Investec
Investec Bank plc (UK)

25 August 2020

Economics

Global Economic Overview

A summer break from dismal economic data

Global

A more positive tone surrounding the coronavirus has emerged, as worldwide daily infections appear to have fallen back and further progress is made on various vaccines. Economic indicators have been on the firm side of market expectations, vindicating our view of a restricted or 'lopsided' V-shaped recovery in most economies. But we remain cautious in the medium-term. First, the surge in retail sales in areas such as the US, eurozone and the UK reflect pent up demand deriving from unspent income over the lockdown months and is not sustainable. Second, although some countries are extending worker protection schemes, the degree of overall fiscal support is set to wane, given adverse fiscal positions. We dismiss talk of an upsurge in inflation, despite increases in breakeven yields and inflation swaps, plus rallies in precious metals prices.

United States

The evolution of the COVID-19 situation in the US looks less concerning given lower daily infections and rapid declines recorded in hotspots such as Florida and Arizona. Despite a lack of agreement on a fiscal stimulus bill in Congress and some related weakness in selected economic indicators, the balance of news has been positive over the past month and we have pushed up our 2020 GDP forecast to -4.9% from -5.6%. During Republican National Convention week, President Trump still finds himself lagging well behind Democratic challenger Joe Biden, both nationally and in swing states. The source of the balance of power in November still seems likely to be from the Senate races, where the overall contest looks very tight.

Eurozone

Q2 saw the Euro area economy contract at the fastest pace on record with a 12.1% quarterly contraction, albeit with differences in regional performance influenced by the stringency of individual country lockdown measures. In a reversal of Q2's decline the subsequent easing of containment measures looks set to prompt a material rebound in Q3 GDP. However this is subject to risks stemming from the sharp rise in daily coronavirus infections which is fuelling fears of a material second wave. In light of Q2 GDP we have revised our 2020 GDP forecast to -7.2% from -7.5%, whilst 2021 is unchanged at +5.3%. Significant moves in the euro have also resulted in us pushing up our €:$ forecasts, which now stand at $1.17 (Q4 2020) and $1.25 (Q4 2021).

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

United Kingdom

GDP climbed by a record 8.7% in June as the re-opening of the economy pushed forward, whereas surveys and real-time data indicate the recovery has persisted through both July and August. Our forecasts are broadly unchanged; we look for a contraction of 8.4% in 2020 to be followed by a rebound of 6.6% in 2021. Risks to the outlook remain to the downside, not least due to the possibility of a severe second wave. Besides this, the continued stalemate in UK-EU negotiations brings with it the prospect of a cliff-edge at the end of the year. However, we still believe talks will yield a bare bones deal, with a more comprehensive FTA being inked later on. This underpins our forecast for a strengthening in GBP to $1.34 by end-2020 (prev. $1.28) and $1.40 by end-2021 (prev. $1.35).

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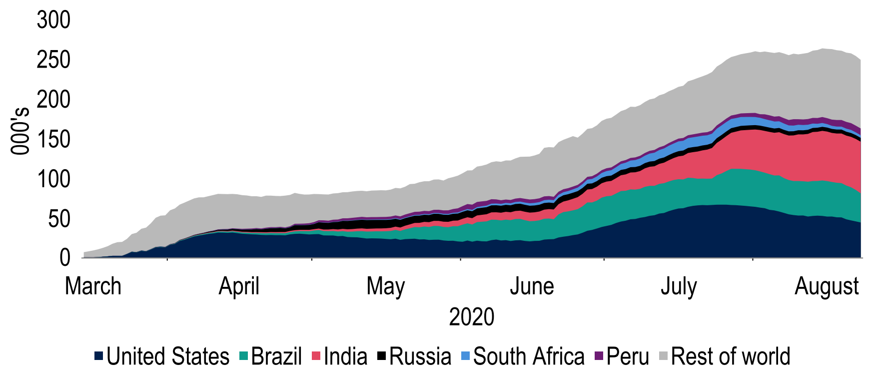
Global

The coronavirus impact continues to dominate the world economic and market landscape. Better news has arrived in the shape of an apparent levelling out in daily infections – of the six countries with the highest infection rates, only Peru is still on a rising trend, and daily cases in the US are now declining (Chart 1). With this data of course, *caveat emptor* applies, as we cannot vouch for its accuracy. Even so, progress is being made with a vaccine. Over 165 are in development worldwide, with 32 in Phase 1 & 2 human trials and a further eight at the mass Phase 3 stage. Also, vaccines by CanSino & Gamaleya have gained limited approval in China and Russia. All being well, 2021 will see less need for lockdowns and social distancing.

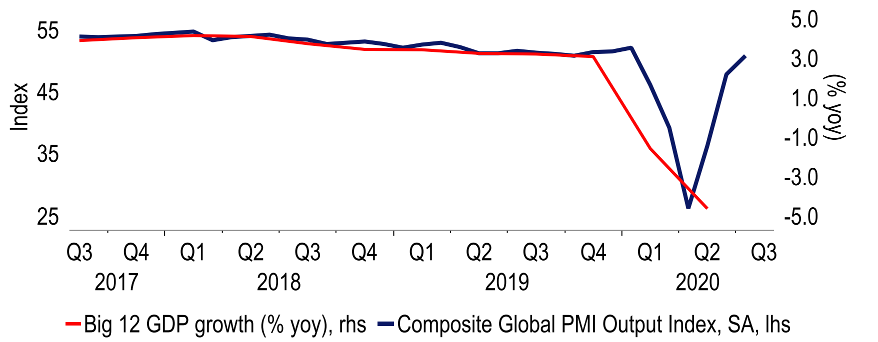
Chart 1: Global daily COVID-19 cases (7-day moving average)



Source: Macrobond, WHO

We have argued for some time that despite what is likely to be a difficult 2-3 years for the global economy, the path of the recovery cannot be described as 'U shaped'. Q2 GDP data, now available for most major economies, show the extent of the declines, but the monthly dynamics of surveys (plus various official data such as retail sales, industrial production and GDP itself, where available) clearly show a rapid pick-up (Chart 2). Various central banks have remarked on the sharper than expected rebound in activity since April, driven by the easing of social restrictions and the release of pent up demand. The latter is demonstrated by UK, US and Euro area retail sales (in cash terms) now standing at levels above a year ago.

