



Macro & Market News

Week 45 2020 – Week ending 06/11/2020



Macro/Economic News

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- **UK Economy:** The furlough scheme will be extended across the UK until the end of March, Chancellor Rishi Sunak has confirmed. Mr Sunak said the scheme will pay up to 80% of a person's wage up to £2,500 a month. He told the Commons that the government will review the policy in January. According to the latest figures up to 18 October, a total of 9.6 million people had been furloughed at a cost of £41.4bn.
- **Bank Of England:** The governor of the Bank of England has vowed to do "everything we can" to support the economy amid a resurgence of Covid-19 cases. Andrew Bailey said it was important that policymakers acted "quickly and strongly", as the Bank announced a further £150bn of support. Policymakers also kept interest rates on hold at a record low of 0.1%. While the economy is expected to avoid another recession, the Bank believes unemployment will rise sharply as government support schemes wind down.
- **Wales** remains under a 17-day "firebreak" lockdown until 9 November in an effort to curb the spread of the virus. Groups of four people from different households will be allowed to meet indoors at pubs, cafes and restaurants after Wales' firebreak lockdown ends. The sale of alcohol after 10pm will still be banned when new regulations come in on Monday, 9 November.
- **Scotland** has introduced a new five-tiered system which came into force on Monday 2nd November. People have been advised not to travel to or from England except for essential purposes.
- **Northern Ireland** restrictions remain in place but are due to end on 13th November. Pubs, coffee shops and restaurants remain shut, with the exception of takeaways and deliveries.
- **England** is under a new four week lockdown, which began on the 5th November and is due to run until the 2nd December. Non-essential shops have to close, as do pubs, bars and restaurants except for takeaways and delivery. Leisure and entertainment venues, including gyms, will all close. People will only be allowed to leave home for specific reasons, including education, work, if it's not possible to do work from home, exercise and recreation, medical reasons, food and other essential shopping, and to provide care for vulnerable people or if volunteering. Households won't be allowed to mix indoors or in private gardens. But people will be allowed to meet one other person from another household outside in a public place.
- **UK trade with the EU faces "significant disruption"** when the Brexit transition period ends in January, a government spending watchdog has said. The National Audit Office (NAO) said it was "very unlikely" traders would be ready for checks the EU is due to impose at its borders.
- **Marks & Spencer** suffered its first loss in its 94 years as a publicly-listed company as the coronavirus crisis hit trading. In the six months to 26 September, the retailer made a loss of £87.6m, compared with profits of £158.8m in the same period last year.

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- **Sainsbury's is to cut 3,500 jobs with the closure of 420 Argos outlets and all its meat, fish and deli counters.** The 420 standalone Argos stores will close by March 2024, although Sainsbury's said it would open 150 Argos outlets in its supermarkets. Meanwhile, Sainsbury's and **Deliveroo** have begun a new trial. Sainsbury's is now offering an on-demand delivery service from its North End Crescent Local store in Hammersmith, before extending the trial to a further nine stores across the UK during the coming weeks.
- **John Lewis**, which also runs Waitrose supermarkets, says it will axe up to 1,500 jobs at its head office as it makes further cost cuts. It says the move will help it to save another £50m as it looks to make £300m in annual savings by 2022.
- **Retail footfall:** YTD retail footfall remains more than 10% down on 2019 figures despite the recent surge in footfall ahead of the four week English lockdown.



