

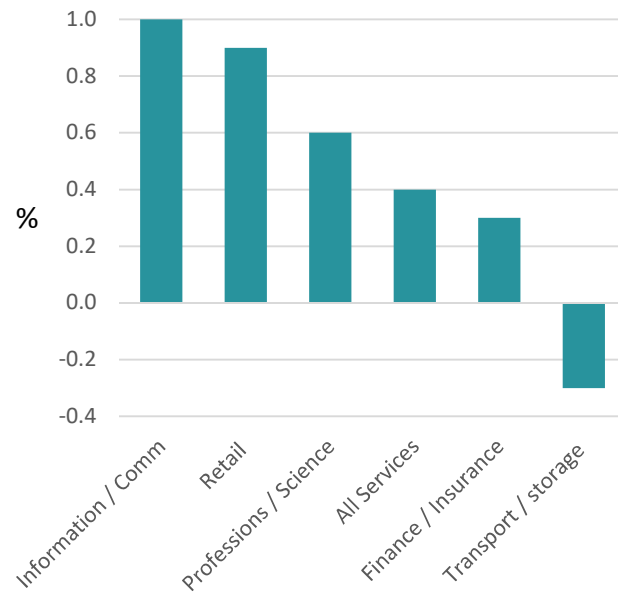
ECONOMIC SIGNPOSTS

JULY 2018: The three key charts of the month

This note should be read in conjunction with: UK Key Indicators | UK Capital View | Monday Note | Proponomics

1 UK GDP – compare and contrast

ONS: GDP growth (3 months to May) for major service industries



- UK GDP saw a resurgence in May, after a marked slowdown in March / April.
- Consistent with office leasing markets, IT / Tech reported strong growth. The professions also delivered a robust performance.
- Reflecting the impact of bad weather, transport and storage contracted.

2 Pound tumbles again

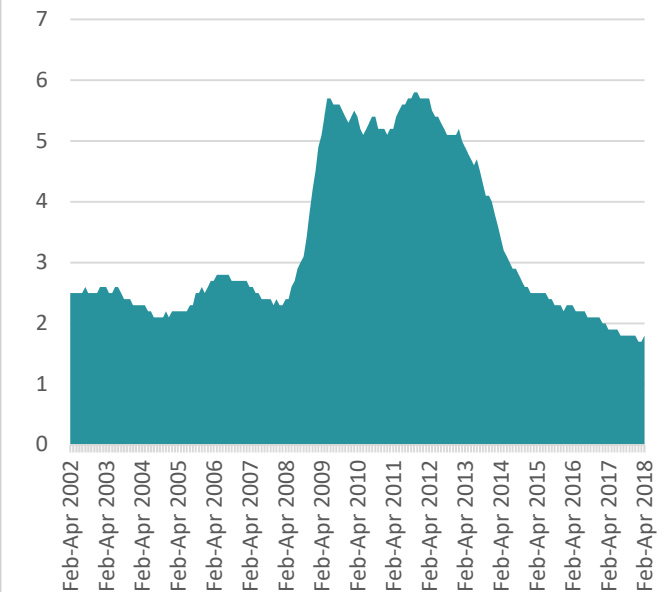
Reuters: UK pound versus US dollar – last six months



- The pound is again under pressure against the US dollar – down 8% since mid-April.
- This reflects steady inflation data, and growing Brexit concerns.
- This is re-introducing the exchange rate attraction of UK property for dollar-pegged investors (China, HK, Saudi).

3 The Jobs market tightens

ONS: The number of UK unemployed per job vacancy



- The ratio of unemployed to job vacancies is at its lowest level since records began.
- This has coincided with a rise in job vacancy numbers – nearly 10% above pre-referendum levels.
- Tech and hospitality have seen surges in vacancies – possibly a Brexit-effect?