Chart 2: Global GDP growth – top 12 economies* v Global PMI

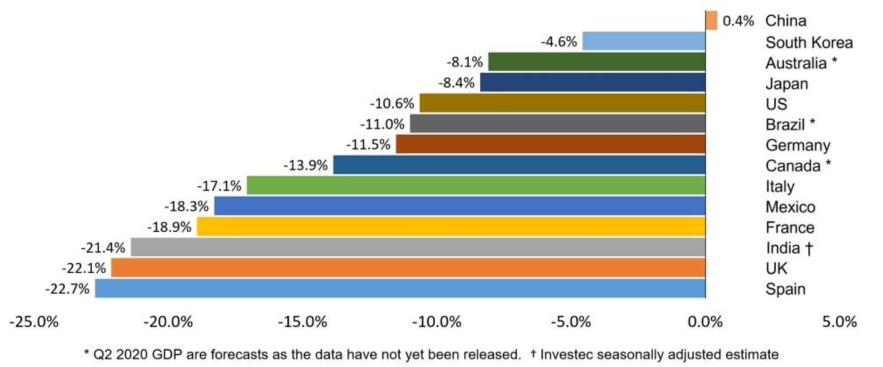


*Q2 forecasts for Canada, India, Brazil and Australia

Source: Macrobond, IHS Markit, Investec estimates

But the current pace of retail sales reflects temporary factors such as the unwinding of record saving ratios (33.5% in the US in April). For some perspective, Chart 3 sets out the declines in GDP in various economies since Q4 last year. These range from 22.7% in Spain through a fall of 10.6% in the US, to a 0.4% *increase* in China. Note that arithmetically, a straight percentage reversal of these declines would not bring GDP back to end-2019 levels, as they occur from a lower base. After what is likely to be a decent Q3 in most economies, progress to regain pre-pandemic GDP levels seems set to be modest, especially given a likely withdrawal of some fiscal support.

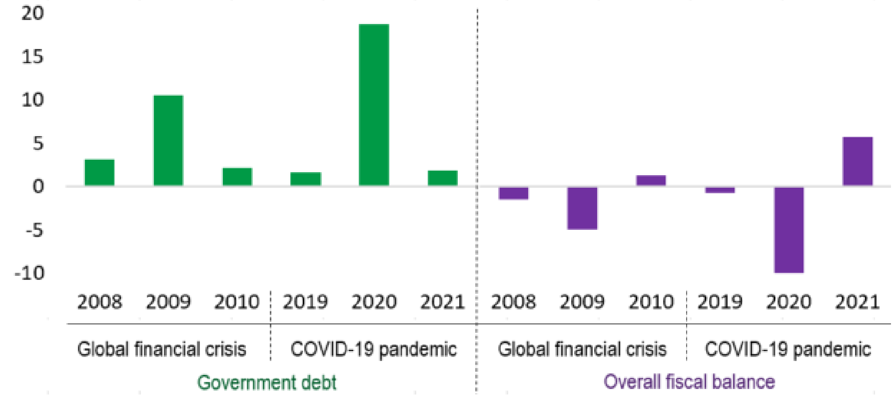
Chart 3: GDP growth from Q4 2019 to Q2 2020 (14 largest economies excluding Russia)



Source: Macrobond, Investec forecasts

Highly expansionary fiscal policy has been essential in containing the economic effects of the 'Great Lockdown'. But fiscal sustainability arguments point to indefinite fiscal support on this scale not being an option. In June, the IMF estimated that deficits would average 14% of GDP this year, while debt to GDP ratios would exceed 100%, a deterioration exceeding that in the financial crisis (Chart 4). Also these calculations exclude not only a possible new US package, but also the new €750bn European Recovery Fund. Overall we see no need for any material shift in our global GDP forecasts. These are now -3.9% this year and +5.6% next (previously -3.8% and +5.5%).

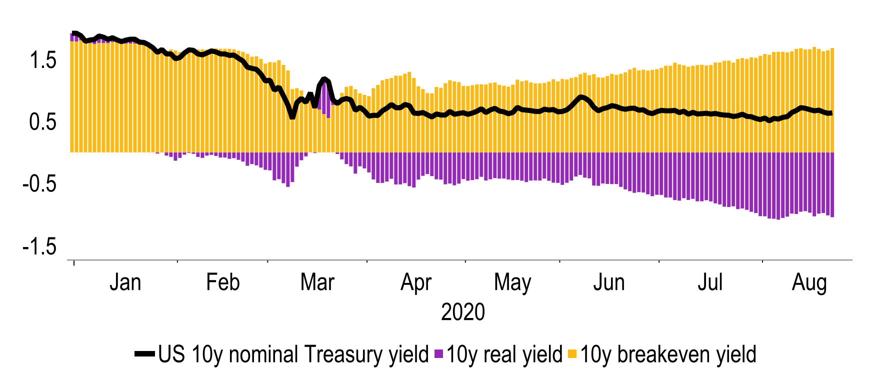
Chart 4: Change in global government debt and fiscal balances (% of GDP)



Source: IMF

Much talk in our '*Globals*' recently has concerned sub-zero government bond yields and how far forward policy curves have priced in negative US and UK rates. Key 10yr yields have jumped by 10-15bps so far this month, so this is now less of a talking point. Even so it is interesting to look at these moves by examining their real and inflation components. The key driver in the turnaround is that real yields have stopped falling and in some cases risen. Meanwhile breakeven yields, on a rising path since late-March, are still climbing. But the point is that they have not yet regained late-2019 levels i.e. inflation expectations are still normalising from very low levels and not providing a warning signal of high inflation.