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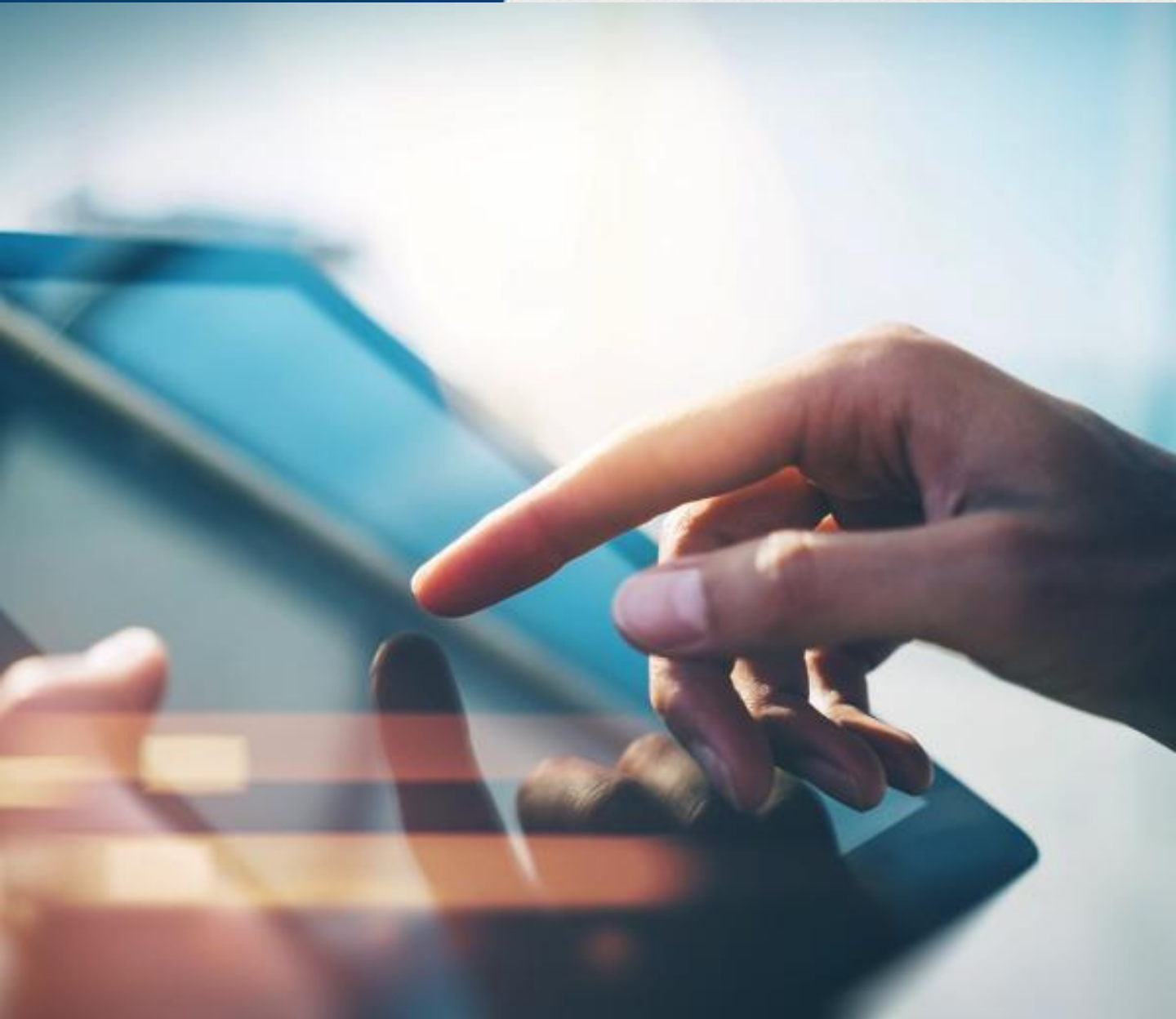
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- **QSR operators including Caffé Nero, Costa Coffee, Burger King, Domino's Greggs, KFC, McDonald's, Pret A Manger, Starbucks, and Subway** will keep their estate open for takeaway, drive thru and delivery during England's second lockdown.
- **Shake Shack** is to open its latest delivery only kitchen in Reading. Marking its debut in the town, the Reading site will launch through Deliveroo Editions, operating from 12pm to 10.45pm seven days a week.
- **McDonald's:** The only English county without a McDonald's restaurant now has one. The fast food chain has opened the doors at a site in Rutland, East Midlands, after plans to build a diner and drive-thru were approved in January.
- **Caffé Nero** has launched its festive menu and the chance for customers to win free coffee for a year.
- **Pret A Manger** is offering its first festive hot food range as part of its Christmas menu launch. The menu will also for the first time be available for delivery as well as takeaway.
- **Store units decline:** The leisure and hospitality market declined by a net 1,263 units in the first half of 2020 compared with 352 the previous year – an increase of 259%, according to research by the Local Data Company. The findings showed the independent retail and leisure market was much more resilient than chains.
- **Greggs** has revamped its loyalty app so that customers will be able to swap points for free food instead of just a hot drink. The app will track the product purchased most often and will then offer it for free when enough points have been earned.
- **The Campaign for Real Ale (CAMRA)** has welcomed the decision by government to allow alcohol to be sold as takeaway or delivery if it is pre-ordered by phone or online.
- **Deliveroo** has relaunched its Supporting the NHS campaign with its restaurant partners to commit to deliver hundreds of thousands of free, hot meals to front-line NHS staff.
- **Just Eat** has introduced measures to support independent restaurants in England during the lockdown period until 2 December. The delivery service has started a 25% discount on commission for independent restaurants that use Just Eat's courier service; removed commission on collection orders for all independent restaurant partners; and will provide merchandising and supplies packages, with choices including personal protective equipment, to all independent restaurant partners.
- **Hero Brands**, which operates German Doner Kebab, has opened its debut Choppaluna restaurant in Bloomsbury, central London.

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- **Recipe box subscription service Gousto** has received £25m of investment. BGF has announced the closure of its fifth funding round in Gousto with the latest investment made in partnership with existing investor Perwyn.
- **Leon** is launching a limited-edition recipe box. Leon has partnered with healthy recipe box service Mindful Chef for the offer, which will be available from Sunday (8 November) for two weeks.
- **TGI Friday's** will offer click and collect and home deliveries while its restaurants are shut in England until 2 December. It confirmed sites in Scotland and Jersey will stay open and will reopen in Wales on Monday (9 November) when the 17-day “firebreaker” ends. Deliveries in England will be available through the company’s Fridays Delivered app and Deliveroo and Just Eat.



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