



Market Data Insights

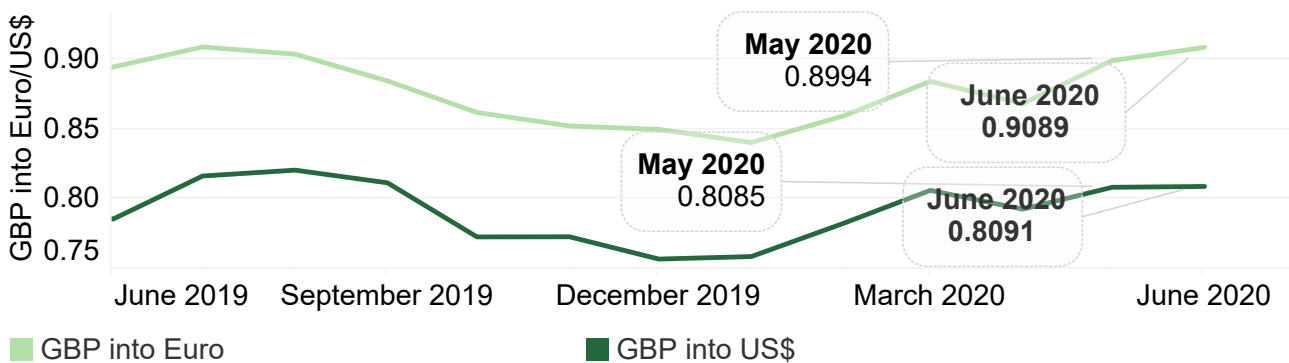
This Month in Brief

COVID-19 has been one of the most significant global pandemics in history affecting over 200 countries and leading to 400 thousand deaths. Over a third of countries in the world have implemented some form of lockdown to help combat the spread of the virus. However, such a response is extremely expensive and governments cannot enforce lockdowns indefinitely.

Major economies across the world began to ease lockdown measure as the number of cases declined. The UK began its second phase of easing restrictions in June 2020 which saw the re-opening of non-essential retail stores. The UK Government announced its plans to "build back better and build back greener" attempting to adjust to a new future brought about by COVID-19 which has accelerated some of the changes that began surfacing prior to this pandemic such as the surge of online shopping.

The easing of restrictions has led to tourism re-starting across the world. Some countries have lifted all COVID-19 related restrictions, whilst countries like the UK have provided a list of FCO exempt destinations. Despite this slow recovery, there are still some industries such as retail and hospitality where jobs are under threat.

Exchange Rates



The conversion of Sterling into US\$ and Euro has remained fairly stable. In comparison to May, the US\$ exchange rate has increased by less than 1% and Euro rate has increased by 1.01%. Exchange rates fluctuate based on the supply and demand in the foreign exchange market. Similarly to the other indicators, the re-opening of the tourism sector may be a catalyst for some of these changes. This month's conversion rates for Euro and US\$ are the highest on record this year and have recovered relative to the end of last year.

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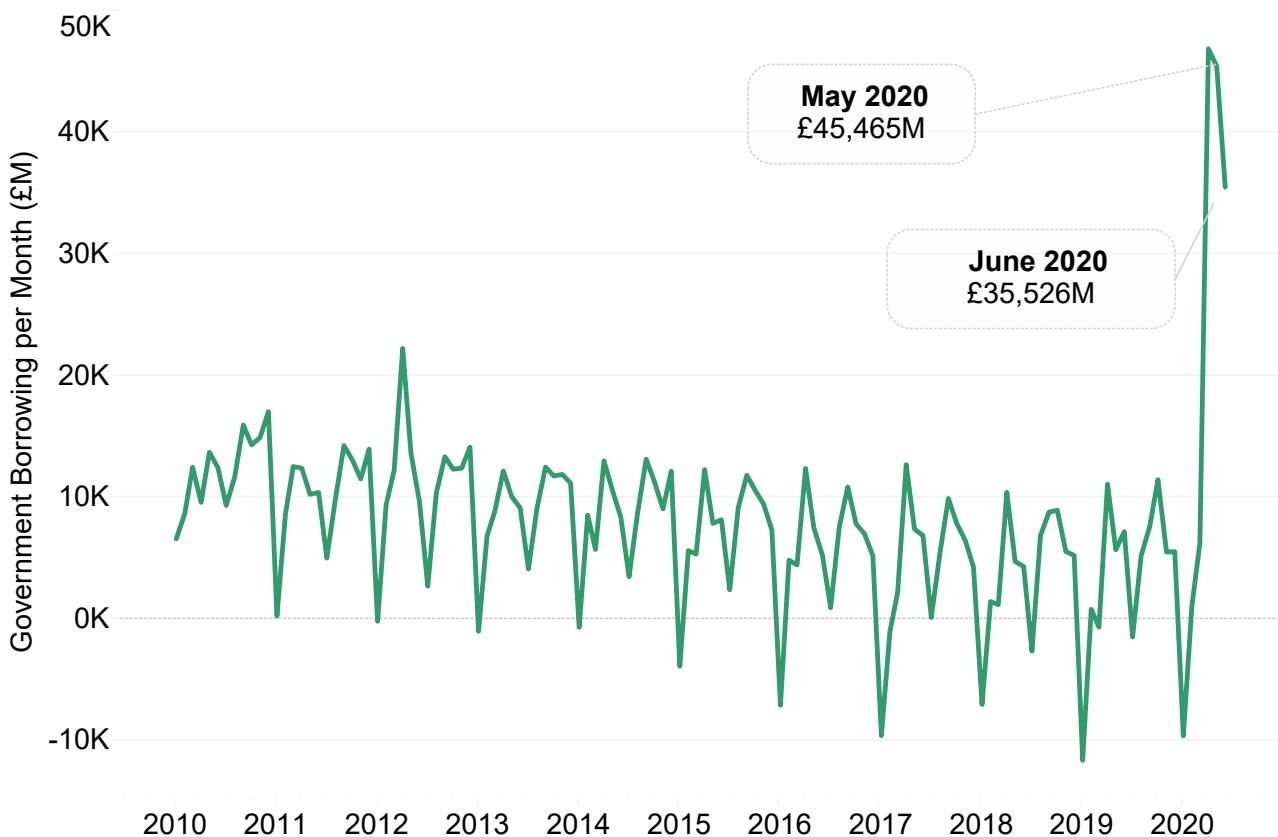
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Public Sector Borrowing

