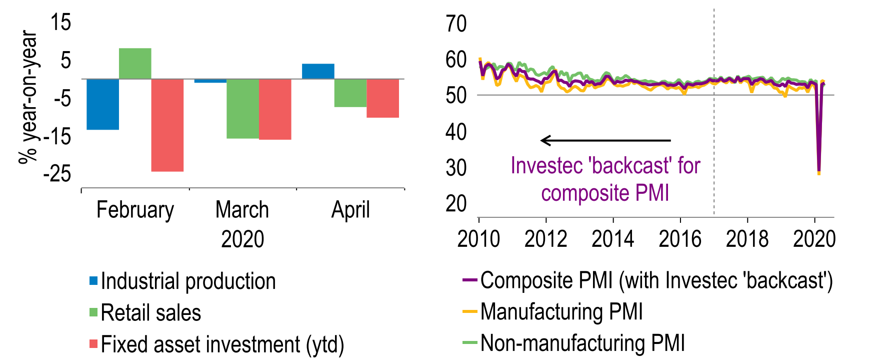
Chart 1: There is no clear correlation between lockdown restrictions and fatalities#



#While the evidence suggests some lockdowns were effective, it also indicates that others were implemented too late to halt the spread of the virus. Note though that the chart omits a number of other contributory factors, such as demographics (e.g. urbanisation, elderly population, intergenerational interactions). Source: Macrobond

...originated late last year. After a record 9.8% (qoq) decline in GDP in Q1, high frequency data suggests that activity has risen off its lows (Chart 2). But the recovery may be hampered by a potential 'second wave', with lockdowns recently imposed in parts of Jilin province. Beijing has resultantly decided to not adopt a growth target for the first time since 1990. In fact, 2020 will likely be the first full-year contraction since the 1.6% decline at the end of the Cultural Revolution in 1976. It will also mean that China will fall short of its goal of doubling GDP between 2010 and 2020, which would require growth of 5.5% this year. One headwind to China's recovery is set to be the subdued global trade backdrop, given that most other...

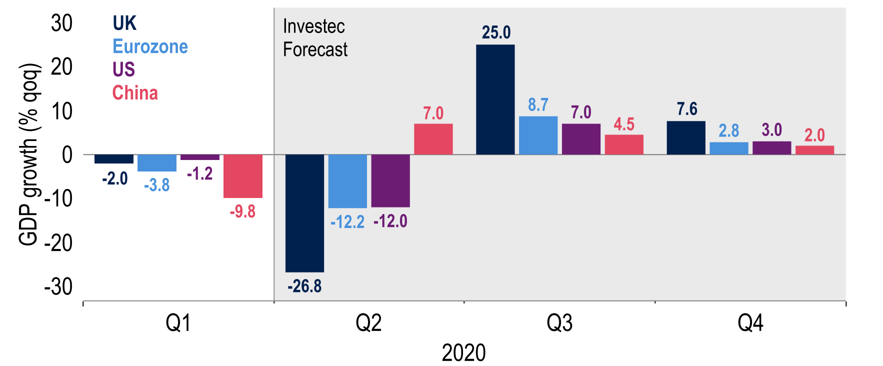
Chart 2: Data points to a pick-up in Chinese activity - although retail sales remain sluggish#



#Though the official China composite PMI only commenced in 2017, we extend this back to 2007 by applying the NBS/CFLP weighting methodology to the manufacturing and non-manufacturing PMIs. Source: Macrobond, Investec

...geographies are only just beginning to emerge from lockdown. As in China, the initial economic impact of these has been eye-watering; both the US and UK saw the sharpest declines in GDP since 2008, whereas the eurozone recorded the biggest drop since the common currency area was established. But Q2 is set to be weaker still given that the first full lockdown in the Western hemisphere was not until 9 March in Italy (Chart 3). Still, we suspect that the worst has now passed, as suggested by the improvement in the 'flash' PMIs in May. Providing that countries can continue to gradually relax restrictions without a spike in new cases, the recovery should take hold in H2.

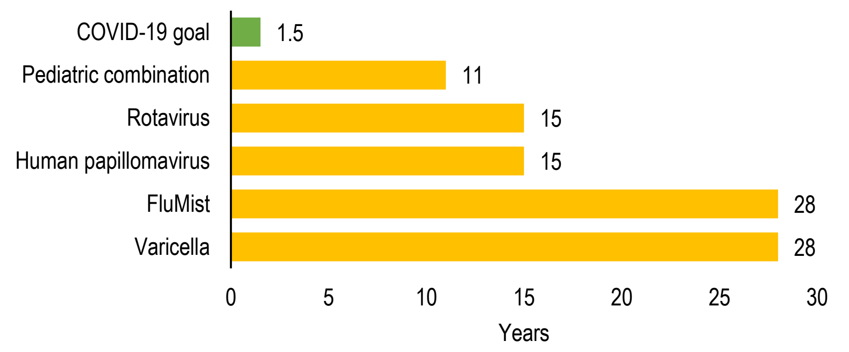
Chart 3: Most economies contracted in Q1, but the developed world faces an even worse Q2



Source: Macrobond, Investec forecasts

But activity is unlikely to return to pre-virus levels until a vaccine can be developed and widely administered. Typically this process has taken a decade or even longer, with the current record being 4 years (Chart 4). These timescales can be shortened by fast-tracked trials; Oxford researchers believe their vaccine may be available as soon as September, with the chances of success judged to be 50%. But accelerating the subsequent approval stage (usually 1 year) will be tricky; a 1950s polio vaccine rubber-stamped in a few hours caused several deaths. Generally epidemiologists believe that a vaccine is 12 to 18 months away, meaning that social distancing will likely need to be maintained at least into 2021.

