Investec
Investec Bank plc (UK)

23 July 2020

Economics

Global Economic Overview

Avoiding the crash of a second wave?

Global

Countries such as Brazil and India have yet to bring the virus under control, whereas others who had initially been successful have had to tighten restrictions again amidst a spike in cases. But although the latest lockdowns will hinder the pace of recovery, they have been imposed to avert a severe second wave. We have not had to alter our forecasts much, having already assumed a degree of lockdown reversal. However, we have brought forward China's recovery owing to the robust rebound in Q2. Our forecast now envisages a more moderate fall of 3.8% in global GDP for 2020 (prev. 4.1%) followed by a firmer expansion of 5.5% in 2021 (prev. 5.3%). Beyond COVID-19, risks to the outlook include rising trade tensions and the potential for a 'taper tantrum' as central banks rein in the pace of QE purchases.

United States

The US has continued to struggle to control coronavirus case numbers, leading to a tightening in restrictions. Worryingly, the largest state California (14.6% of US GDP) has the most punitive restrictions. The shift in restrictions has led to a levelling off in economic activity data and forced us to re-appraise our Q3 recovery expectation. However we have also reduced our expected Q2 decline with the net effect an upgrade to our 2020 GDP forecast to -5.6% (was -5.9%). 2021 is seen at +4.4% (was +4.2%). We expect that further fiscal support will be agreed, with an eye on the impending Presidential election. Soon investors will more closely appraise the likely consequences of the election result, and how any fiscal repair work will be tackled from 2021. Here Joe Biden is calling for a 28% corporate tax rate but he is also likely to be less hawkish in international trade disputes.

Eurozone

Official Euro area statistics have so far pointed to a rebound in activity as lockdown measures have been eased, but the path of recovery to regain pre-crisis levels will likely be drawn out. Into the medium-term the EU's agreement on a €750bn Recovery Fund represents a significant positive milestone and should begin to provide additional stimulus just as some government support measures lapse. Our EU19 GDP forecasts envisage a 7.5% contraction in 2020, an upgrade from our previous estimate of a 7.9% decline. 2021 is expected to see growth of 5.3%. ECB policy is set to remain exceptionally accommodative, with the full utilisation of the €1.35trn PEPP. One feature to be adjusted is the tiered Deposit rate threshold, given rising excess liquidity and the resulting de facto penalisation of banks.

United Kingdom

A huge improvement has been made in the rate of coronavirus infections and fatalities since the spring, but the number of daily cases seems to have begun to rise again recently, albeit modestly. This may well be due to 'clustering' in specific areas rather than a generalised outbreak and as such does not threaten national relaxations or related economic activity. Also, while May's rebound in GDP was relatively subdued, both June and July should see a more robust rise in activity on the back of a more significant lifting of restrictions. Further ahead the key will be the extent of second round effects, but the Chancellor's latest measures should help prevent a double dip recession. Our broad view of GDP is essentially unchanged, and our forecasts have only been tweaked. These are now -8.3% this year and +6.4% next (previously -7.9% and +6.0%).

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

Philip Shaw
+44 (0) 20 7597 4302
philip.shaw@investec.co.uk

Victoria Clarke
+44 (0) 20 7597 5154
victoria.clarke@investec.co.uk

Ryan Djajasaputra
+44 (0) 20 7597 4039
ryan.djajasaputra@investec.co.uk

George Brown
+44 (0) 20 7597 4886
george.brown@investec.co.uk

Jesse Lewis
+44 (0) 20 7597 5675
jesse.lewis@investec.co.uk

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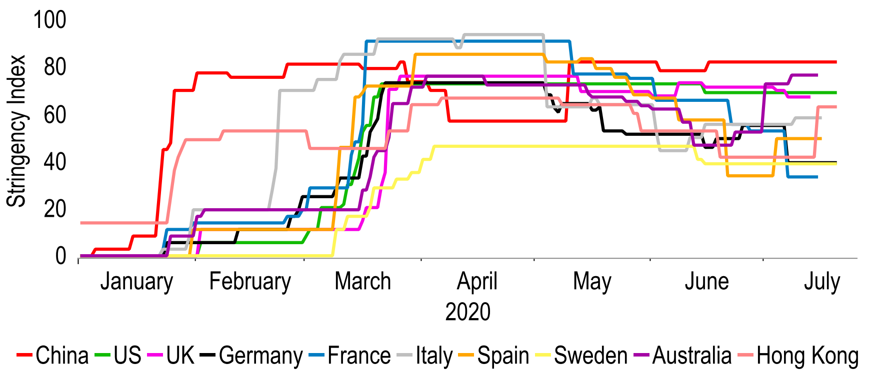
Global

Last month, we identified four groups of countries based on their experience of the pandemic. These ranged from those who promptly brought the virus under control to those who were still struggling with the initial wave. Although these still broadly hold, the differences between them have become more blurred. Nations such as Australia and Hong Kong, which had swiftly brought the virus under control, have had to reinstate restrictions after a spike in cases. So have a number of US states, with daily new cases in the country above 70k at times, rivalling the combined increase in Brazil and India. These will put the brakes on the green shoots of recovery that have recently emerged. In June, the global composite PMI climbed...

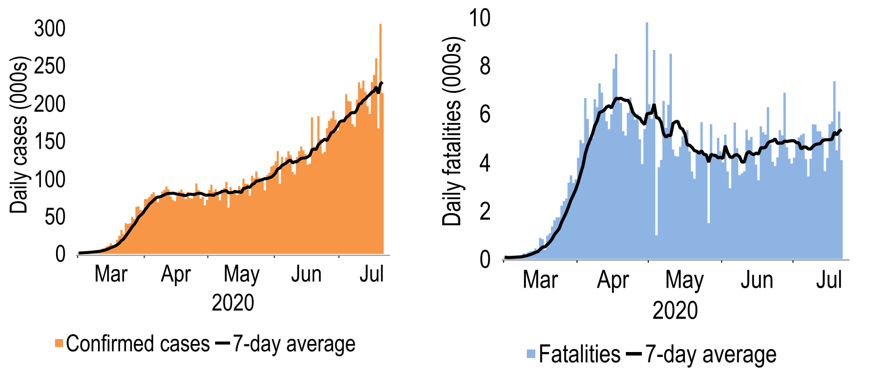
Chart 1: While many countries have relaxed their lockdowns, others have had to tighten them#



#The index is a composite measure based on nine response indicators including school closures, workplace closures, and travel bans, rescaled to a value from 0 to 100 (100 = strictest). Source: Macrobond, University of Oxford

...climbed from 36.3 to a 5-month high of 47.7. Of the 14 component nation PMIs, most experienced either their steepest or second-steepest improvement on record. Other higher frequency data such as transport use, retail footfall and electricity demand all point to a further marked improvement in July. Meanwhile, China's GDP rebounded by a sharper than expected 11.5% in Q2 after suffering a record 10.0% fall in Q1. This was driven by the industrial sector, for which output stood 4.4% higher on the year, whereas retail sales remained 3.9% down. But although the latest lockdowns will hinder the pace of recovery, they have been imposed to avert a severe second wave.