Public sector borrowing has declined this month, following the continuous increases from March 2020. However, borrowing remains high with borrowing in June 2020 approximately five times that in June 2019.

The decrease in public sector borrowing may be due to the re-opening of retailers and other companies resulting in a reduction in spending on the furlough scheme as well as an increase in tax revenue.

At present, the UK's borrowing position does not reflect all government schemes as some are yet to be recorded in the public finances. Further announcements with regards to new government economic interventions could see a rise in public sector borrowing in months to come.

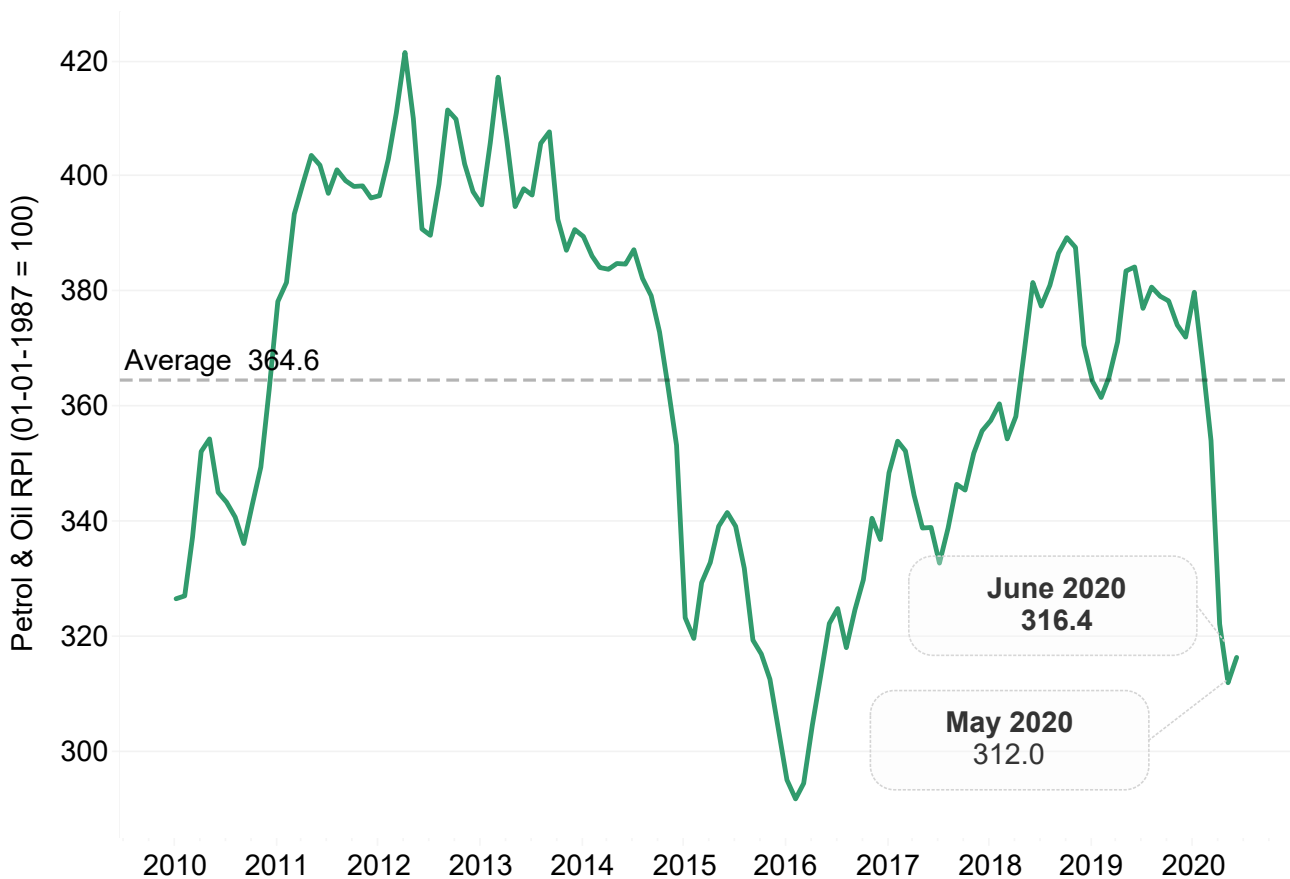


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Petrol & Oil Prices



The price of petrol has been falling continuously, the price was getting close to the 10-year low of 291.8 back in February 2016. However, due to travel restrictions being lifted and the demand for oil starting to increase, this month the price of oil has slightly risen by 1.4%.

It's difficult to know how the price of oil is going to respond to the recovering economy. On one hand, the re-opening of major industries may force the supply and demand of oil back to some 'normality'. However, the aftermath of the pandemic may force governments to consider a lower carbon economy and energy system in order to be more resilient in the future.

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