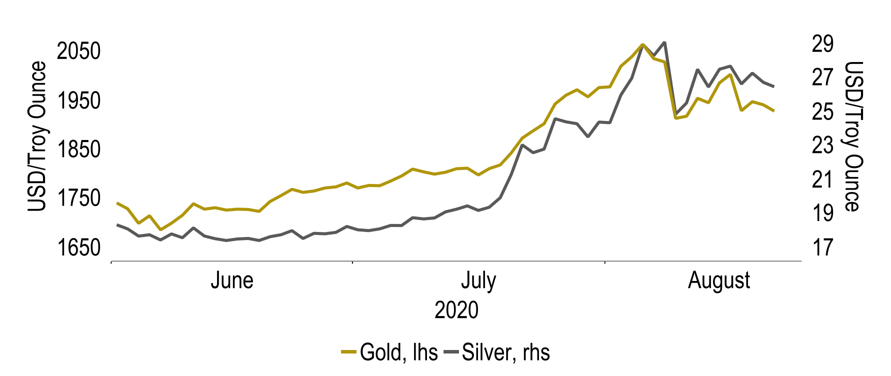
Chart 5: Real yields have stopped falling, inflation expectations are still normalising (%) …



Source: Macrobond, Bloomberg

More positive news on the economy and COVID trends have helped to propel (many) global stock indices upwards. In particular, the S&P 500 and the Nasdaq have hit record highs over the past month, while the DAX, OMX and SMI are up on the year so far. Still more striking has been the surge in gold and silver prices since end-June (Chart 6). These surged during the height of the talk about extensive negative rates and accordingly have given up some of their gains. But markets have not given up on a search for alternative investment vehicles (Bitcoin has risen in excess of 25% since June). Question marks in some quarters over the possible death of the USD as a reserve currency may also be contributory factor.

Chart 6: Gold and silver are among the big gainers over the past month or so

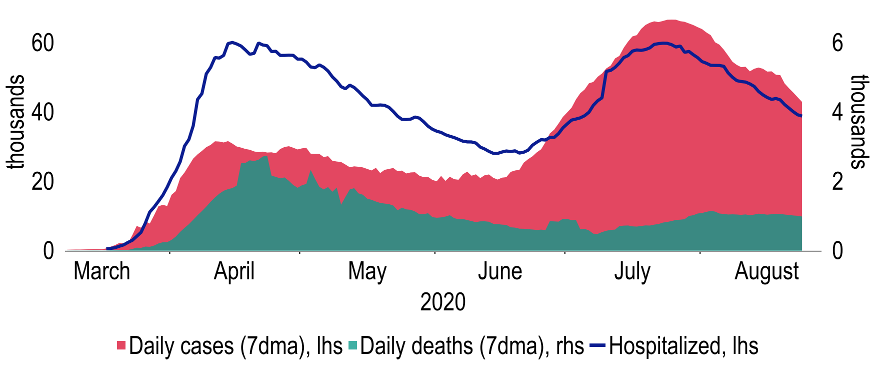


Source: Macrobond

United States

The evolution of the US COVID-19 case situation looks less concerning than a month ago. The 7-day average case total is now down to 43k from 66k at the end of July. Lower reported infections come amidst a lower daily number of tests, raising questions over the validity of the improvement. However the better situation does appear to be real. Although the daily deaths trend is relatively flat, new hospitalisations have reduced. Furthermore the proportion of tests that are positive has fallen. The improvement reflects the tightening in restrictions that followed the July peak in cases. For example in Florida, daily reported cases are down to around a third of their peak level and in Arizona down to a fifth.

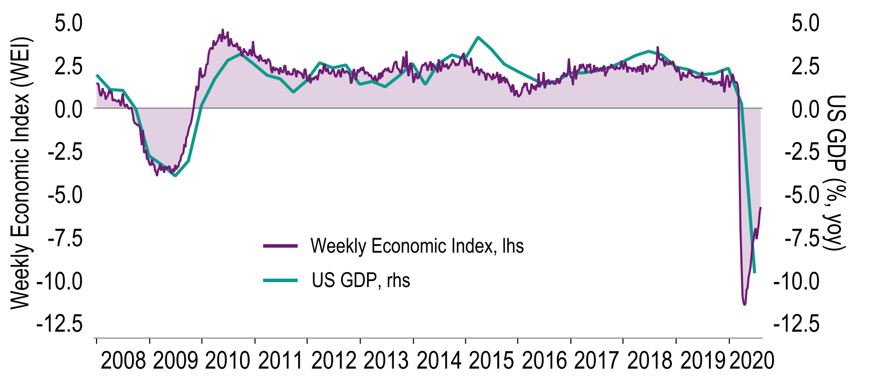
Chart 7: Lower new hospitalisations suggest tighter restrictions are working



Source: Macrobond, WHO, COVID Tracking Project

The tightening in restrictions has come at a price, with real-time activity metrics suggesting a subsequent softening in the pace of recovery. However we maintain that overall a strong rebound in activity over the third quarter is likely and this prospect is confirmed when looking at metrics such as the NY Fed's Weekly Economic Index (WEI). This (shown on Chart 8) is an index of ten daily and weekly indicators of real economic activity, scaled to align with the four-quarter GDP growth rate. Despite some volatility in the WEI, it does suggest that recovery momentum has picked-up steam again over the past month. The shape of the recovery so far has persuaded us to raise our expectation…

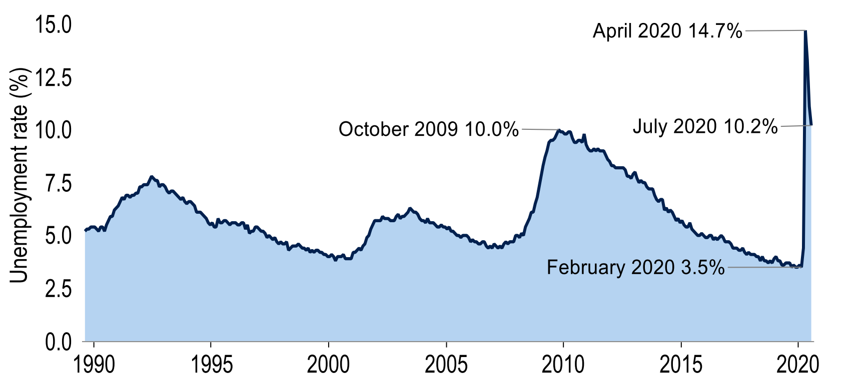
Chart 8: Weekly Economic Index and GDP growth (% yoy)



