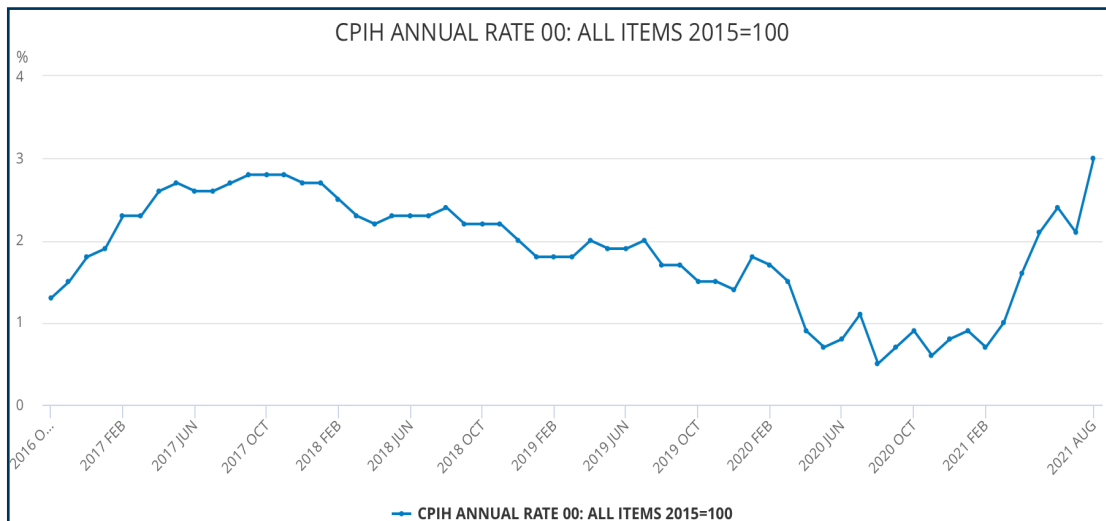
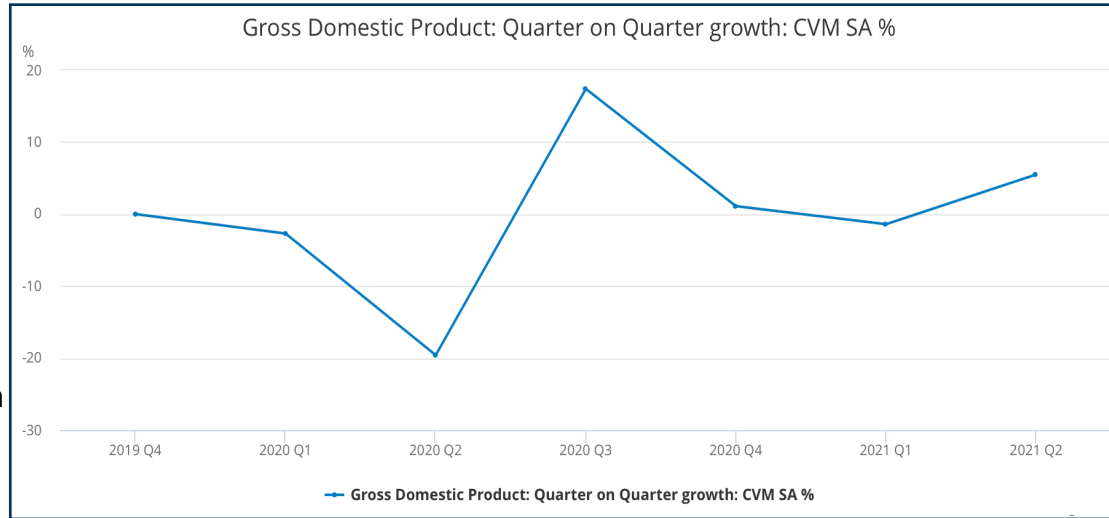