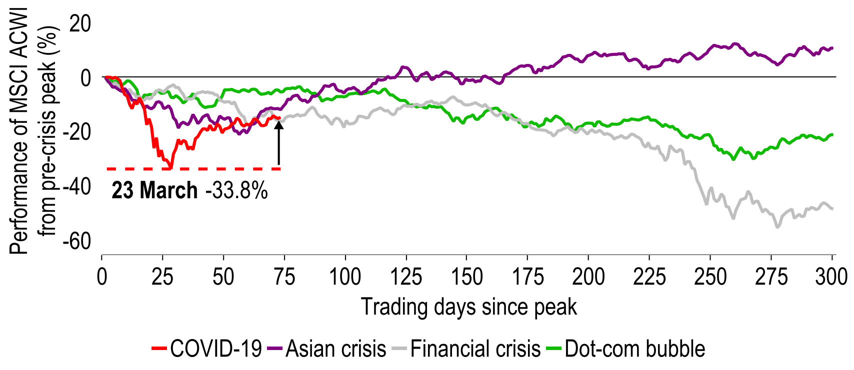
Chart 4: It has typically taken a decade or longer to develop a vaccine in the past#



#Rotavirus and HPV vaccines include time from filing of the first investigational new drug to approval.
Source: The New York Times, Plotkin's Vaccines (7th edition)

The uncertainty surrounding this is one of the many downside risks to our global growth forecasts, which is still for a contraction of 3.9% in 2020, but followed by a rebound of 6.8% in 2021 (prev. +6.7%). Despite this, risk assets have rallied over the past two months. This has seen the MSCI ACWI recoup more than half of its peak-to-trough loss of 33.8% (Chart 5). Based on its current trajectory it would regain its pre-virus peak in H2, although past experience suggests a full recovery may be some way off. But one reason why this rally might have legs is that policy looks set to remain highly accommodative for the foreseeable future, with expectations central banks will launch further stimulus.

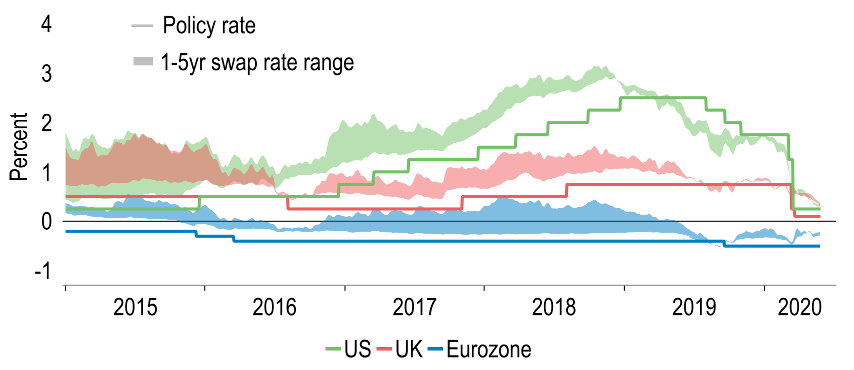
Chart 5: While global equities have rebounded, don't bank on a full recovery in the next year#



#The MSCI All Country World Index captures large and mid-cap representation across 23 developed markets and 26 emerging market countries. With 3044 constituents, the index covers approximately 85% of the global investable equity opportunity set. Pre-crisis peaks are: 20/07/98, 27/03/00, 31/10/07 and 12/02/20. Source: Macrobond, MSCI

There has even been growing speculation that more central banks will make the leap to negative rates. While recent comments from policymakers have sought to quash any suggestion of this in the near-term, they have certainly not ruled them out at a later date. Though some market metrics have begun to price in the possibility of sub-zero rates, OIS swaps suggest that policy rates will remain close to current levels. We share this view: there is a high bar for negative rates in 'virgin' countries given various side-effects elsewhere. But we would certainly not rule out them out in the UK or even the US if the downturn becomes deeper and more prolonged than we currently anticipate.

Chart 6: Swap rates suggest rates will remain at current levels for some time to come#

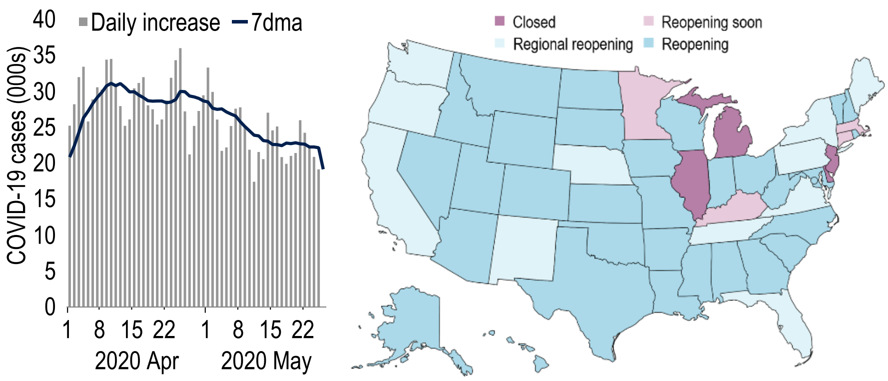


#We have taken a 7-day moving average for swap rates to smooth over daily fluctuations. Source: Macrobond

United States

Fed Chair Powell has put it on the record that the medical metrics are the most important data for the US economy. Indeed, for as long as they remain the key determinant of state level restrictions on activity they will underpin the economic path ahead. Across the US, the daily rise in cases is on a moderating trend and this has paved the way for at least a partial re-opening in activity across a majority of states (Chart 7). Two other critical medical 'metrics' are advances in the development of effective treatments and or vaccines, with these set to determine whether a much bigger re-opening can take place spurring a more rapid economic recovery. One consideration…