Source: Macrobond, Federal Reserve Bank of New York, BEA

…for Q3 growth and for 2020 overall we now look for -4.9% (prior –5.6%). We look for +4.2% next year (was +4.4%), with the possible arrival/availability of a vaccine paving the way for something of a return to normality in business operating conditions. That should help to drive further improvement in the jobs recovery, which still has a long way to go, as Chart 9 shows. Fed Chair Powell is keen to emphasise that the Fed will be there right through this recovery. We expect the FOMC to add to this message with more formal forward guidance at some point, but it is not ready to do so yet. When it does, rather than tie guidance to unemployment rates, which are being…

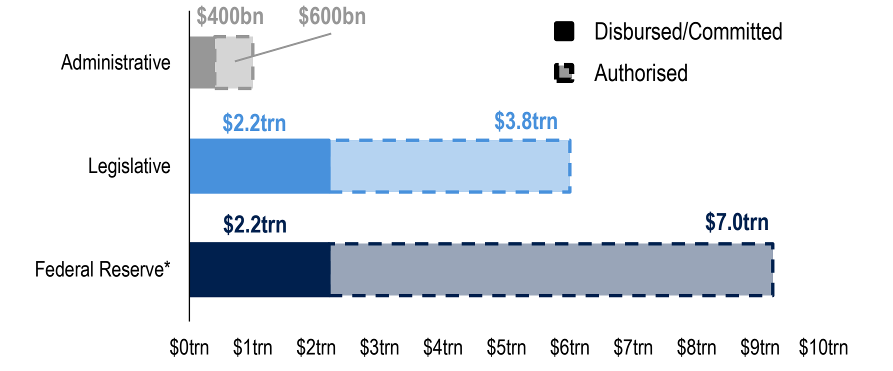
Chart 9: The jobs recovery still has a long way to go



Source: Macrobond, BLS

…subject to noise and misclassification errors currently, we suspect the Fed will opt for inflation based guidance. One further uncertainty for the economic backdrop is how supportive the fiscal stance will be. Chart 10 summarises the support so far. After cross party fiscal talks broke down, President Trump signed four memorandums/executive orders enhancing unemployment benefits, deferring payroll taxes and student loans, and on housing assistance. These are no substitute for a comprehensive fiscal package; at face value they provide some $165bn of near-term funds. But as much of the money was already allocated and deferred taxes would be paid later, the Committee for…

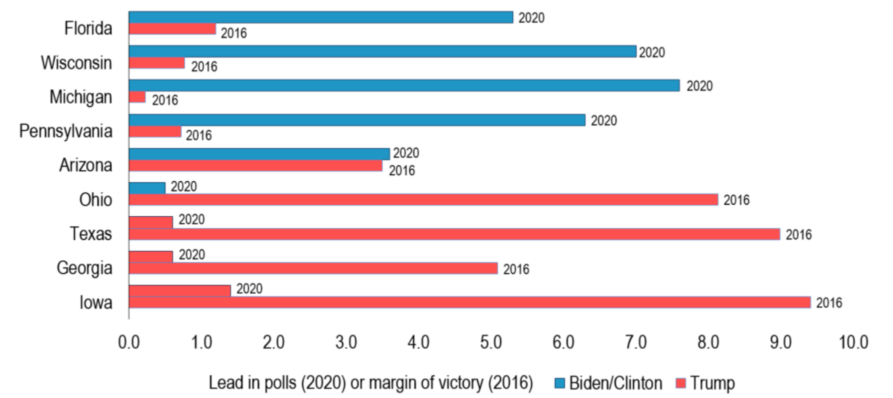
Chart 10: US COVID relief spent/allocated so far



*Correct as of 16 August 2020. Source: Committee for a Responsible Federal Budget

…a Responsible Federal Budget estimates the net cost at $10bn. Beyond the end of the year, the policy backdrop faces much bigger change if polling/models are to be believed. As things stand, Joe Biden retains a large lead. FiveThirtyEight released its first election model prediction which had Biden with a 71% (Trump 29%) chance of winning the Electoral College, in a simulation run 40k times. Interestingly their final forecast in 2016 also had Trump at 29%! But the (latest) 29% now reflects the significant amount of time still to pass before the 3 November election, rather than because polls are close. Indeed Mr Biden's lead has already topped Hillary Clinton's post-convention peak, plus he enjoys more overall support. Chart 11…

Chart 11: Biden appears on track to overturn a number of 2016 Trump victories



A 2020 bar shown in red depicts Trump polling ahead whereas in blue it depicts Biden leading in polling in that state. In 2016, Trump won all of these states, over Hillary Clinton, so all 2016 bars are red.
Source: FiveThirtyEight polling averages, Investec. Polling data taken 17 August

…shows the strength of Biden's current polling. He is ahead in Florida, Wisconsin, Michigan, Pennsylvania, Arizona, Ohio and in Nebraska's 2nd congressional district - Clinton lost these in 2016. If he won those states (and held those Clinton won), he would have 352 of the 538 Electoral College votes. Chart 12 summarises Mr Biden's key policies, where his tax pledges could have significant ramifications for investor sentiment. However one question is whether he might be limited by Congressional opposition. The battle for Senate control looks tight, with RealClearPolitics currently putting the Democrats at 44 seats, the GOP at 46 and with 10 seats in toss-up territory.

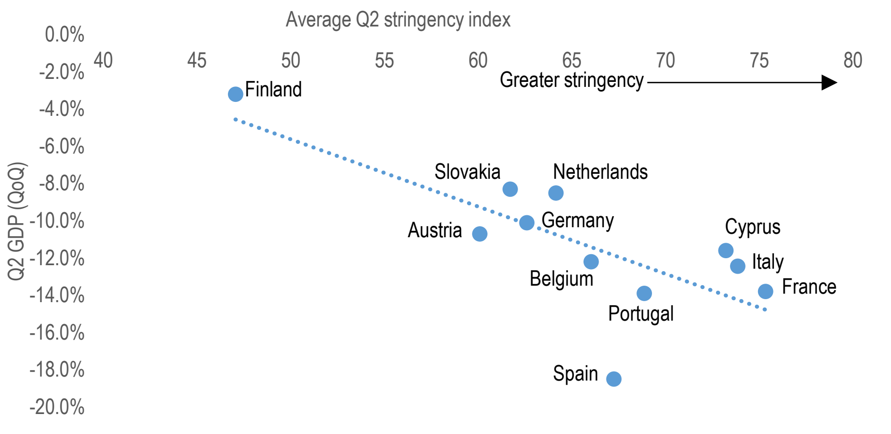
Chart 12: What is 'promised' for a Trump second term or Biden first term?