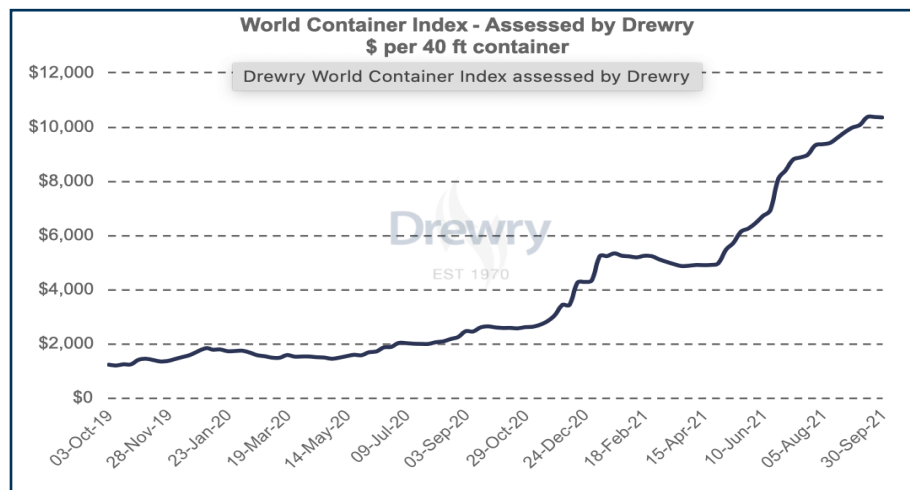
Economic Data

Quarterly GDP data for Q2 2021 (April - June) saw a 5.5% rise (up from forecasted 4.8%) showing that the easing of restrictions has, like in Q3 2020 sparked economic growth. This come on the back of a decline in Q1 making it welcome news.



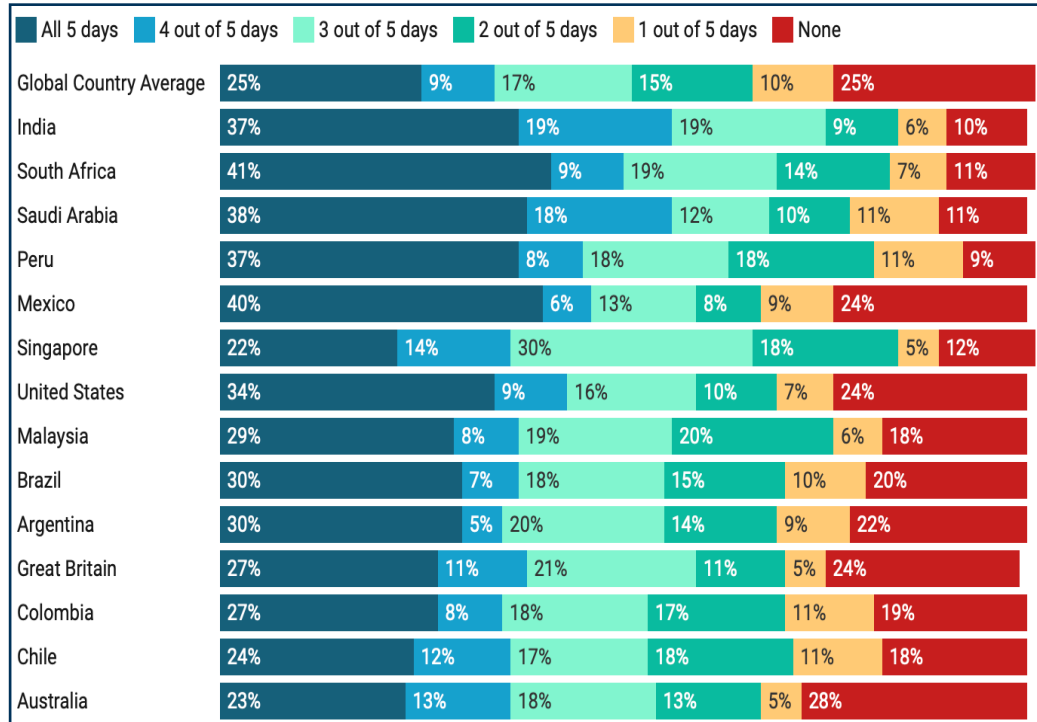
The CPIH inflation measure reached 3% this month, the highest level it has sat at since March 2012. This represents a record month-on-month rise of 0.9pp in August with renewed predictions expecting the rate to grow towards 4%