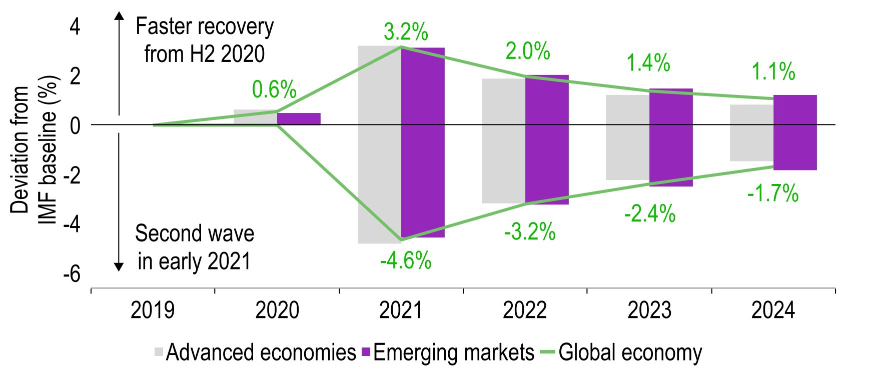
Chart 2: There is little sign that the global spread of COVID-19 is slowing



Source: Macrobond, World Health Organisation

The IMF estimates that another major outbreak in early 2021 would leave the global economy some 4.6% smaller by the end of the year relative to its baseline (Chart 3). This loss is reduced to 1.7% by 2024, albeit with permanent supply-side 'scarring'. Ultimately, we still suspect this will not come to pass but we remain vigilant. We have not altered our forecasts much, having already assumed a degree of lockdown reversal. A key exception is China for which we have brought forward the recovery owing to the robust rebound in Q2. Resultantly, we now look for a more moderate fall of 3.8% in global GDP for 2020 (prev. 4.1%) followed by a firmer expansion of 5.5% in 2021 (prev. 5.3%).

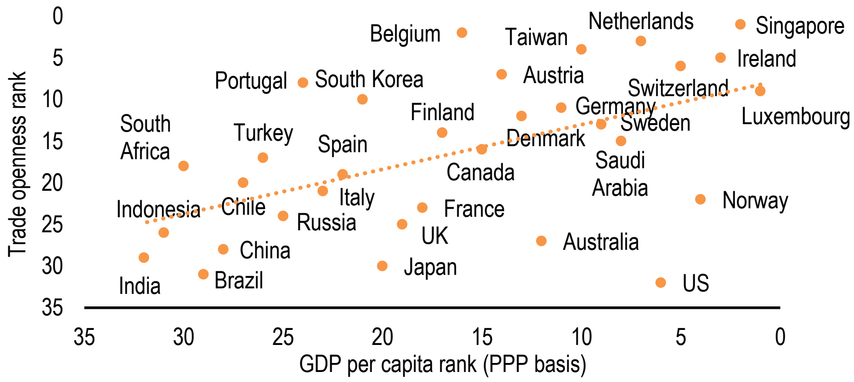
Chart 3: EMs have more to lose in a second wave, but have more to gain from a faster rebound#



#IMF baseline forecast is for the global economy to contract 4.9% in 2020 and to expand 5.4% in 2021.
Source: Macrobond, International Monetary Fund

Beyond the coronavirus, trade disputes have been rising up the risk spectrum. In particular, Western-Sino relations have been strained by the passage of the new HK National Security Law. Also, the US and EU are at loggerheads over a long-running aircraft subsidies dispute and France's Digital Services Tax. But might the pandemic itself lead to the greatest upheaval of all? A number of firms now plan to make their supply chains more resilient after the fragilities of geographic concentrations have become apparent. As a result, most Chief Economists surveyed by the World Economic Forum believe there will be a reversal in global convergence. The implied efficiency loss presents yet another risk to global...

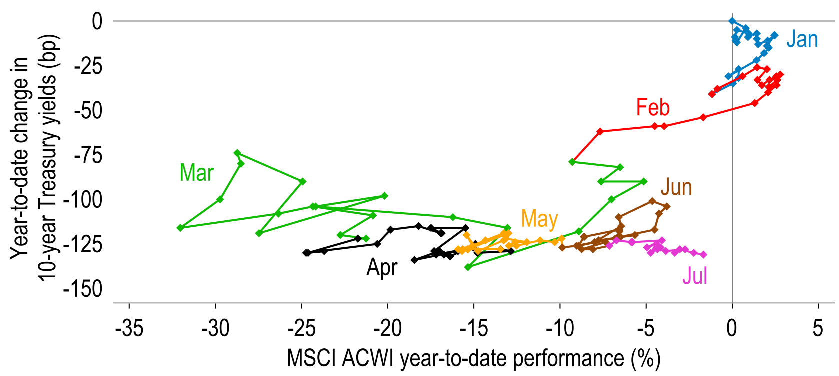
Chart 4: A reversal in globalisation could be detrimental to living standards#



#We use the trade-to-GDP ratio of each country to determine its trade openness. Figures used are from 2018 and are ranked (with 1 being the highest). Source: UNCTAD, International Monetary Fund, Investec

...growth in the medium to long-term. But despite the risk of another global outbreak and the rising likelihood of a reversal in globalisation, risk assets have continued to march higher. In fact, the MSCI ACWI is now just 1.7% away from being up on the year. These further gains have been underpinned by the same factors that we highlighted last month. Namely, additional data show that activity has rebounded sharply after the lifting of lockdowns and recent successes in early vaccine trials. But whilst equities have rallied from their March lows, safe haven assets are generally little changed. The 10-year Treasury yield languishes at 0.60%, barely changed from four months ago, whereas the price of gold has topped...