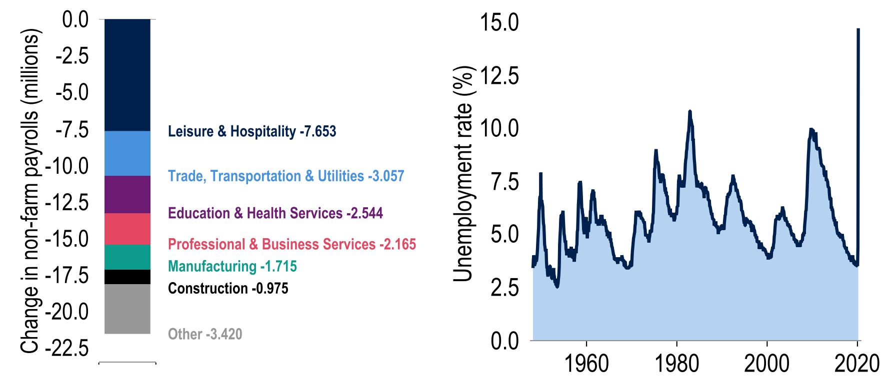
Chart 7: The US economy is opening up in line with the infection spread slowing



Map as of 16 May Sources: Macrobond, The COVID Tracking Project, mapchart.net, The New York Times

...is if the administration's reaction function to such data, and therefore its message to states on easing restrictions, will shift as the November Presidential election gets even closer. The response evident in the April labour market report laid bare the consequences for households of the restrictions in place, with unemployment at 14.7%. If there was one bit of the report to take heart from, it was that 78.3% of "job losers" were on temporary layoff. Chart 8 shows the jobs damage across sectors. With re-openings more amenable to outdoor sectors such as construction it seems likely we will see a recovery in these sectors first; elsewhere a slower recovery is likely…

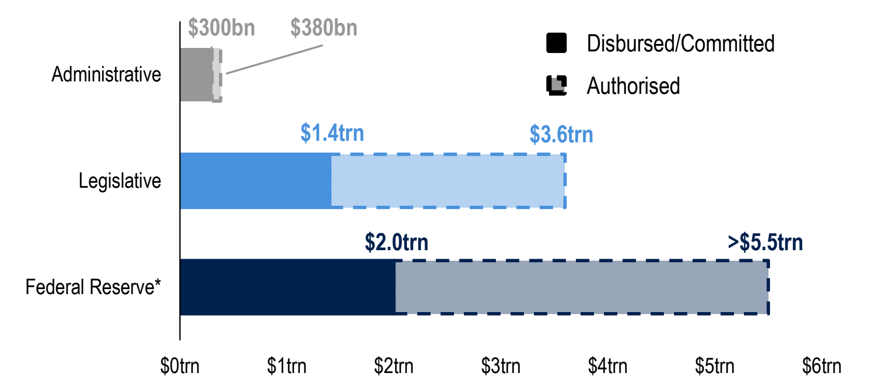
Chart 8: April's employment report showed an unprecedented hit to the US labour market



Source: Macrobond

…and some unemployment may persist. Indeed the persistently high levels of jobless claims provide a concerning message that many firms have not accessed schemes such as the Paycheck Protection Program, perhaps throwing in the towel. Hence although policy support has been very sizeable (Chart 9) the administration may need to do more to limit c scarring. Small businesses remain a critical worry. The Economic Injury Disaster Loan program for small firms has been so overwhelmed by demand that it has significantly limited the size of loans, while blocking nearly all new applications. Congress is very likely to top up support again, but whether it provides enough and soon enough will influence long-term damage.

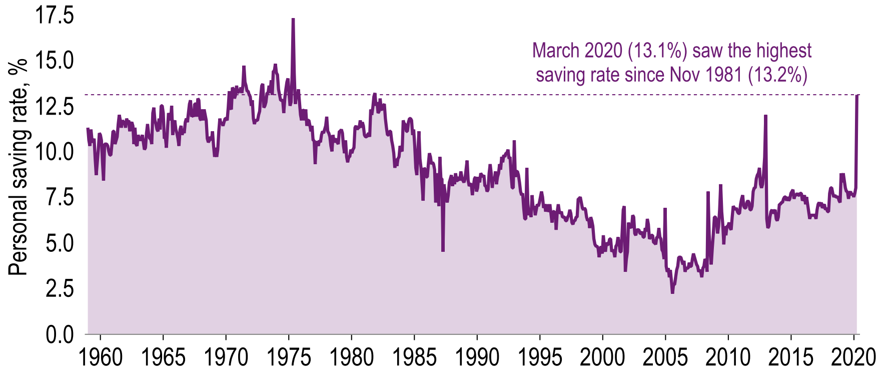
Chart 9: Policy support has been huge – but is more needed to limit economic scarring?



Source: Committee for a Responsible Federal Budget

One feature of the restrictions has been the sharp rise in personal saving where rates have stormed to Reagan era highs when higher saving was actively sought. In March, personal outlays fell by $1.2trn with this reduction in consumption also evident in Fed data which put revolving consumer credit outstanding down 30.9% (yoy) in the same period. We suspect that as restrictions are eased, some of those savings set aside will be spent, but perhaps moderately, with re-opening likely phased, confidence still shaky and unemployment elevated. Nevertheless from such significant disruption, this should spur recovery over H2 overall. For now, we maintain our growth forecasts for at -5.6% for 2020 and +4.5% for 2021.

