

The complimentary client newsletter of:



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The Week in Review

Monday 17 August 2020

"There are going to be bumpy months ahead"



In the week when global coronavirus cases passed the 20 million mark, on home shores, the latest official labour market statistics released on Tuesday revealed the largest drop in employment for over 10 years. In response to the data, the Prime Minister cautioned, "Clearly there are going to be bumpy months ahead and a long, long way to go."

GDP data published the following day reiterated the economic havoc wreaked by the coronavirus lockdown. In the second quarter, the economy shrank by 20.4% compared with the first three months of the year pushing the UK into its first recession since 2009. Chancellor Rishi Sunak commented, *"I've said before that hard times were ahead and today's figures confirm that hard times are here."*

A-level controversy

Education was a recurring theme last week, largely due to chaos and anger over the system used to allocate A-level grades in the absence of public examinations. On Monday, Scotland's First Minister Nicola Sturgeon apologised after accepting her government *"did not get it right"* over its handling of exam results; the following day Education Secretary John Swinney directed the Scottish Qualifications Authority to reissue grades *"based solely on teacher or lecturer judgement."*

A-level results released in England, Wales and Northern Ireland on Thursday met with a similar chorus of disapproval with claims that the moderation system had unfairly penalised pupils from historically underperforming schools. The weekend saw demonstrations in London amid

demands for clarity after Ofqual (the exams regulator) announced it was reviewing its guidance on how to appeal against downgraded A-level and GCSE grades (the latter results are due out this week) using mock exam results.

Scottish schools back

Last week also saw Scotland's pupils return to the classroom for the first time since lockdown began almost five months ago. Borders and Shetland schools were the first to reopen their doors on Tuesday with most others following on Wednesday. Meanwhile, on Sunday, details were announced of a new government campaign – #backtoschoolsafely – which will seek to reassure parents in England that it is safe for children to return to school in September.

Holidaymakers race to return

Friday's headlines were largely dominated by the decision to impose quarantine restrictions on travellers entering Britain from France, as well as the Netherlands, Malta, Monaco, Turks and Caicos and Aruba, from four o'clock on Saturday morning. The move prompted thousands of British tourists to make last-ditch efforts to return home before the deadline and thereby avoid the need to self-isolate for 14 days.

Lockdown easing in England

Further easing of lockdown restrictions in England came into force on Saturday, with more beauty treatments, small wedding receptions and live indoor performances allowed, and bowling alleys, casinos and soft play centres able to reopen. At the same time, larger fines for refusing to

wear a mask and for organising illegal raves were introduced.

Additionally, local restrictions in Leicester, Greater Manchester, Preston, east Lancashire, parts of West Yorkshire and Aberdeen all remain in place, while in Northern Ireland the Department of Health said the Covid-19 reproduction number (R) is now likely to have risen to around 1.6. Health Minister Robin Swann had previously warned that Northern Ireland must guard against complacency adding, *"we're probably now at one of the most dangerous, if not riskiest, points"* of the pandemic.

Trade tensions

On Friday, it emerged that the US and China had delayed a six-month review of their Phase 1 trade deal scheduled to take place on Saturday. The report reignited fears about a potential breakdown in US-China relations. However, while no new date has been set, a source familiar with the talks told Reuters the postponement did not reflect any substantive problem with the trade deal.

After a positive start to the week, European stock indices lost ground on Thursday and Friday. The slide largely stemmed from the US government's decision to leave tariffs on Airbus and a host of other goods unchanged, despite EU efforts to resolve the long-standing dispute over aircraft subsidies. Market sentiment was also hit by extensions to the UK quarantine list.

Here to help

Financial advice is key, so please do not hesitate to get in contact with any questions or concerns you may have.

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.