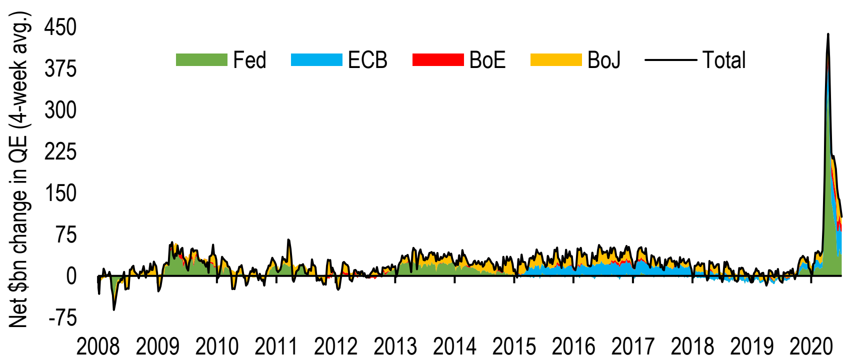
Chart 5: Global equities have rallied, but 10-year Treasury yields remain down on a YTD basis



#The MSCI All Country World Index captures large and mid-cap representation across 23 developed markets and 26 emerging market countries. With 2988 constituents, the index covers approximately 85% of the global investable equity opportunity set. Source: Macrobond, MSCI

...$1800/oz for the first time since 2011. It also comes in spite of a reining in of the weekly pace of QE purchases. Among four of the biggest central banks, these had stood close to $600bn in late March. This was more than three times the previous record pace in April 2013 when the BoJ launched what Governor Kuroda called "monetary easing in an entirely new dimension". A few months later, Fed Chair Bernanke sparked a 'taper tantrum' after hinting the FOMC was looking at lowering its QE purchases. It is possible history repeats itself, particularly if investors balk at the scale of debt issuance. But the flexibility and scale of QE programmes make it less likely than in 2013.

Chart 6: Central banks are reining in the pace of QE purchases after a record splurge

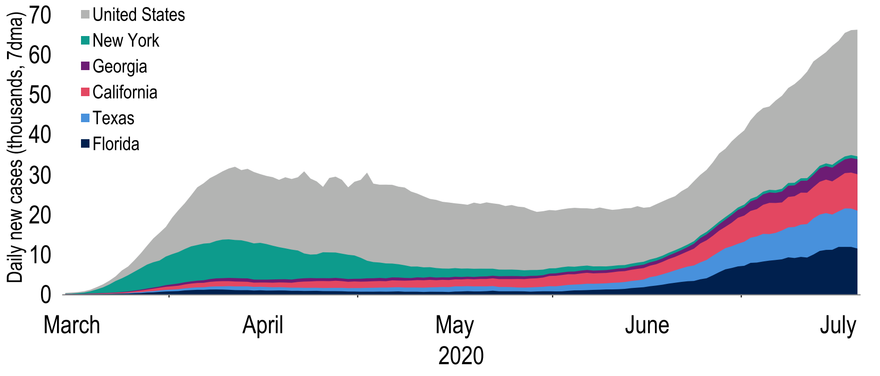


#Net change in the stock of QE includes both redemptions and purchases. We use 21 July 2020 as a fixed reference point to convert ECB, BoE and BoJ purchases into US dollars. Source: Macrobond, Investec calculations

United States

The US now has one quarter of the world's reported COVID-19 infections as southern and western states have faced rapidly rising reported daily case numbers. The aggressive initial re-opening in many of these states looks to have been a key factor whilst the control of the virus has been impeded by bizarre issues such as the use of fax machines to deliver (delayed and badly formatted) test results. In one example, the Florida Division of Emergency Management said the turnaround time can be as long as 10 days. Faced with this worrying trend, restrictions have been tightened in a number of states and travel limited. For example there are now 22 states which…

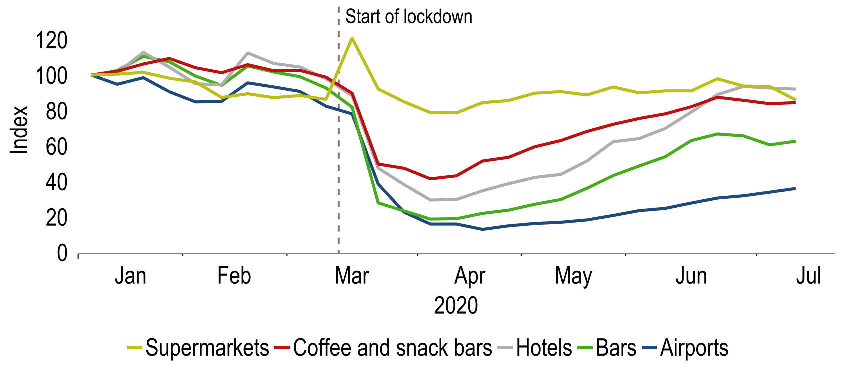
Chart 7: The US is still battling to get a hold on rising daily COVID-19 case numbers



Source: Macrobond

…must quarantine on arrival in New York state. The consequences are visible in real time activity metrics, where the recovery is levelling off. Chart 8 shows this with supermarket, bar, café and hotel footfall all tracking lower. In California, the state with the most punitive restrictions, the governor has ordered the state-wide closure of all bars, indoor restaurants and theatres. California's economy is by far the largest of all US states (14.6% of US GDP in 2019) so the squeeze for the US at large is clear. Looking more widely, the 10 states with the biggest case tally per 100k of the population, over the past week, account for another near quarter of US GDP. So the scope for further restrictions slowing the recovery is clearly significant. Chart 9 shows another…

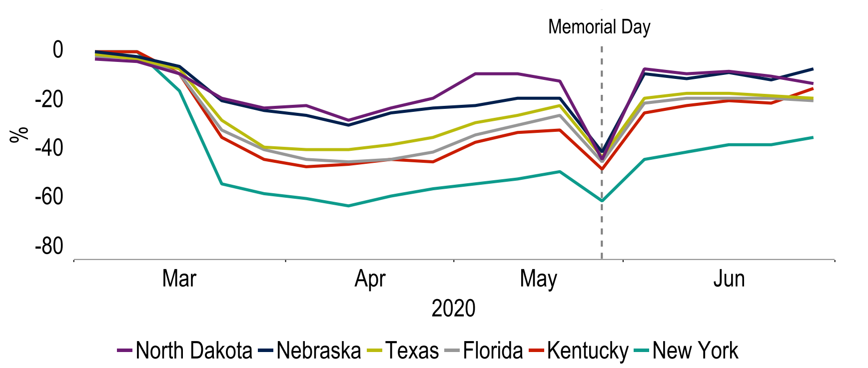
Chart 8: There are signs that activity is levelling off in some sectors of the economy