Supply-chain consultancy Drewry maintain an index of container shipping costs, which this week has seen a small (0.2%) decline on last week. This is a small relief and hopefully the begining of a reversal of the trend which sees the index up 291.8% year-on-year. This cost is likely to be one contributing factor in rising inflation but it is not alone in providing a headwind to UK businesses.



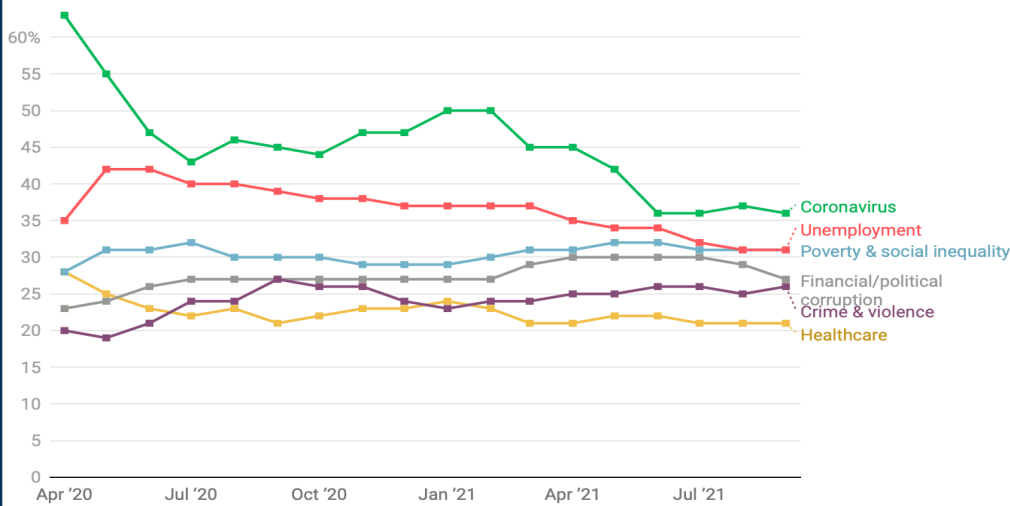
Other Data

In a global survey from the summer, IPSOS found that there is still a clear split in employee desires for flexible working post-COVID. The figures for Great Britain have seen some change over time, with 24% now keen to return to the office full-time, however this is outweighed by the 27% who wish to work entirely remotely, and 48% desiring some level of flexibility.



Top concerns over 18 months of the Covid pandemic

April 2020 - September 2021 (global country average)



Research among adults aged 16-64 in 28 participating countries. c. 20,000 per month. April 2020 - September 2021

Interesting insight also from IPSOS who have tracked concerns globally during the pandemic, continues to show that the virus is the #1 worry; along side this, concerns have eased regarding the knock-on effect of the virus on jobs and healthcare but are rising slowly in other areas such as poverty & social equality, and crime & violence.

Our View

It has been a turbulent spell in the UK recently with stories such as collapsing energy companies and panic-buying of fuel hitting the headlines. Looking at some of this data, however it is easy to see why as is always true, the devil is in the detail.

Starting with GDP data, any quarterly rise must be welcomed and this 5.5% increase was needed, comparing it to Q3 2020 which saw a similar easing of restrictions, does however cast some shadow as GDP then hit 17.4% some of this could be explained as it fell at the peak of government intervention, such as furlough and the Eat Out to Help Out scheme. Arguably this later intervention also contributed to the record rise y-on-y of the CPIH inflation measure as an increase in cafe & restaurant prices was a significant contributing factor.

Looking forwards, we are expecting to see Inflation to continue to rise in coming months, with increased fuel prices yet to hit the pumps, among the headwinds still to come.

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