

London *Activity Monitor*

September 2021

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Summary



London Activity Monitor September 2021

A review of high frequency data impacting the London economy.

- Business activity recedes to a five-month low.
- FTSE100 stable with P/E ratio decreasing.
- Restaurant reservations back at pre-pandemic levels.
- Underground journeys to Central London unchanged.
- Workplace mobility recovers slightly but still below pre-pandemic levels.
- Airport traffic recovers sharply.
- Congestion levels spike significantly above pre-pandemic levels.
- Hotel revenue recovers slowly but steadily.

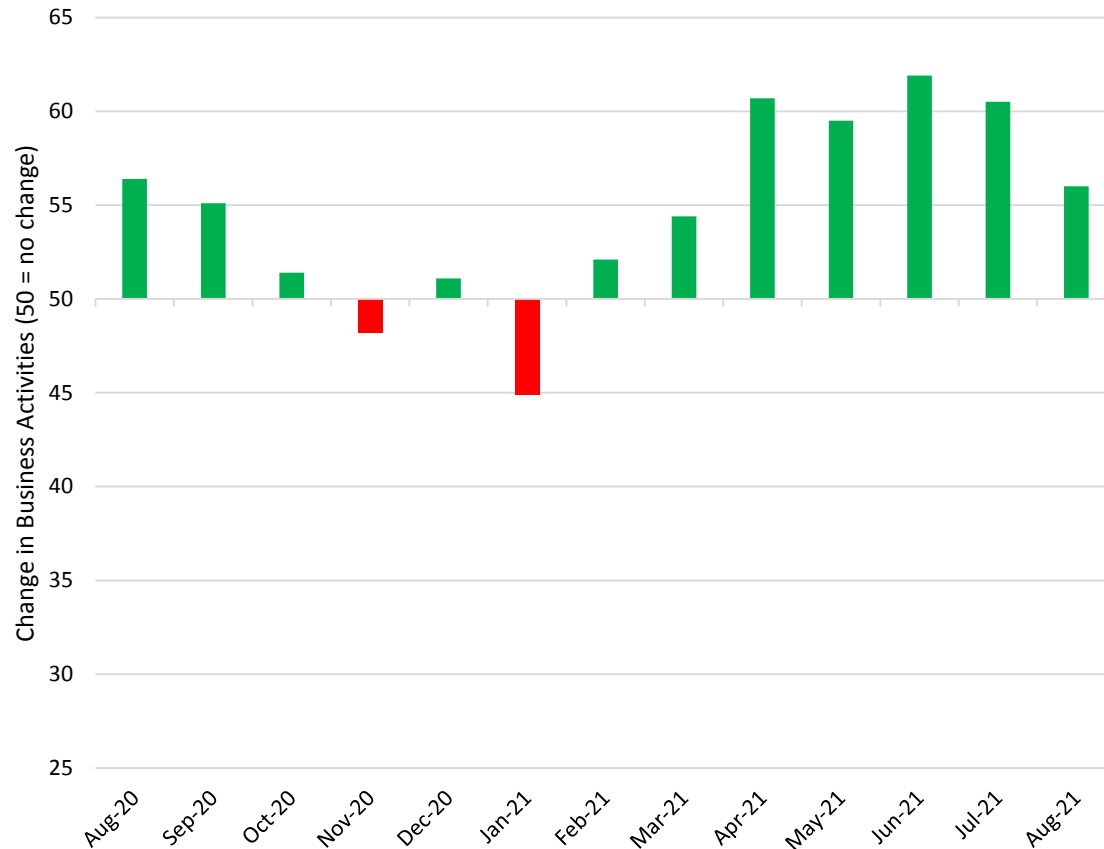
Key London Indicators

	Trendline	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Month-on-month change	Year-on-year change
Monthly UK GDP Index		86	92.2	94.3	95.5	96.3	94.2	95.1	92.7	93.3	95.3	97.5	98.1	99.1	99.1		0.0%	7.5%
London PMI		46.2	55.5	56.4	55.1	51.4	48.2	51.1	44.9	52.1	54.4	60.7	59.5	61.9	60.5	56.0	-4.5	-0.4
London Unemployment		4.6%	5.0%	5.3%	6.0%	6.3%	6.9%	7.0%	7.2%	7.2%	6.8%	6.5%	6.5%	6.4%			-0.1%	1.8%
UK Consumer Confidence		-34	-30	-27	-25	-31	-33	-26	-28	-23	-16	-15	-9	-9	-7	-8	-1.0	19.0
London House Price Index		118.9	119.9	121.3	122.4	121.0	123.1	123.6	124.1	122.6	124.9	124.8	123.5	126.7			2.5%	6.6%