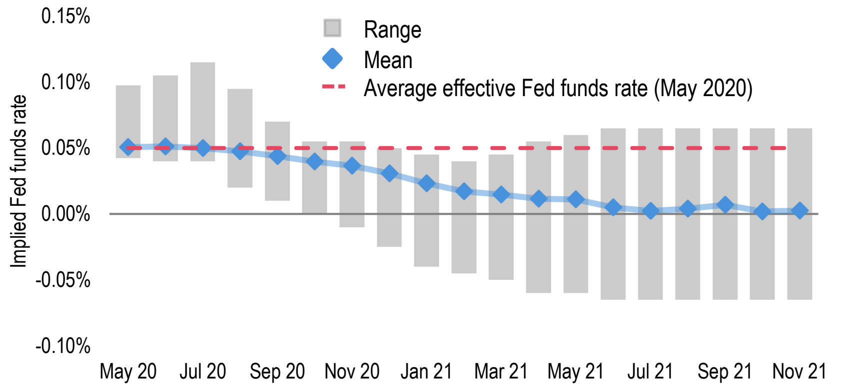
Chart 10: US personal saving rates have hit highs not seen since the Reagan era



Source: Macrobond

Doubts that the current overall stance of policy is sufficiently accommodative, even with further fiscal stimulus, have led to bets in markets that interest rates will fall further. Since April, the effective (traded) Fed funds rate has averaged 5bps, within the 0%-0.25% target range. Fed funds futures are pricing in rates below this and have even strayed into negative territory on occasion. Fed officials, including Chair Powell, are not keen on negative rates. One argument against is that this would penalise banks, given they would have to pay to park the huge amount of liquidity at the Fed, the counterpart to massive amounts of QE. Our main case view is that the FOMC will keep the funds target at its current range until mid-2023.

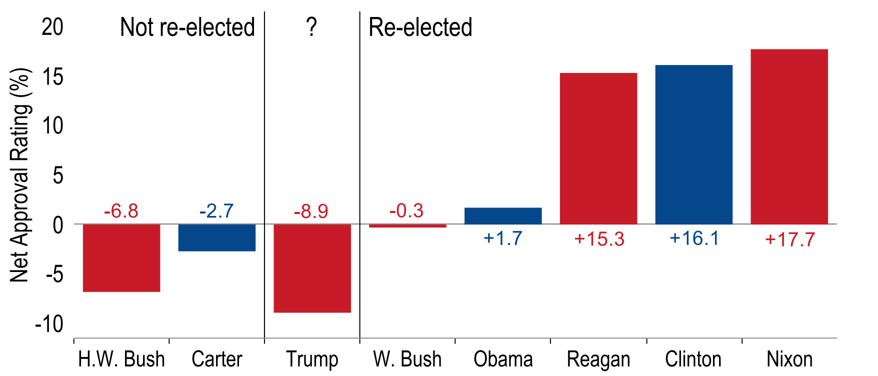
Chart 11: Federal funds rate futures are pricing in the chance of negative rates



Source: Macrobond

Amidst the enormous disruption that has come with the coronavirus, questions are being asked over what this means for the Presidential race. If it is anything to go by the outcome of the 12th May special election in California's 25th Congressional District provides hope for Mr Trump. Here a Republican newcomer, Mike Garcia, easily overturned 2018's Democratic victory in a poll that was conducted primarily by mail. Mr Trump's net approval rate has held steady so far, even in recent days amidst scrutiny over high US COVID-19 case totals. But at current levels (i.e. circa -9%), looking back at history (Chart 12) President Trump will want to improve this somehow to lift his hopes for re-election.

Chart 12: History implies Trump's net approval rating is not enough for re-election



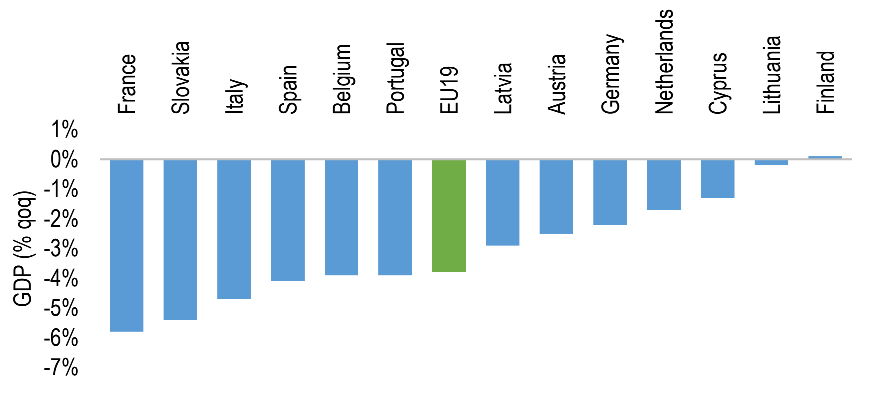
Shading depicts political party affiliation. The ratings are net approval ratings at this point in the election cycle.

Sources: Macrobond, Bloomberg, FiveThirtyEight

Eurozone

In the first official GDP figures that partially cover the coronavirus crisis, GDP was estimated to have fallen by 3.8% q/q in Q1. There were material differences in performance over the quarter, predominantly linked to lockdown rules. Indeed those countries introducing the most restrictive measures and at earlier dates, witnessed the most significant GDP falls such as France (-5.8%), Italy (-4.7%) and Spain (-5.2%). Meanwhile at the other end of the spectrum, Finland saw a 0.1% rise on the quarter. However with the coronavirus only really hitting the Euro area during the last month of the quarter and lockdown remaining in pace in the more recent months, the Q2…

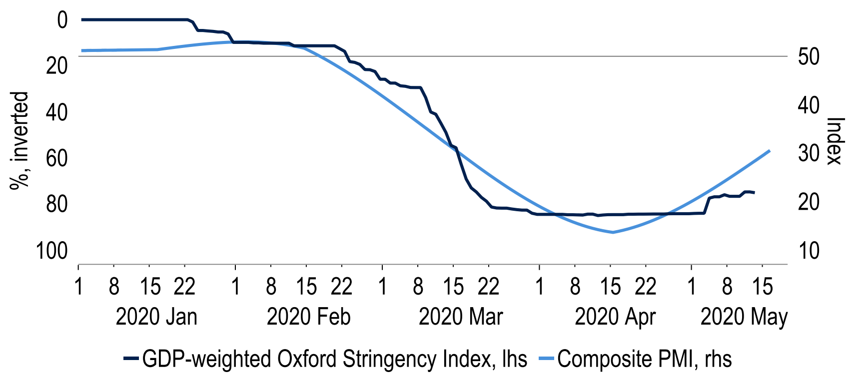
Chart 13: Q1 GDP figures (not all countries have published data yet)