1 January 2020 = index level of 100. Source: SafeGraph data on consumer activity during the COVID-19 pandemic

…variant of the real time activity data. Homebase - a business support company - is providing tracking data on US businesses operating, hours worked and footfall, across states. This also points to a levelling in activity, with the number of firms open well below pre COVID-19 levels. Building in these latest steers we have lowered our anticipated economic rebound for Q3 amidst the reversal in restrictions and the levelling off in real-time activity data. But we have pushed up our forecast for Q2, after the stronger than expected activity recovery so far. The net effect is actually a slight upgrade to our 2020 GDP forecast where we see -5.6% this year (was -5.9%) whilst the 2021 rebound is now seen at +4.4% (was +4.2%).

Chart 9: The number of small businesses open – change from pre COVID-19 level

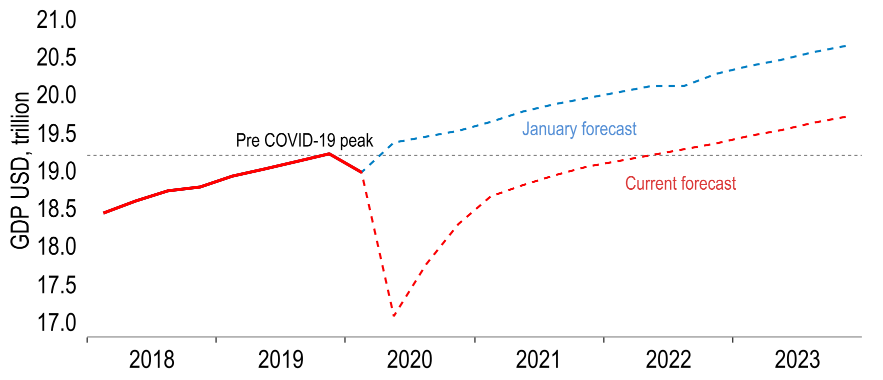


The chart depicts a selection of states for high and low coronavirus incidences amidst the population.

Source: Data from https://joinhomebase.com/reopen-business-coronavirus/details/

Chart 10 demonstrates our expectation of a long road to recovery, with our post COVID-19 GDP profile running below our January 2020 projection. On top of the uncertainty the pandemic brings with it, the Presidential election, now just 4 months away, also adds to the uncertainty over the economic outlook. In the wake of Mr Trump's 2016 win, the Tax Cuts and Jobs Act provided a notable boost to economic momentum. The more pertinent question for the new/returning President will be the shape of fiscal repair plans. Presidential candidate Joe Biden has laid out some details of his plan calling for a 28% corporate tax rate, above the 21% set by Trump's 2017 tax cuts. President…

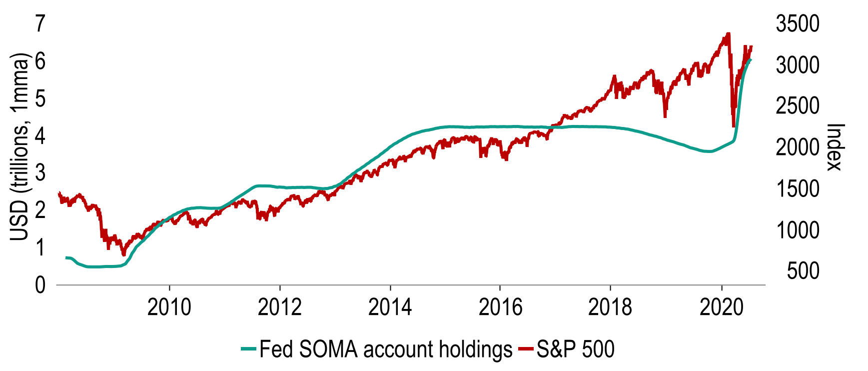
Chart 10: We do not expect the US economy to recover to pre COVID-19 levels until 2022



The BEA chained-dollar GDP values are for the 2012 reference year. Source: Macrobond, Investec forecasts

…Trump has provided little detail on his plans, beyond the pre-COVID 2021 budget proposal. With the US's recovery path set to be long, we expect the Federal Reserve to persist with its highly supportive stance. We see the Federal funds target rate range remaining at 0.00-0.25% for the foreseeable future, potentially also with explicit forward guidance announced later this year. Amidst the need to provide continuing support we do not expect the Fed to curtail its open ended bond buying anytime soon, though the pace of purchases has eased back in June and July. Interestingly, the growth in the balance sheet has mirrored the recovery in equity markets (Chart 11).

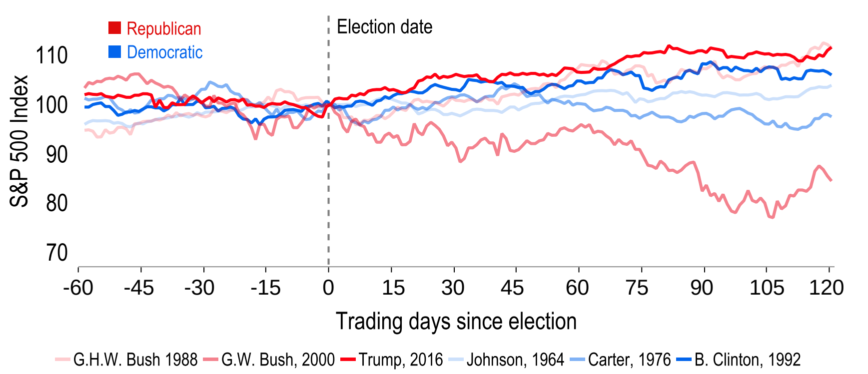
Chart 11: The expansion in the Fed's balance sheet has mirrored the US stocks recovery



The Federal Reserve System Open Market Account (SOMA) contains dollar-denominated assets acquired through open market operations Source: Macrobond

The November Presidential election is also on the minds of investors. Chart 12 shows how stocks have fared under Democratic and Republican wins historically, though such analysis is risky, with markets often pricing in the prospect of certain results, well before. This time investors have to weigh-up tax and trade positions of the two candidates. On trade, although Joe Biden is pushing "Made in America" and to reduce reliance on China, he is less consumed by the US trade deficit and therefore tariffs. However investors may well be more concerned about his tax proposals as highlighted above. President Trump would likely seek a more stockmarket friendly way to address fiscal issues, we suspect.