Business activity recedes to a five-month low



London Purchasing Managers Index



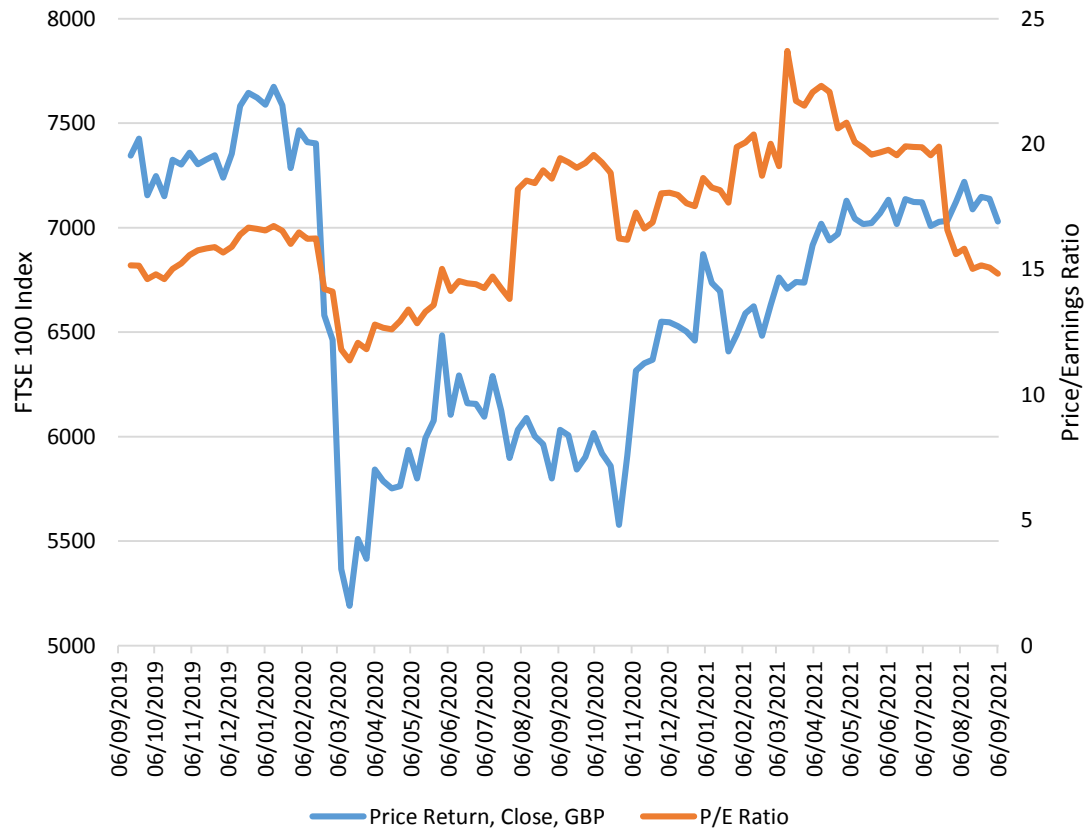
Source: NatWest

- Activity growth recedes to a five-month low as economic recovery tapers.
- Employment growth reached the highest level in more than two decades. Nearly one-third of the surveyed businesses reported hiring new employees.