Source: Eurostat

…figure is set to be far worse; we forecast a 12% drop on the quarter. There are however some modest signs of hope that the worst of the economic hit has been passed. For example, May's Composite PMI witnessed a rebound to 30.5 from April's record low of 13.6. Other indicators such as business climate surveys in Germany and Belgium have echoed the signs of improvement in May too. Of course the critical factor here is the gradual relaxation of containment measures being announced through the course of May. The Oxford stringency index which estimates the level of 'stay at home measures' highlights these developments following lockdown in April.

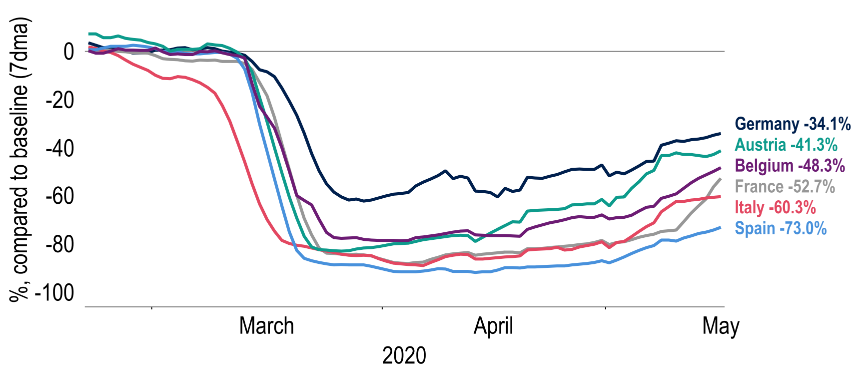
Chart 14: Indicators have begun to rebound amidst an easing in social restrictions



Source: Macrobond

Looking forward, how social restrictions evolve and the public reaction to them will in the short-term be the key driver of any economic recovery. Google's activity monitor provides some interesting insight on this front. Firstly, the mobility figures broadly tally with the Q1 GDP data in terms of relative country performance. Secondly, the numbers suggest a gradual but general strengthening in the pace of economic activity through the course of Q2 so far. Our broad forecast continues to be for a material rebound in Q3, but insufficient to overturn the contraction in Q2. Indeed we do not see the level of Q4 2019 GDP being surpassed by end-2021. Following the Q1 data our GDP forecasts are unchanged at -8.0% in 2020 and +5.5% in 2021.

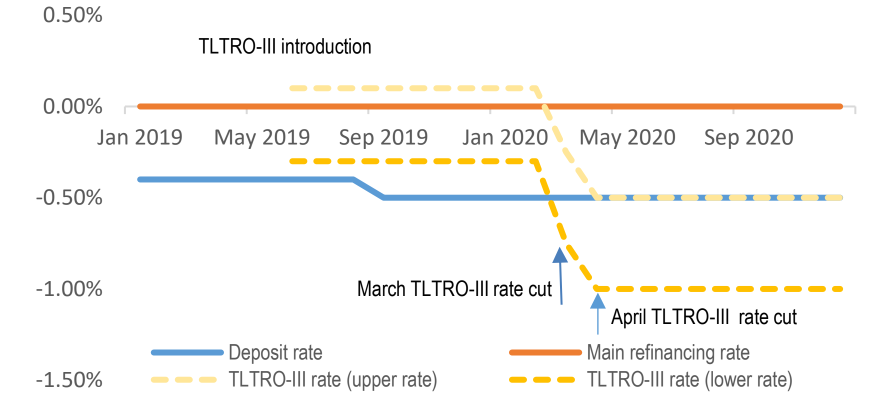
Chart 15: Google Mobility Monitor shows society beginning to emerge from lockdown



Source: Google

Despite positive effects from lifting the lockdown measures, there looks set to be some permanent economic scarring which will limit the scope of the recovery. As such ECB policy is set to remain exceptionally accommodative for some time. We have however dropped our call for a 10bp June deposit rate cut - our expectation is now that that rates will remain at current levels until late 2023. Indeed there have been two cuts in the TLTRO3 borrowing rate – banks can now borrow at up to 50bps below the Deposit rate (i.e. -1.00%). It could be argued that this has become the de facto benchmark policy rate and which could see more adjustments. We would also not rule out an increase in the ECB's…

Chart 16: No change in the deposit rate since September, but two cuts in TLTRO-III rates#

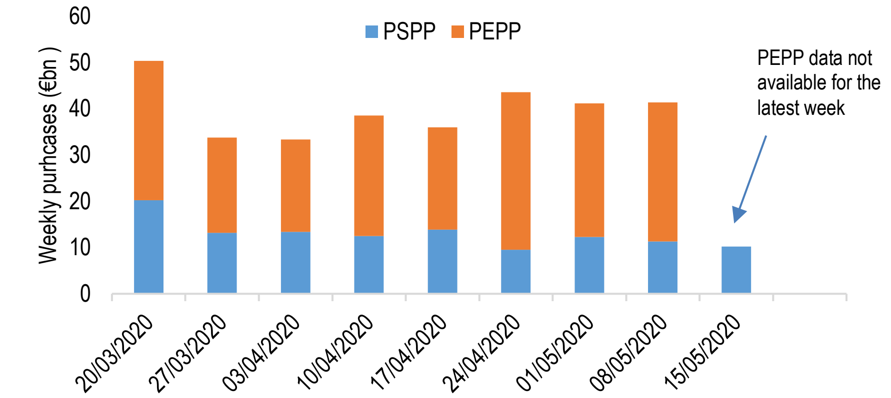


March and April TLTRO rate cuts apply to all TLTRO-III operations outstanding between 24 June 2020 and 23 June 2021