Chart 12: US stockmarket performance in the lead up to and after the election of US Presidents

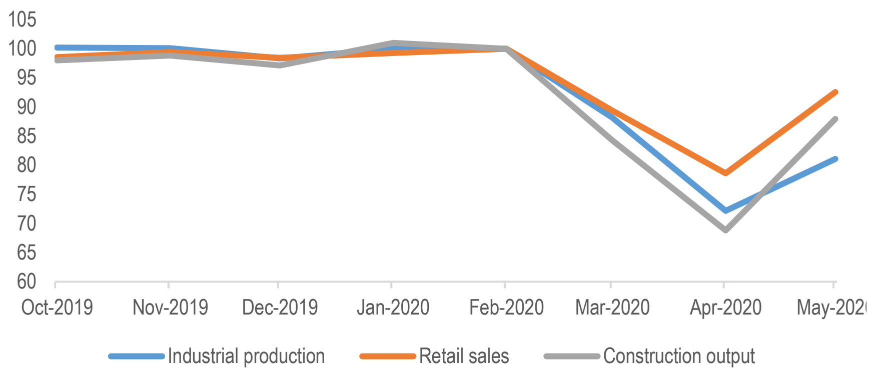


The chart includes the last 3 Democrat and Republican first term presidents. President Obama is excluded due to the impact of the Great Financial Crisis. Source: Macrobond

Eurozone

Since the peak of the COVID-19 economic hit in April, Euro area indicators have witnessed a rebound in activity. This has been across sectors; industrial output rebounded 12.4% (mom) in May following April's decline of 18.2%. Retail sales rose 17.8% and construction 27.8%. Nonetheless the levels of activity remain hugely below pre-COVID levels. For example industrial output is still 19% lower than in February. It is however worth noting that these numbers are for May, when lockdown measures were first starting to be relaxed and timings differed across the Euro area. As such June should see a further pickup in economic activity, but in all likelihood…

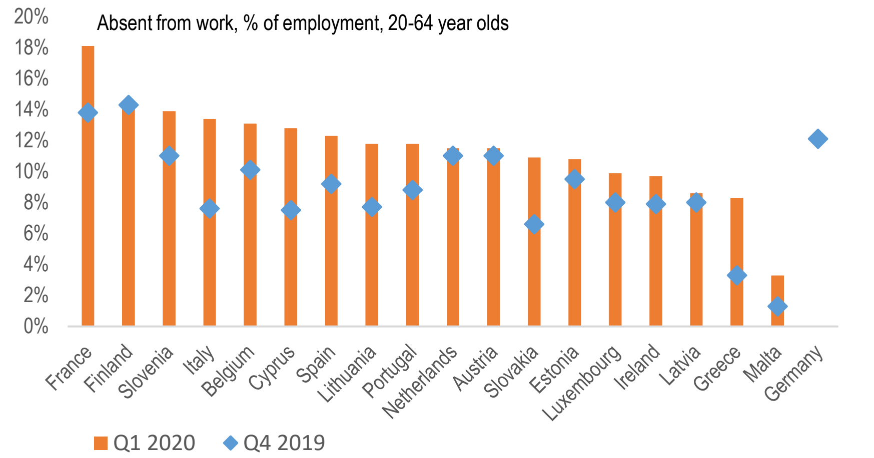
Chart 13: Short term indicators point to a rebound in May (Feb 2020 = 100)



Source: Eurostat

…pre-crisis levels of activity are unlikely to be regained for a year or more. In the medium-term the EU's Recovery Fund should prove supportive of growth. Amidst somewhat fraught discussions at times, leaders agreed to a €750bn fund. This will include grants of €390bn, a reduction from the initial €500bn proposal, but it comes at a crucial time as it allows the EU to begin distributing funds in 2021. This is important as Q4 2020 is likely to see government labour support measures lapse, which could see unemployment rise sharply. Recent Q1 Eurostat figures showed 4.3m people became absent from work (but not classified as unemployed), but this is just the tip of the iceberg, as estimates suggest that 30m plus are currently on furlough type schemes.

Chart 14: EU19 employees absent from work jump, but is a bigger rise yet to come?#

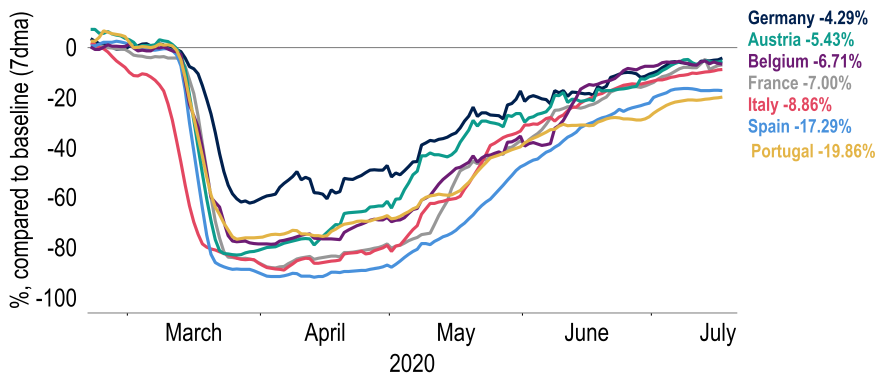


German Q1 2020 figures are not available

Source: Eurostat

Whilst the daily number of coronavirus infections has fallen, the virus remains the key risk to the recovery, with the potential for renewed outbreaks and reintroduced lockdowns. Whilst such measures may be more localised looking forward, they nonetheless have the potential to impact economic activity. Notably if you take Spain and Portugal as examples where localised lockdowns have been reintroduced, the recovery in mobility has been curtailed and in the case of Spain, has even fallen back. Our broad assumption is that mass lockdowns are not witnessed and that the economic recovery is able to take hold in H2. As such our GDP growth forecasts stand at -7.5% 2020 and +5.3% 2021.

