

The complimentary client newsletter of:



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# The Week in Review

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**As COVID-19 continues its grim march across the globe, the statistics make sober reading. Last week, confirmed virus cases exceeded one million worldwide as the pandemic took hold in the United States and the global death toll continued to rise, sadly including a number of frontline workers.**

With the Prime Minister remaining in isolation, Health Secretary Matt Hancock took to the Downing Street podium on three days last week, following his recovery from the virus, citing these defiant words: *"We will strain every sinew to defeat it once and for all."*

A major theme of the week was testing. Government ministers faced a mounting backlash over the UK's capability and slow increase in testing numbers. Hancock outlined a five-pillar comprehensive testing plan and set a new goal of 100,000 tests per day by the end of April, although huge questions exist over how the government will achieve that target.

## **Farewell Q1 - no looking back**

As we bid adieu to a challenging Q1, we enter the second quarter with trepidation. On 31 March, the International Monetary Fund Managing Director, Kristalina Georgieva, addressed a conference call of G20 Finance Ministers and Central Bank Governors: *"We welcome the decisive actions many of you have taken to shield people and the economy from COVID-19, that led to a decline in volatility in major financial markets in recent days. Nonetheless we remain very concerned about the negative outlook for global growth in 2020 and in particular about the*

*strain a downturn would have on emerging markets and low-income countries. Our forecast of a recovery next year hinges on how we manage to contain the virus and reduce the level of uncertainty. Thus, we support an ambitious G20 action plan to strengthen the capacity of health systems to cope with the epidemic; to stabilize the world economy through timely, targeted and coordinated measures; and to pave the way towards recovery."*

Major European indices ended lower at the end of last week, as weak business activity data signalled an economic and earnings recession. As the infection rate climbs and countries extend national lockdowns, economists expect euro area real GDP to shrink by up to 43% in Q2. On Wall Street, main indices also traded lower as the outbreak brought an abrupt end to the record US job growth streak of 113 months, intensifying concerns of an economic slowdown.

## **Business support extended**

On Friday, Chancellor, Rishi Sunak, extended support to mid-sized firms, with annual turnover of between £45-500m, who had been excluded from the initial business support package. With the future of many firms in their hands, British banks are being cautious. Of around 130,000 enquiries received for the Coronavirus Business Interruption Loan Scheme (CBILS) for smaller firms, only 1,250 loans totalling £145m had been made so far.

## **On the same side**

Spring should bring an end to winter hibernation but as the sun came out this weekend, the PM took to his

Twitter account to urge the public to stay disciplined with social distancing measures, to protect the NHS and save lives. Although many people are adhering to the measures, some are failing to do so. Matt Hancock warned on Sunday that the government could take further action if people continue to flout these rules.

The Queen addressed the nation on Sunday evening; an event which, apart from her Christmas message, has happened just five times in her 68-year reign. The monarch offered reassuring words and expressed gratitude to frontline workers. In an effort to rally the nation's resolve, the Queen spoke empathetically: *"I hope in the years to come everyone will be able to take pride in how they responded to this challenge. And those who come after us will say that the Britons of this generation were as strong as any."*

Shortly afterwards news broke that Boris Johnson had been admitted to hospital on Sunday evening with persistent symptoms. The PM is undergoing routine tests on the advice of his doctor.

On Saturday, Sir Keir Starmer secured victory in the Labour party leadership contest and promised to rebuild the nation's trust in the party.

## **Welcome to the new tax year**

Financial advice is key, so please don't hesitate to get in contact with any questions or concerns you may have. We remain composed and professional and will continue our considered, measured approach to carefully navigate these challenging conditions.

***The value of investments can go down as well as up and you may not get back the full amount you invested. The past is not a guide to future performance and past performance may not necessarily be repeated.***