Source: ECB

…'pandemic' €750bn QE purchases (PEPP). But changes here would come at a politically sensitive time following a German Constitutional Court ruling which raised doubts over the legality of ECB (PSPP) purchases. Note that a 2018 ECJ decision ruled that purchases were within the ECB's mandate, whilst the Bundesbank has put forward a report aimed at answering the Court's questions. But the consequences of this disagreement could be far reaching and undermine the EU's legal framework should other national courts now challenge EU law. The European Commission has also become embroiled in the row, citing the primacy of EU law and warning of infringement proceedings against Germany's court.

Chart 17: Weekly ECB asset purchases: €500bn still remains available under PEPP

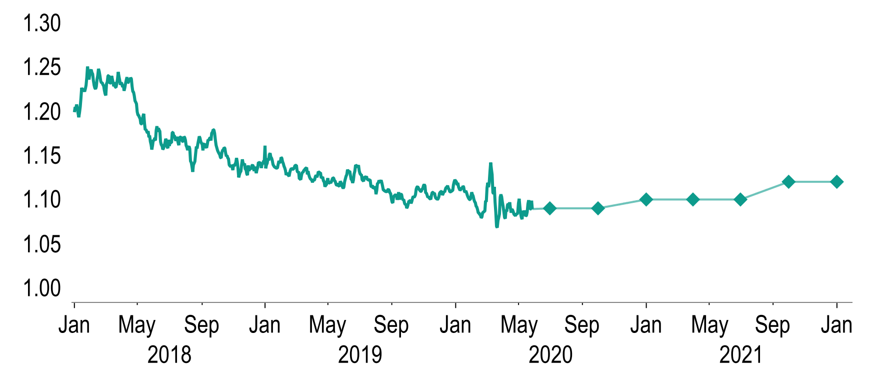


PEPP – Pandemic Emergency Purchase Programme, PSPP- Public Sector Purchase Programme

Source: ECB

The questions over ECB QE may well have been a factor in a historic agreement between Angela Merkel and Emmanuel Macron to create a €500bn EU recovery fund. The ground breaking part of this is that the European Commission will issue debt and provide grants rather than loans to member states. The final details still need to be agreed, with a number of northern countries opposing the idea of transfers. But should the plan receive final sign off, it would take some of the pressure off the ECB and would also mark the first small step in greater fiscal unity within the eurozone. Arguably this should be euro positive and given our change in ECB view sees our near term €:$ call nudged up to $1.09 in Q2 and Q3. Our Q4 2020 forecast still stands at $1.10.

Chart 18: Agreement over the EU recovery fund should benefit the euro.

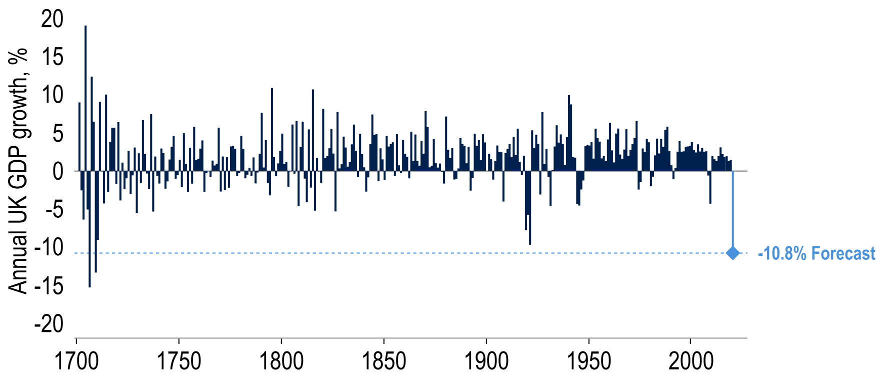


Source: Macrobond

United Kingdom

During the Global Financial Crisis, we often sought comparisons with the 1930s to gauge the depth of the contraction in activity. In the current climate, we need to go further back. Q1 GDP fell by 2.0% (qoq). Since then, the scale of the weakness in April's data (e.g. an 18.1% drop in retail sales) suggests our forecast of a 27% fall in Q2 is in the right ballpark. Even with sizeable rebounds of 25% in Q3 and 7½% in Q4, GDP would fall by 10.8% this year with a peak to trough of 28%, compared with 6% in 2008/09. Historical studies suggest this would be the worst year since 1709 (Chart 19). Under close scrutiny now of course are prospects of an upturn in H2 this year. May's flash PMIs…

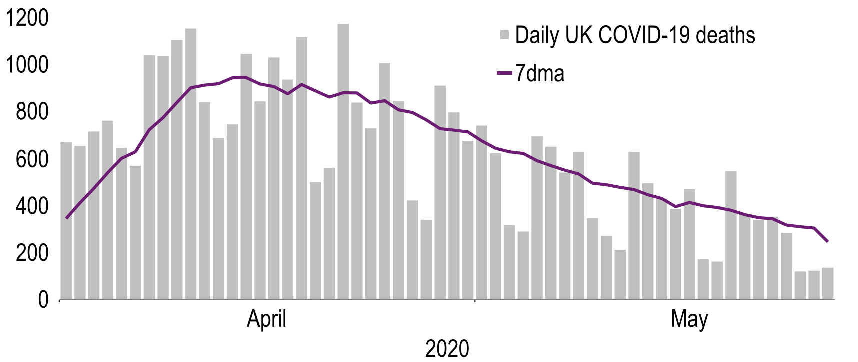
Chart 19: This could be the biggest shock to the UK economy for over 300 years