Chart 15: Risk to the outlook – mobility in Spain and Portugal has been levelling off

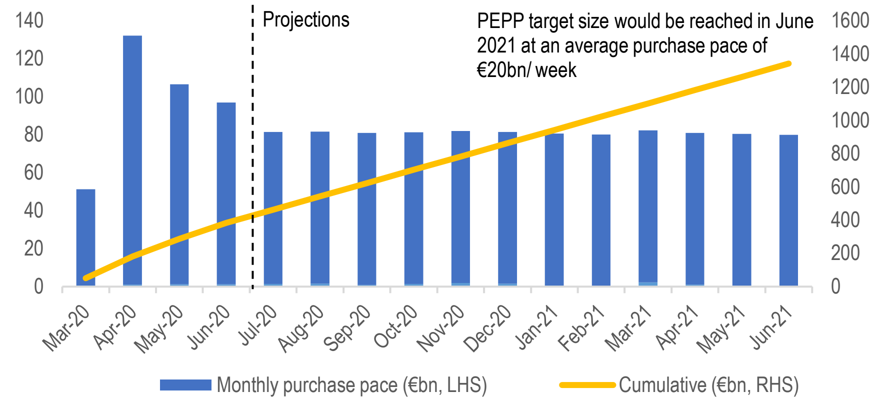


Source: Macrobond, Google mobility reports

Investec

ECB policy is set to remain exceptionally accommodative, with President Lagarde suggesting that the entire €1.35trn PEPP* envelope would be used, absent a significant upside surprise. That puts the ECB on course to purchase another €1trn of bonds under PEPP over the next year (purchases will also continue under the original APP**). For now the ECB appears content that PEPP has been effective in easing financial market strains, with sovereign yields retreating to pre-COVID levels. As such the pace of PEPP purchases has been reduced by some 30% to €20bn/week. Perhaps coincidently such a pace would see the ECB meet the €1.35trn envelope in June 2021, its proposed end date.

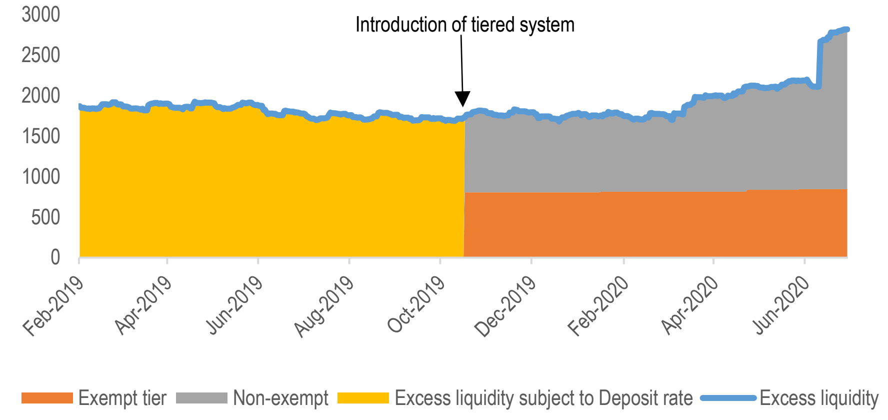
Chart 16: Weekly PEPP purchases to settle at a €20bn average for the rest of the programme?



*PEPP- Pandemic Emergency Purchase Programme, APP**- Asset Purchase Programme Source: ECB, Investec

Whilst the ECB has been more active in utilising asset purchases over the crisis period, interest rate policy may need to be examined again. The two tier Deposit rate system is a particular issue; when it was originally set in September 2019 it aimed to limit the cost to banks by exempting a proportion of excess reserves from the attracting the -0.50% Deposit rate. However with the huge increases in QE and ECB liquidity operations the level of excess reserves has now risen €1trn to €2.8trn, with the level of reserves remunerated at the Deposit rate, now greater than when the tiered system was introduced. The 'exemption multiplier', which currently stands at 6 times minimum reserve levels, is therefore likely to be revisited sooner rather than later.

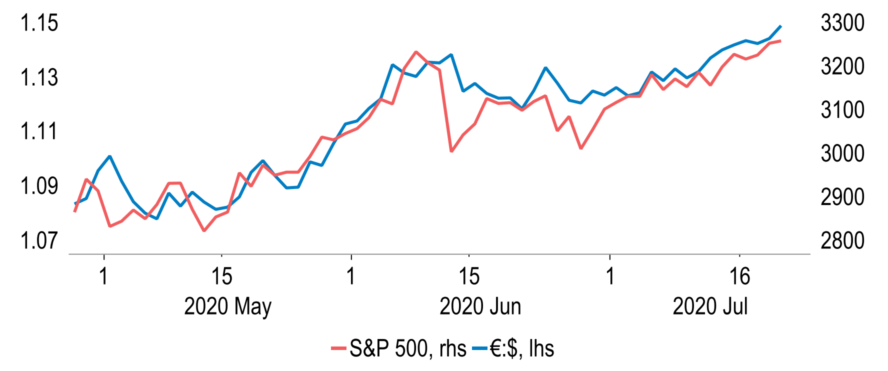
Chart 17: Rising Excess Liquidity to prompt an adjustment in the tiering system (€bn)



The level of reserves exempt from the Deposit rate is calculated as the level of banks' minimum reserve requirements x exemption multiplier (currently set at 6) Source: ECB, Investec

Since risk sentiment hit a low in late March it has improved markedly; the S&P 500 is now essentially flat on the year. The impact on currency markets has been some weakening in the US dollar as the demand for dollar denominated safe haven assets has diminished. The euro and pound have been beneficiaries of this, although the latter has faced Brexit related headwinds (see UK section). The Euro itself has risen 5% against the USD over the last two months, hitting an 18 month high of $1.1547 thanks to the EU's agreement on the Recovery Fund. We suspect that the Euro will retrace some of its gains near term when the US Congress reaches a deal over another round of fiscal support, boosting the USD. Our Q4 2020 €:$ forecast remains at $1.14.