FTSE100 stable with P/E ratio decreasing



FTSE 100 Index



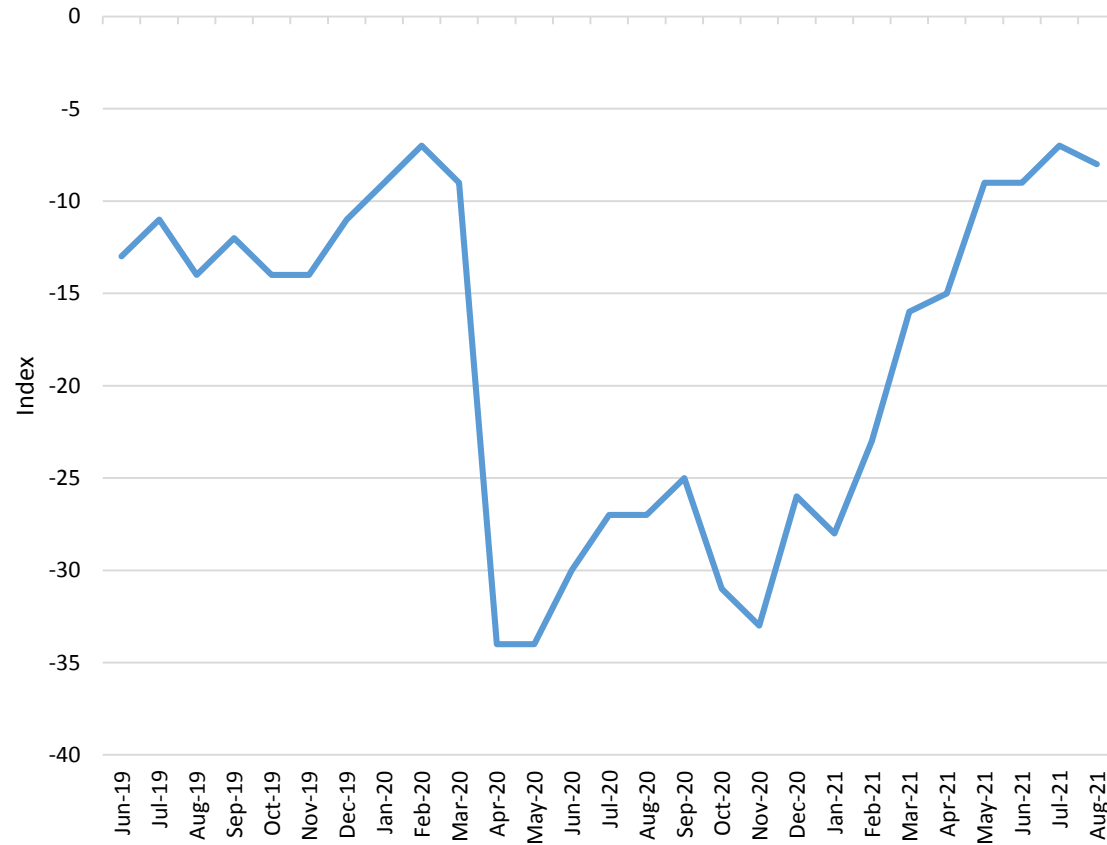
- Recently, FTSE100 has oscillated around 7200 with strong support level around 7000.
- The FTSE price earnings (P/E) ratio suggests stocks are cheaper than the long run average. Currently the ratio remains around 15 (LTA = 17).
- The P/E ratio is at the lowest level since July 2020.

Source: Macrobond

Consumer confidence recedes marginally.