POLICY STANCE	TRUMP	BIDEN
Reopening the economy	Pushed for a quick re-opening, more caution recently.	Cautiously while ramping up COVID-19 testing.
Reviving the economy	One-time stimulus and payroll tax cut/relief.	Has proposed trillions in spending to create new jobs.
Taxes and wages	Would like to cut/remove payroll taxes. Is critical of Biden's tax rise policies.	Raise the corporate tax rate from 21% to 28%. Set capital gains tax for those earning over $1m at the same level as income tax.
Trade	Boost domestic manufacturing and serve 'America First'.	Pursue a "pro-American worker trade strategy". Take "aggressive trade enforcement actions".
Green	Spending on US roads, bridges and airports. Little appetite expressed for green investments.	$2 trillion over 4-years of green investments.
US-China relations	High tensions likely to continue.	Renew relations with allies, but not soft on China.

Source: Investec, various

Eurozone

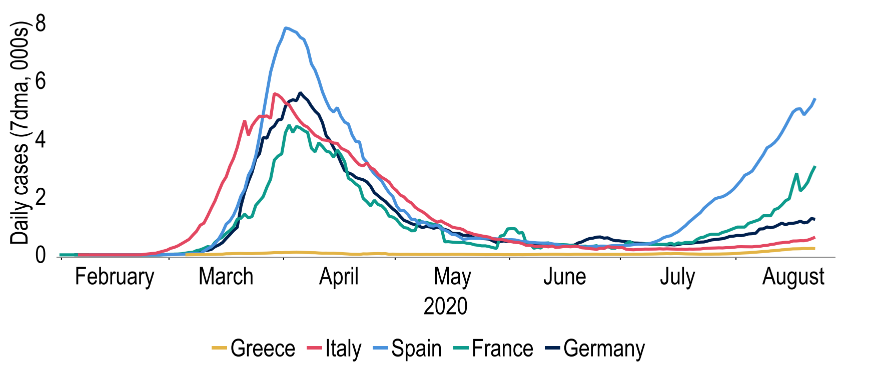
Chart 13: Q2 GDP vs Oxford stringency index



Source: Macrobond, Eurostat

Official Eurostat figures now highlight the extent of the economic shock in Q2, with GDP falling 12.1% (qoq), by far the largest decline in history: outside the current crisis the sharpest decline was -3.1% in Q1 2009. The performance did however vary across the Euro area, with Spain at the bottom of the pack (-18.5%) and Finland at the top (-3.2%). What is apparent (Chart 13) is that the stringency of the lockdown measures during the quarter had a clear influence on the severity of the Q2 GDP shock. Looking forward one question is whether the reverse is true. If that were to be the case it would suggest that France could be one of the top performers of the major EU19 economies in Q3, given it has seen the biggest relaxation in stringency (so far)…

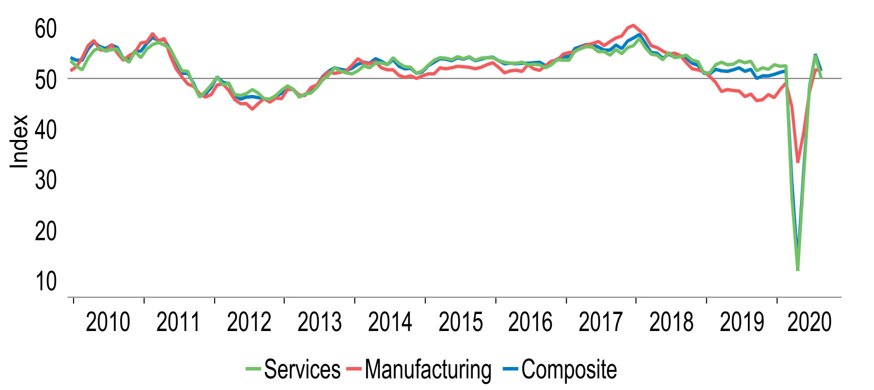
Chart 14: Daily infections are rising within the eurozone again



Source: Macrobond

…as well as the lowest absolute level. But this is met with a degree of uncertainty given the backdrop of rising COVID infections. With earlier restrictions being lifted and greater social interactions a rise in cases was to be expected. But the increase in certain countries, most notably Spain and indeed France is worrying and fuelling concerns over a broad based and material second wave across Europe. From a growth perspective what is important is whether wholescale lockdowns are reintroduced. So far this has been avoided in favour of more localised measures. However at some point the level of cases may become unpalatable for governments…

Chart 15: August Euro area PMIs highlight the economic risk from rising coronavirus cases

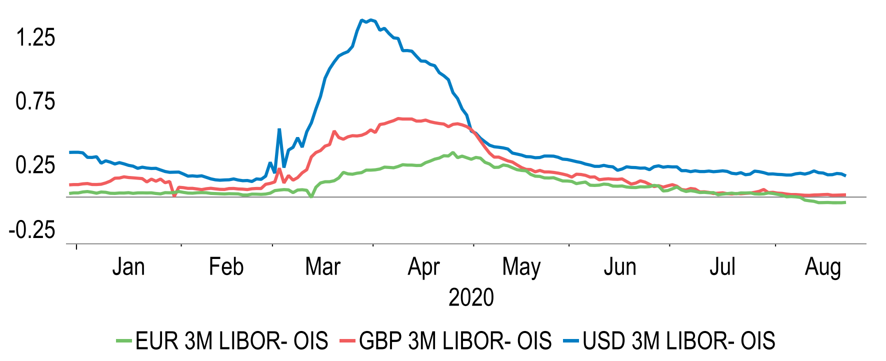


Source: Macrobond

…prompting more stringent measures, damaging activity again. There are in fact early signs that the recovery is at risk. Having risen sharply from April's lows, the PMI indices witnessed a retracement in August, with the Composite PMI falling back to 51.6 from 54.9, with the re-emergence of rising infections being cited as a key factor. This still points to the economy expanding, but suggests that the pace of recovery could be slowing. Currently our forecasts envisage a 10.2% (qoq) rebound in Q3 GDP, but this will be at risk should the COVID data not begin to moderate soon. As such our 2020 forecast stands at -7.2%, but with risks to the downside from a second wave. Our forecast for 2021 stands at 5.3%.