Chart 18: Positive risk sentiment has been euro supportive

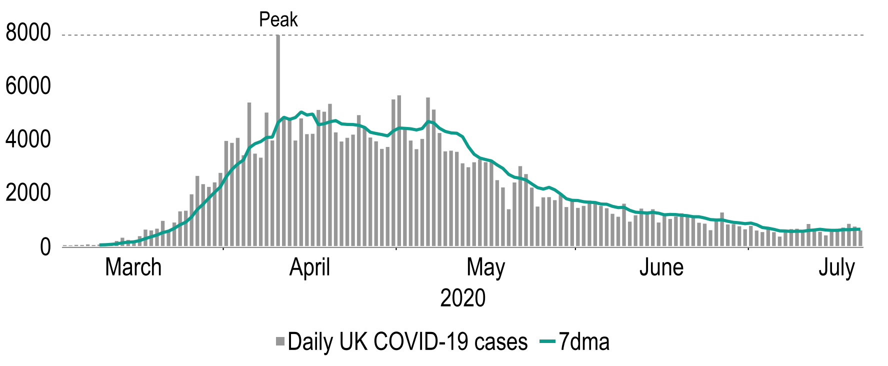


Source: Macrobond

United Kingdom

Official figures continue to show a decline in the number of daily coronavirus related fatalities, with the latest 7-day average standing around 70, compared with a peak of 1000 or so in April. Reported case numbers have also fallen sharply, despite an increase in testing. The numbers do show a rebound in infections recently, but this may be due to outbreaks in specific workspaces and individual cities, such as Leicester. For now this does not point to a higher generalised outbreak and at a national level therefore does not threaten the relaxations in the lockdown or related economic activity. A well cited COVID-19 metric is Rt (or R), the average transmission rate of the virus per person. Official estimates place Rt in the UK in …

Chart 19: Reported daily infection are well down from their peak, but have edged up again



Source: Worldometer, Macrobond

…a range of 0.7-0.9, modestly below the critical level of 1. But Rt is not a holy grail and as with the raw data, requires careful interpretation. One limitation is that it ignores the speed of the spread. Another is that it fails to account for the dispersion of transmission rates across people or groups. Indeed for any given Rt, a cluster in individual communities might be easier to control via local measures. Such a measure of divergence is termed 'k' (a lower 'k', the more concentrated the spread). Research by Imperial College suggests, excluding clusters in care homes and hospitals, R in May was 0.57, implying that the wider coronavirus threat may be lower than government estimates.

Chart 20: Latest estimates for Rt around the UK – we argue these are not a 'holy grail'

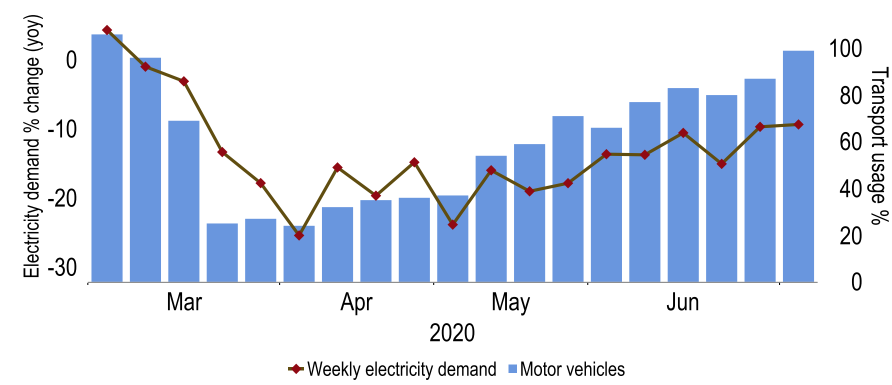
Region	R	Daily growth rate %	Cases per 100k
UK	0.7 - 0.9	-5 to -1	443
Scotland	0.5 - 0.9		338
Wales	0.6 - 0.8		538
Northern Ireland	0.5 - 0.9		309
England	0.8 - 1.0	-4 to 0	452
East of England	0.8 - 1.0	-5 to +1	388
London*	0.8 - 1.1	-3 to +2	387
Midlands	0.7 - 1.0	-5 to -1	455
North East and Yorkshire*	0.7 - 0.9	-5 to -1	564
North West*	0.7 - 1.0	-6 to -1	605
South East*	0.8 - 1.0	-4 to 0	378
South West*	0.7 - 1.1	-6 to +2	231

*Low case numbers and/ or a high degree of variability in transmission across the region means these estimates are insufficiently robust to inform policy decisions.

Sources: ONS, BBC, Statista, gov.scot

In terms of the economy, GDP rose by 1.8% on the month in May, following declines of 20.3% in April and 6.9% in March. The pick-up was considered disappointing by many, casting doubt on the shape of any recovery. But we would raise the point that there was only a modest lifting of restrictions between April and May, the most significant arguably a re-opening of DIY centres and garden centres (some construction firms also resumed work). A muted May rebound is consistent with our high frequency indicators. These also suggest a more robust rise in activity in June, which chimes with the re-opening of England's 'non-essential' retailing on the 15th which should lift GDP in both June and July.

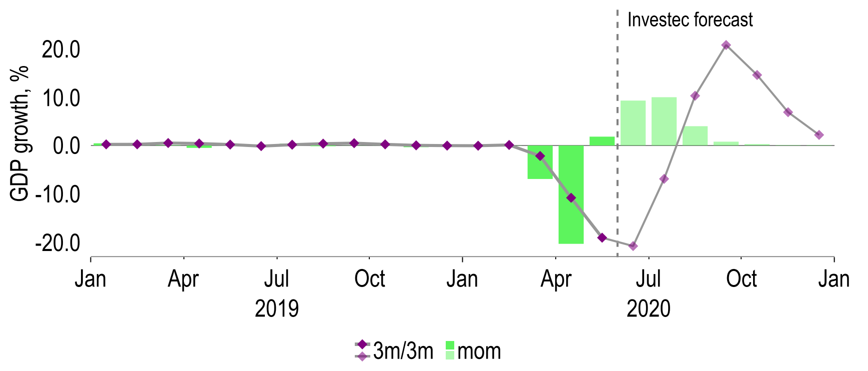
Chart 21: Anecdotal indicators of activity are still firming (n.b. electricity demand is yoy change)



Sources: gov.uk dept. for transport statistics, Macrobond

Further ahead the key will be the extent of 2nd round effects, in particular, how many of the 9.4m workers on the CJRS furlough scheme have no job to return to when it ceases in October. Indeed unemployment is set to top 3m if the rehiring rate is much less than 80%. In his 'Summer Statement', Chancellor Rishi Sunak tried to smooth this 'cliff-edge' by incentivising employers to retain staff, cutting VAT in the leisure sector and providing vouchers to subsidise restaurant meals. This ought to help prevent a double dip recession, but the recovery's momentum will slow, blunting the 'V-shape'. Our broad view of GDP is essentially unchanged, and our forecasts have only been tweaked. These are now -8.3% this year and +6.4% next (previously -7.9% and +6.0%).