GfK Consumer Confidence



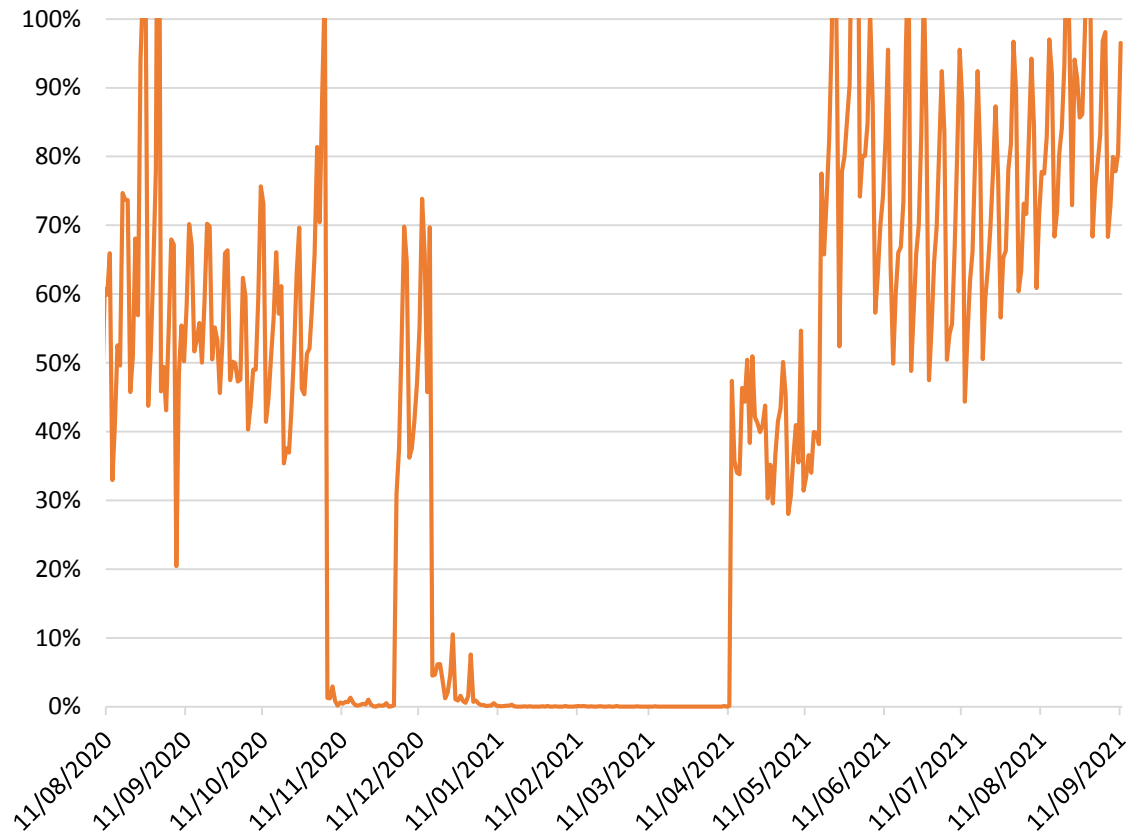
Source: GfK

- UK Consumer Confidence receded slightly in August by -1 point.
- Confidence remains above pre-pandemic levels.

Restaurant reservations back at pre-pandemic levels



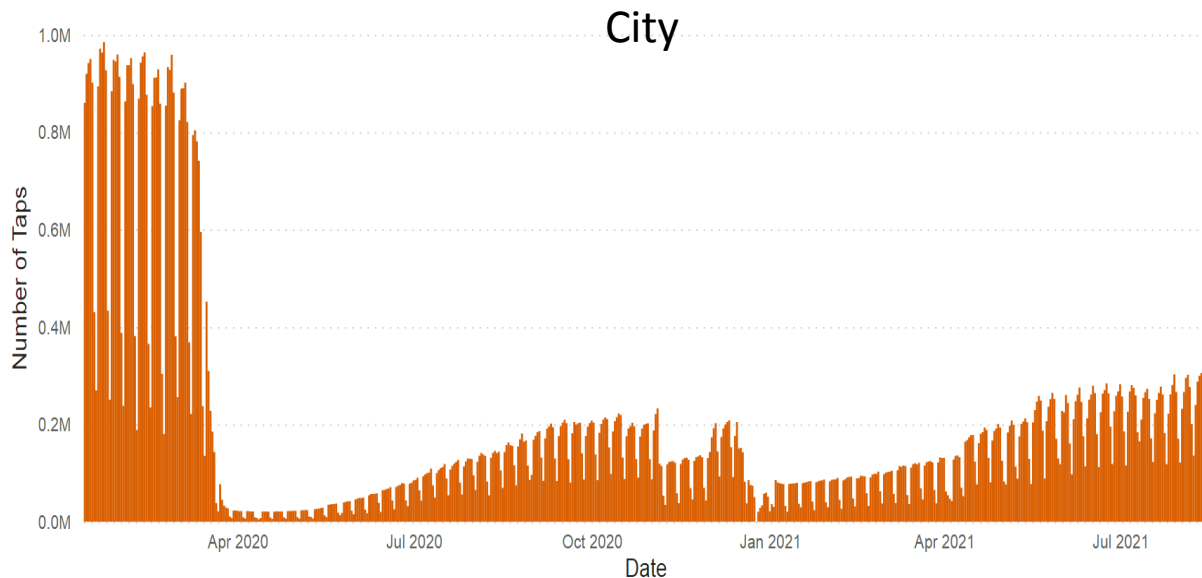
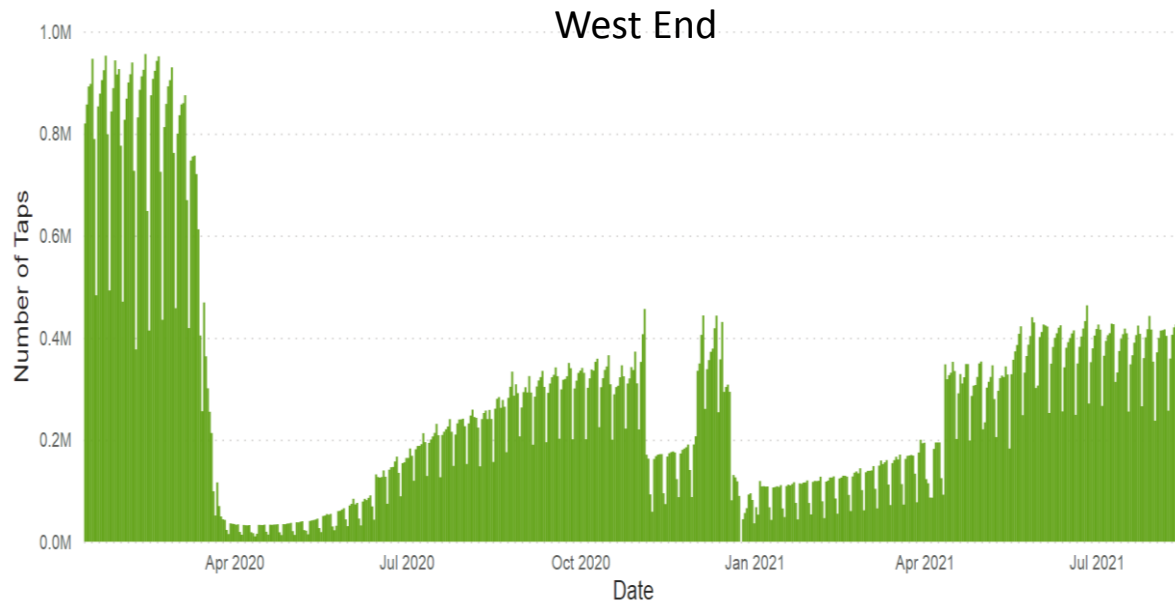
OpenTable Reservations Relative to 2019