The ECB has played a key role in supporting the recovery by stabilising financial conditions. For example household and corporate borrowing rates have remained steady around 1.4%. Meanwhile annual corporate credit growth has firmed, now standing at 7.1% (June) from 3.0% in February. Government loan guarantees and the ECB's TLTRO-III, which incentivises banks to lend to the private sector, have been supportive (€1.3trn was drawn down in June). This has contributed to eurosystem excess liquidity rising to €2.9trn putting downward pressure on 3-month Euribor, pushing it to a record low (-0.491%) and also to a negative spread to the 3m OIS swap.

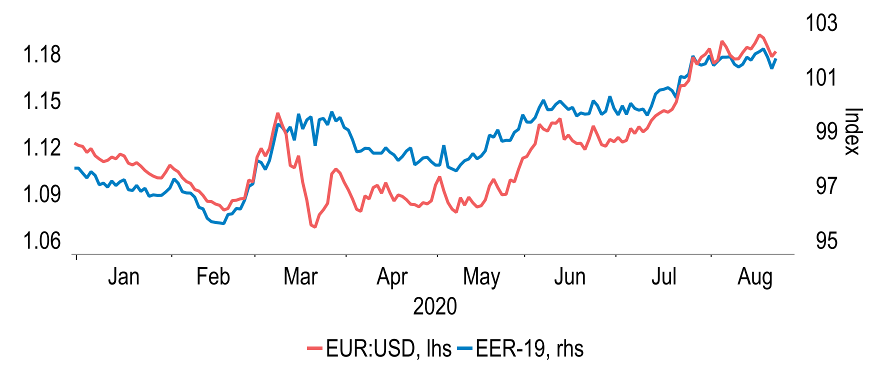
Chart 16: 3-month interbank/OIS spreads: rising excess liquidity is weighing on euribor



Source: Macrobond

This suggests that banks are reticent to hold the liquidity given it attracts the Deposit rate* and that future TLTRO drawdowns may be smaller as a result. However excess liquidity is also driven by QE. The ECB is set to buy another €1trn euros in bonds over the coming year under the current policy stance, suggesting excess liquidity will continue to rise. Our baseline case envisages no further reductions in ECB policy rates, but the risks are clear given uncertainties over the economy and inflation. A related factor is that the euro has been strong, gaining 2% in trade weighted terms over the last two months. A number of factors have been at play, including USD weakness.

Chart 17: The euro has been on a rising trend in recent months

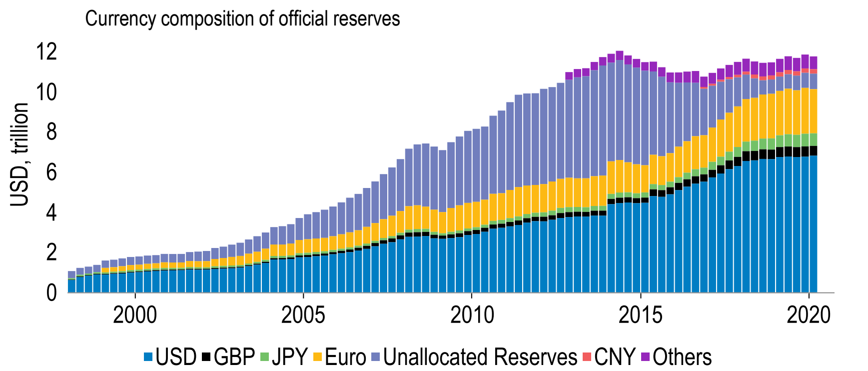


* The ECB operates a two tier system, but the majority of excess reserves still attract the -0.5% Deposit rate

Source: Macrobond

Given this momentum we have upgraded our end-Q3 €:$ forecast to $1.20. We suspect that the euro will however give up some gains towards the end of the year (Q4 $1.17) as second wave fears intensify in the Euro area. Our end-2021 target is also pushed up, to $1.25. One question of late has been whether the USD is losing some of its reserve currency status to the benefit of the euro. For example Russia and China's use of the euro in transactions with each other has risen to 30%, an all-time high, Near term we see the USD's position as the global reserve currency as secure, as no other financial market offers the depth and liquidity as the US. However the long term dynamic may change should China's financial markets deepen and if the EU's historic Recovery Fund represents the first step towards a deep and liquid unified euro safe financial instrument.

Chart 18: The USD remains the global reserve currency: IMF COFER Data

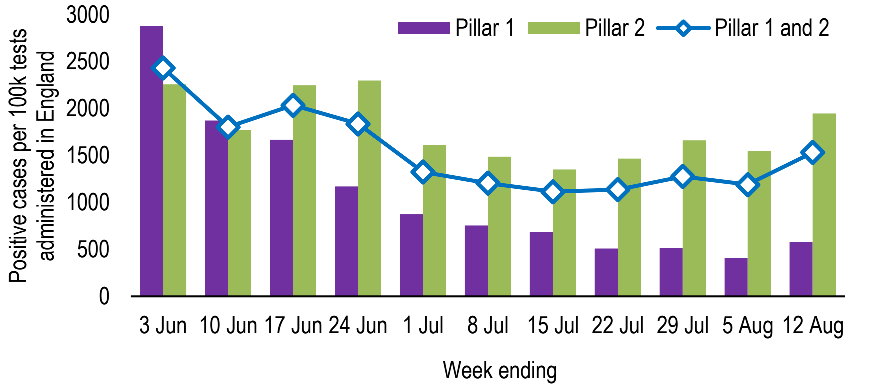


Source: IMF COFER data

United Kingdom

England's economy took the next step towards reopening this month after indoor entertainment was permitted to resume. But this came after an 11th hour delay of a fortnight amidst concerns Britain was at risk of a severe outbreak. To determine whether the virus is spreading, a number of factors must be controlled for. An obvious one is the daily variation in the number of tests administered, but a less clear cause of *caseflation* is individuals being tested multiple times. Additionally, a distinction must be made between the four different testing 'pillars', as only the first two capture new cases#. However, this data only covers England (and even then on a lagged weekly basis). But it does appear to suggest that infections...