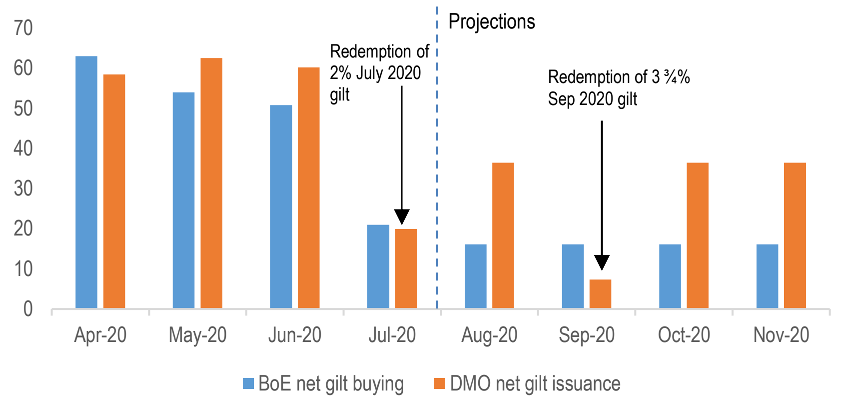
Chart 22: Our monthly GDP projections still show an acceleration, then a slowdown



Source: Macrobond, Investec forecasts

The OBR's new central scenario puts the deficit at £322bn this year. At some stage there will be a need to address the fiscal position. But economic fragility may well result in more stimulus, not tightening, at this autumn's Budget. The BoE has now slowed the pace of QE gilt purchases to £6bn per week, and these do not cover net gilt issuance (Chart 23). But as the MPC noted in June, gilt market liquidity conditions are now more stable compared with March. Yields are currently negative as far as 7 years along the curve. Markets are pricing in as much as a 60% chance of a 25bp Bank rate cut in 2021, but our view remains that rates will remain above zero at 0.10%.

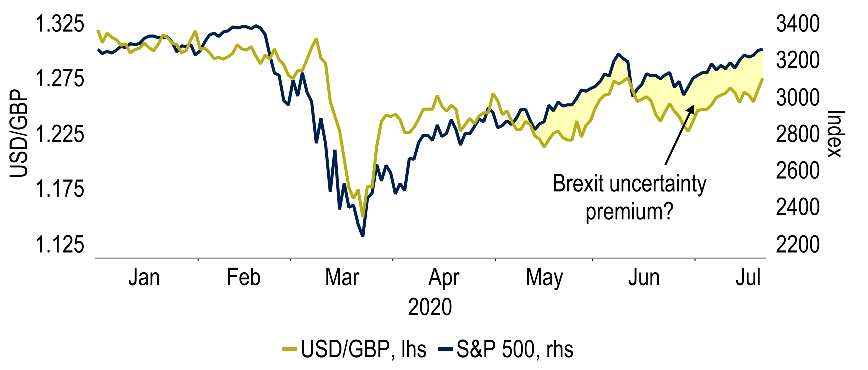
Chart 23: BoE QE purchases have slowed and do not cover net issuance (£bn, price terms)



Net issuance is calculated as the average monthly amount needed to meet the £385bn remit and net of redemptions. Future issuance price assumed to be at a 9.9% premium to par.
Source: BoE, DMO, Investec

A good essay question might be, 'Sterling is an indicator of global risk appetite, modified by concerns of a no-deal outturn with the EU – discuss'. Chart 24 supports this assertion for 2020 so far. We do not picture these drivers altering materially over H2. Indeed trade talks have not been productive so far and they are soon set to be adjourned until 17 August. Accordingly it seems as likely as ever that the autumn will witness creeping angst over the risks of not reaching an agreement. Our base case still envisages the UK unit dropping to \$1.20 and 94p against the euro, before recovering towards the end of the year as a last ditch UK/EU deal is reached, albeit possibly in 'bare bones' form.

Chart 24: Sterling seems to be driven by global risk appetite and EU trade deal concerns



Source: Macrobond

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Global Forecasts

GDP growth (%)

	Global	US	Japan	China	UK	EU19	Germany	France	Italy
2015	3.5	2.9	1.3	7.2	2.4	2.0	1.5	1.0	0.7
2016	3.4	1.6	0.5	6.8	1.9	1.8	2.1	1.0	1.4
2017	3.9	2.4	2.2	6.9	1.9	2.7	2.8	2.4	1.7
2018	3.6	2.9	0.3	6.6	1.3	1.9	1.5	1.8	0.7
2019	2.9	2.3	0.7	6.4	1.5	1.3	0.6	1.5	0.3
2020	-3.8	-5.6	-5.4	1.5	-8.3	-7.5	-5.2	-9.1	-10.7
2021	5.5	4.4	2.3	9.2	6.4	5.3	5.0	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	0.59	-0.48	0.13
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
		23-Jul	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	average	average	average
Euro	€:$	1.154	1.10	1.12	1.13	1.14	1.15	1.15	1.16	1.16	1.16	1.12	1.15
Sterling	€:£	0.911	0.88	0.91	0.94	0.89	0.90	0.90	0.88	0.86	0.88	0.90	0.89
	(£:€)	1.098	1.13	1.10	1.06	1.12	1.11	1.11	1.14	1.16	1.13	1.11	1.13
	£:$	1.267	1.24	1.24	1.20	1.28	1.28	1.28	1.32	1.35	1.31	1.24	1.30
Yen	$	107.0	108	108	110	110	108	107	105	104	111	109	107
	€	123.4	118	121	124	125	124	123	122	121	128	122	123
	£	135.5	134	133	132	141	138	137	138	140	146	135	138
Aussie Dollar	$	0.714	0.61	0.69	0.68	0.68	0.69	0.69	0.70	0.70	0.73	0.67	0.69
	€:AUD	1.616	1.79	1.63	1.66	1.68	1.67	1.67	1.66	1.66	1.59	1.67	1.66
	¥	76.39	66.1	74.3	74.8	74.8	74.5	73.8	73.5	72.8	80.8	72.9	73.9
	£:AUD	1.774	2.03	1.79	1.76	1.88	1.85	1.85	1.88	1.93	1.80	1.86	1.87
Swiss Franc	€	1.078	1.06	1.07	1.06	1.08	1.09	1.10	1.11	1.12	1.15	1.07	1.10
	$	0.934	0.96	0.95	0.94	0.95	0.95	0.96	0.96	0.97	0.99	0.95	0.95
	£	1.183	1.20	1.17	1.13	1.21	1.21	1.22	1.26	1.30	1.30	1.19	1.24

Source: Refinitiv, Investec