Sources: Macrobond, Bank of England

…recovered by more than expected from April's record lows; the Composite index rose to 28.9 from 13.8. In theory this means activity fell again between April and May, albeit at a more modest pace. But anecdotal evidence such as transport usage and electricity demand suggests output has risen since mid-April, albeit relatively slowly, as restrictions have been nudged easier. A declining fatality rate helps the case for re-opening more retail stores on 15 June and other parts of the economy in July, if the government judges the reinfection rate (R0/R) is sufficiently below 1. The speed with which 'test and trace' can be introduced and a vaccine may be developed will also be critical. Our GDP forecast +9.7% in 2021 would leave output nearly 2% below pre-pandemic…

Chart 20: COVID-19 deaths continue to decline gradually in the UK



Sources: Macrobond, World Health Organisation

…levels at the end of the year. And we judge the risks are to the downside, if the government is more hesitant in unwinding the lockdown. The Chancellor has been bold in launching measures to protect company cashflow and household incomes. We are now getting an idea of the price tag. OBR analysis (updated 14 May) suggests a total cost of £123bn over 2020/21. As Chart 21 shows, the CJRS is the costliest scheme (to fund the furloughing of workers) at £50bn (net of taxes received on wages). The OBR's latest scenario now envisages borrowing at £298bn. At some stage it may be necessary to tighten fiscal policy to safeguard fiscal sustainability. But not yet.

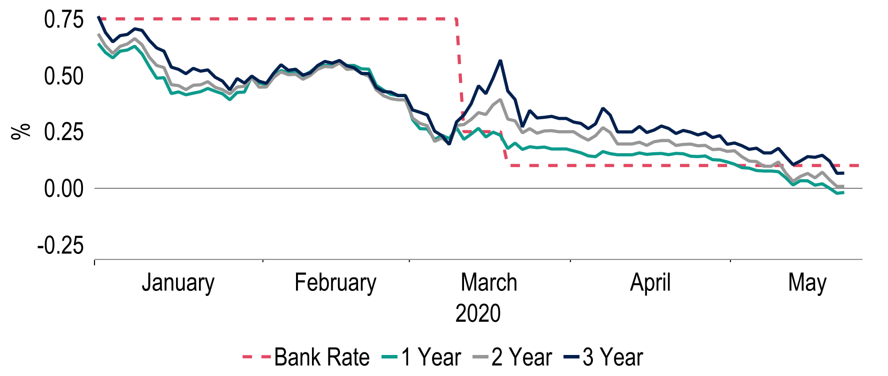
Chart 21: OBR analysis points to an expensive year for the British government

Government coronavirus policy decisions	£bn (FY20/21)
Spending	118.4
Coronavirus Job Retention Scheme	63.0
Self-Employed Income Support Scheme	10.5
Other Spending	44.9
Tax reductions	17.4
Business Rates Relief	13.0
Other Tax Reductions	4.4
Increased tax as a result of spending measures	-12.6
Total direct effect of Government decisions	**123.2**

Source: Office for Budget Responsibility

In terms of the overall policy stance, the direction is that more stimulus is likely, at least via monetary policy. The MPC looks set to sanction a further £100bn of QE on 18 June, after its next meeting. Moreover in a 180° shift over recent weeks, MPC members, including Governor Bailey, now say they are actively investigating the possibility of introducing a negative Bank rate, from the current record low of 0.10%. In common with US markets, the UK yield curve is taking this prospect seriously and is currently pricing in a 45%-50% chance of a 25bp cut to -0.15%. Our central case is that the MPC will not go down this route. A big issue is the banks. With £644bn of reserves currently parked at the BoE, they would a face 15bp charge, around £1bn…

Chart 22: OIS forward curves are factoring in the possibility of negative rates in the UK*

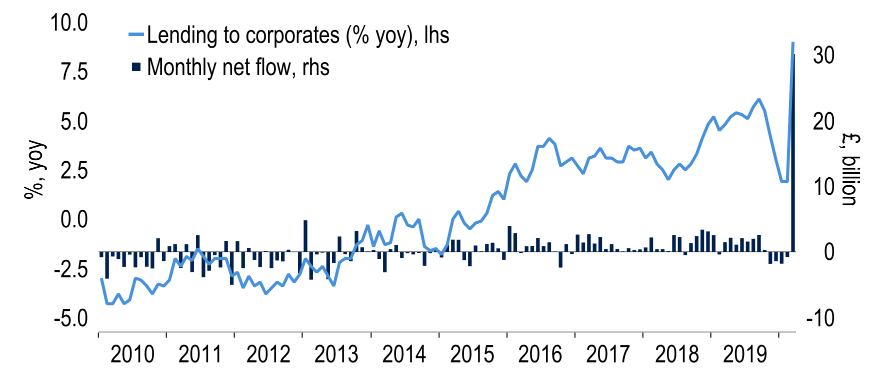


*n.b. we have adjusted for the current 3bp 'spread' between SONIA and Bank rate

Source: Macrobond

… per annum in total (rising as more QE is added). A *de facto* tax on banks would be risky when economic prospects depend heavily on credit flow availability. Indeed Chart 23 shows the surge in bank lending to corporates in March as firms acted to secure their cashflow. Of course other areas e.g. the eurozone have negative rates. But the ECB tiered its system of liquidity remuneration last year to ease the cost to banks and has not cut the Deposit rate below -0.50%. Instead it now lowers the cost of borrowing through one of its liquidity schemes, TLTRO3. We would not rule out sub-zero UK rates, but the BoE would be very wary before introducing them. Sterling has traded in…