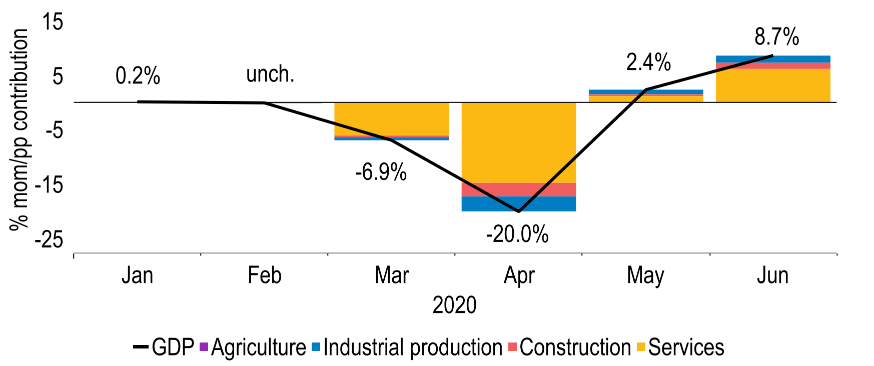
Chart 19: New cases of COVID-19 appear to have stabilised in recent weeks



#Pillar 1: swab tests in PHE labs and NHS hospitals for healthcare workers or those with a clinical need. Pillar 2: swab tests for the wider population. Pillar 3: serology tests to show if people have antibodies from having had COVID-19. Pillar 4: blood and swab tests for research purposes. Source: NHS Test and Trace, Investec calculations

...have stabilised in recent weeks (Chart 19). How does this compare to other countries? It is difficult to say due to the differing testing regimes and calculation methods. But one thing that is clear is that Britain has suffered one of the greatest economic tolls; GDP slid by 20.4% in Q2, the sharpest drop since records began in 1955. Taken with the 2.2% fall in Q1, this has left the economy some 22% smaller than its pre-pandemic peak, worse than any other G7 nation. However, the flipside of this is that UK is likely to see one of the most robust recoveries over the second half of this year. In June, GDP climbed a record 8.7% as the phased re-opening pushed forward (Chart 20). Surveys and...

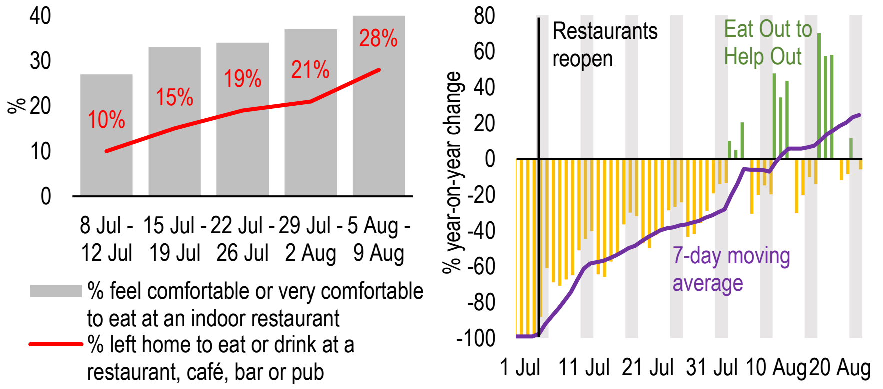
Chart 20: A record GDP contraction of 20.4% in Q2 came with a June silver lining



Source: Macrobond

...real-time data suggest that July and August will see a continuation of this recovery. But for this to be sustained, more households will need to feel confident participating in leisure activities, with only 4/10 adults feeling comfortable eating indoors. However, this looks to have improved on the back of the Eat Out to Help Out scheme, with diner numbers above year-ago levels between Monday and Wednesday in August. Another priority is the return of schoolchildren in September, but it has been suggested that there may need to be trade-offs to achieve this, such as closing bars and pubs. There are reports that Chancellor Rishi Sunak has made contingency plans to delay the Budget if there is a...

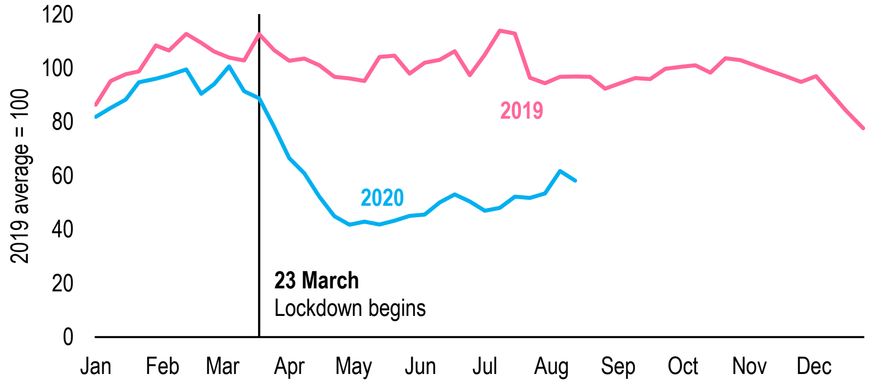
Chart 21: Diner numbers have nearly tripled from a month ago, assisted by Eat Out to Help Out#



#Eat Out to Help Out is a government scheme that subsidises food and non-alcoholic beverages to eat or drink-in by 50% (up to a maximum of £10 per head) on Mondays, Tuesdays and Wednesdays in August. Seated diners include online and phone reservations as well as walk-ins. Source: Office for National Statistics, OpenTable

...resurgence of COVID-19 in the UK. This is scheduled to take place in the autumn, close to the end of October, when the furlough scheme (CJRS) is set to be wound down. While the scheme has helped to keep the jobless rate steady at 3.9%, other metrics show that the labour market is feeling the strain of the pandemic. PAYE data from HMRC shows that payroll employees have fallen 730k as of July. Also, total hours worked fell by a record 18.4% in Q2 to levels last seen in 1994. But although Mr Sunak has ruled out an extension to the CJRS and plans to pivot towards putting the public finances on a sustainable footing, we expect him to put aside fiscal worries for the meantime and instead focus on...