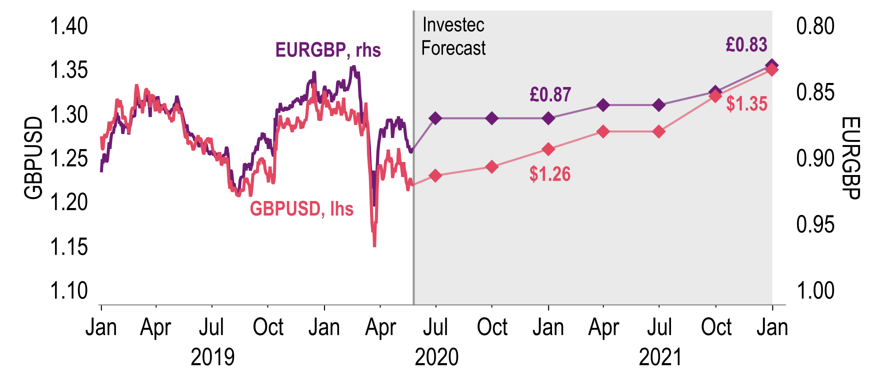
Chart 23: Bank lending to firms surged over March – the monthly flow was £30.1bn…



Sources: Macrobond, Bank of England

… a range of $1.2075-$1.2650 over the past month. Fears of negative rates have weighed, but a possible resignation of the PMs top aide, Dominic Cummings, is lending upside on hopes of a less hawkish stance to EU trade talks. There may now be a greater chance of an extension to the 'transition period' before end-year. Our base case has been that both sides agree on zero tariff goods trade, with latitude on checks to limit logjams at each side of the border. We note too that the government announced a schedule of '*most favoured nation*' tariffs, including scrapping tariffs on £30bn of imports from countries where the UK has no trade deal. Our end-year view on the currency is unchanged at $1.26 and 87p against the euro.

Chart 24: We look for a steady rise in sterling, to December 2019 levels by end-2021



Sources: Macrobond, Investec forecasts

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Global Forecasts

GDP Growth (%)

	Global	US	Japan	China	UK	EU19	Germany	France	Italy
2015	3.5	2.9	1.2	6.9	2.4	2.1	1.7	1.1	0.8
2016	3.4	1.6	0.5	6.8	1.9	1.9	2.2	1.1	1.3
2017	3.9	2.4	2.2	6.9	1.9	2.5	2.5	2.3	1.7
2018	3.6	2.9	0.3	6.8	1.3	1.9	1.5	1.7	0.8
2019	2.9	2.3	0.7	6.2	1.4	1.2	0.6	1.3	0.3
2020	-3.9	-5.6	-5.3	-0.3	-10.8	-8.0	-6.4	-9.5	-10.1
2021	6.8	4.5	2.8	9.4	9.7	5.5	4.9	4.8	6.8

Source: IMF, Macrobond, Investec forecasts

Key official interest rates (%, end quarter):

	US Fed funds	Eurozone refi rate	Eurozone Deposit rate	UK Bank rate	Australia cash rate
Current	0.00-0.25	0.00	-0.50	0.10	0.25
2020					
Q1	0.00-0.25	0.00	-0.50	0.10	0.25
Q2	0.00-0.25	0.00	-0.50	0.10	0.25
Q3	0.00-0.25	0.00	-0.50	0.10	0.25
Q4	0.00-0.25	0.00	-0.50	0.10	0.25
2021					
Q1	0.00-0.25	0.00	-0.50	0.10	0.25
Q2	0.00-0.25	0.00	-0.50	0.10	0.25
Q3	0.00-0.25	0.00	-0.50	0.10	0.25
Q4	0.00-0.25	0.00	-0.50	0.10	0.25

Source: Macrobond, Investec

10-year government bond yields (%, end quarter):

	US	Germany	UK
Current	0.716	-0.395	0.220
2020			
Q2	0.75	-0.30	0.25
Q4	0.75	-0.30	0.50
2021			
Q2	1.00	-0.30	0.75
Q4	1.25	-0.10	1.00

Source: Refinitiv, Investec

FX rates (end quarter/ annual averages)

		Current	2020				2021				2019	2020	2021
		27-May	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	average	average	average
Euro	€:$	1.102	1.10	1.09	1.09	1.10	1.10	1.10	1.12	1.12	1.16	1.10	1.11
Sterling	€:£	0.894	0.88	0.88	0.87	0.87	0.86	0.86	0.85	0.83	0.88	0.87	0.86
	(£:€)	1.118	1.13	1.14	1.15	1.15	1.16	1.16	1.18	1.20	1.13	1.15	1.17
	£:$	1.232	1.24	1.24	1.25	1.26	1.28	1.28	1.32	1.35	1.31	1.26	1.30
Yen	$	107.8	108	108	110	110	108	107	105	104	111	109	107
	€	118.7	118	118	120	121	119	118	118	116	128	119	118
	£	132.7	134	134	138	139	138	137	138	140	146	137	138
Aussie Dollar	$	0.666	0.61	0.64	0.66	0.67	0.67	0.68	0.68	0.70	0.73	0.65	0.68
	€:AUD	1.654	1.79	1.70	1.65	1.64	1.64	1.62	1.65	1.60	1.59	1.69	1.63
	¥	71.8	66.1	69.1	72.6	73.7	72.4	72.8	71.4	72.8	80.8	70.8	72.4
	£:AUD	1.849	2.03	1.94	1.90	1.89	1.91	1.88	1.94	1.93	1.80	1.93	1.91
Swiss Franc	€	1.068	1.06	1.05	1.06	1.08	1.09	1.10	1.11	1.12	1.15	1.06	1.10
	$	0.970	0.96	0.96	0.97	0.98	0.99	1.00	0.99	1.00	0.99	0.97	0.99
	£	1.195	1.20	1.19	1.22	1.24	1.27	1.28	1.31	1.35	1.30	1.22	1.29

Source: Refinitiv, Investec