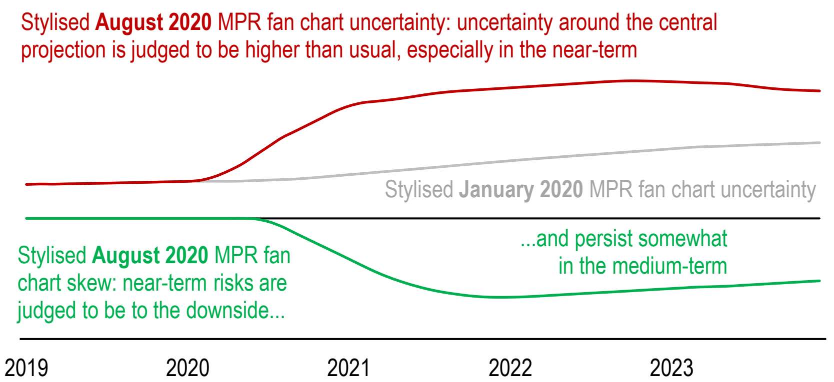
Chart 22: Job adverts have risen off their lows, but remain around 60% of their 2019 average



Source: Adzuna

...limiting long-term economic scarring effects. It is also probable that the BoE's MPC delivers a further bout of easing, but the prospect of Bank rate turning negative seems unlikely. Although the committee continually reviews the effective lower bound, it concluded this month that negative rates could be "less effective" than other tools. Instead, a more likely course of action is another round of QE, potentially in November given that net purchases are set to conclude around the end of the year. In any case, sterling has been buoyed by the diminished prospects of negative rates as well as the global shift to risk assets. It now trades around the $1.31 handle, having stood at just $1.26 in mid-July. But we expect it to...

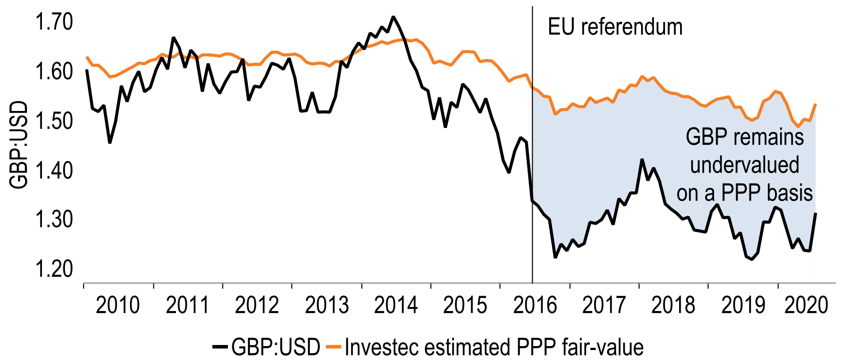
Chart 23: Stylised representations of uncertainty and skew in BoE projections#



Taken directly from the August 2020 MPR. The stylised form of the chart means no parameter units are shown.
Source: Bank of England

...return to those levels by the end of Q3 as UK-EU negotiations go down to the wire. After months of talks, the two sides remain at loggerheads over fishing rights and Brussels' demand of a 'level playing field'. Although this risks a 'cliff-edge' on 31 December, extending the Transition Period is politically toxic for the UK. Instead, we still assume that talks will yield a bare-bones deal, with a more comprehensive FTA being inked later on. This should underpin a rise in GBP, with our end-year targets having been raised by an expectation of further USD softness and less talk of negative rates. We see cable ending 2020 at $1.34 (prev. $1.28) and 2021 at $1.40 (prev. $1.35).

Chart 24: Clarity about the UK-EU trading relationship should see GBP move closer to fair value



Source: Macrobond, Investec calculations

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Global Forecasts

GDP growth (%)

	Global	US	Japan	China	UK	EU19	Germany	France	Italy
2015	3.5	3.1	1.3	7.2	2.4	2.0	1.2	1.0	0.7
2016	3.4	1.7	0.5	6.8	1.9	1.9	2.1	1.0	1.4
2017	3.9	2.3	2.2	6.9	1.9	2.7	2.9	2.4	1.7
2018	3.6	3.0	0.3	6.6	1.3	1.9	1.3	1.8	0.7
2019	2.9	2.2	0.7	6.4	1.5	1.3	0.6	1.5	0.3
2020	-3.9	-4.9	-5.4	1.5	-8.4	-7.2	-4.2	-10.0	-9.4
2021	5.6	4.2	2.2	9.2	6.6	5.3	5.0	5.8	5.8

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	0.68	-0.45	0.24
2020			
Q2	0.66	-0.50	0.21
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
		25-Aug	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	average	average	average
Euro	€:$	1.183	1.10	1.12	1.20	1.17	1.17	1.20	1.22	1.25	1.16	1.14	1.20
Sterling	€:£	0.902	0.88	0.91	0.95	0.87	0.87	0.88	0.88	0.89	0.88	0.90	0.88
	(£:€)	1.108	1.13	1.10	1.05	1.15	1.15	1.13	1.13	1.12	1.13	1.11	1.14
	£:$	1.311	1.24	1.24	1.26	1.34	1.34	1.36	1.38	1.40	1.31	1.27	1.36
Yen	$	106.3	108	108	110	110	108	107	105	104	111	109	107
	€	125.7	118	121	132	129	126	128	128	130	128	124	128
	£	139.3	134	133	139	147	145	146	145	146	146	138	145
Aussie Dollar	$	0.717	0.61	0.69	0.68	0.68	0.69	0.69	0.70	0.70	0.73	0.67	0.69
	€:AUD	1.650	1.79	1.63	1.76	1.72	1.70	1.74	1.74	1.79	1.59	1.70	1.73
	¥	76.20	66.1	74.3	74.8	74.8	74.5	73.8	73.5	72.8	80.8	72.9	73.9
	£:AUD	1.829	2.03	1.79	1.85	1.97	1.94	1.97	1.97	2.00	1.80	1.89	1.97
Swiss Franc	€	1.076	1.06	1.07	1.06	1.08	1.09	1.10	1.11	1.12	1.15	1.07	1.10
	$	0.909	0.96	0.95	0.88	0.92	0.93	0.92	0.91	0.90	0.99	0.94	0.92
	£	1.192	1.20	1.17	1.11	1.24	1.25	1.25	1.26	1.25	1.30	1.19	1.25

Source: Refinitiv, Investec