Source: OpenTable

- Abolishment of remaining Covid restrictions boosted restaurant reservations above pre-pandemic levels.
- Current reservation levels remain below pre-pandemic levels on weekdays but reach the same or higher levels on the weekends.

Underground journeys to Central London unchanged

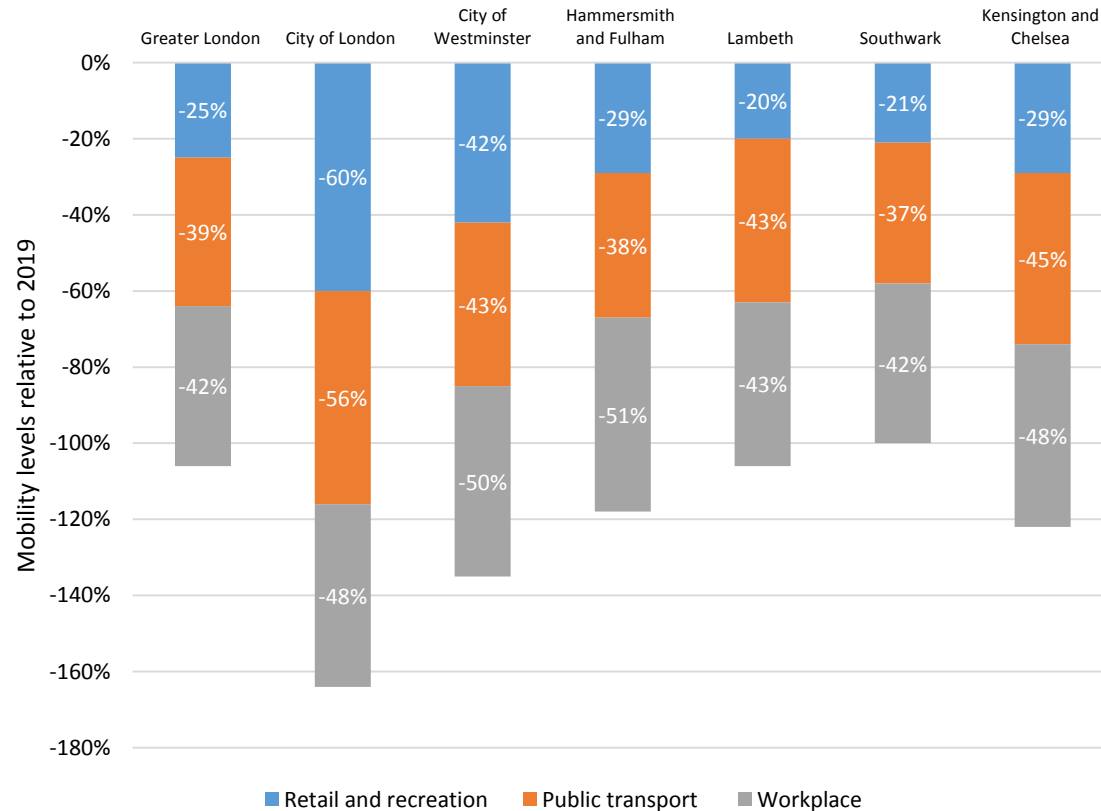


- Underground travel remains unchanged from June and July but is still significantly below pre-pandemic levels.
- The number of 'taps' at West End (top chart) remains higher than the City (bottom chart). This difference is due to more shopping trips in the West End area.

Workplace mobility recovers slightly but still below pre-pandemic levels



Covid-19 Google Mobility Report



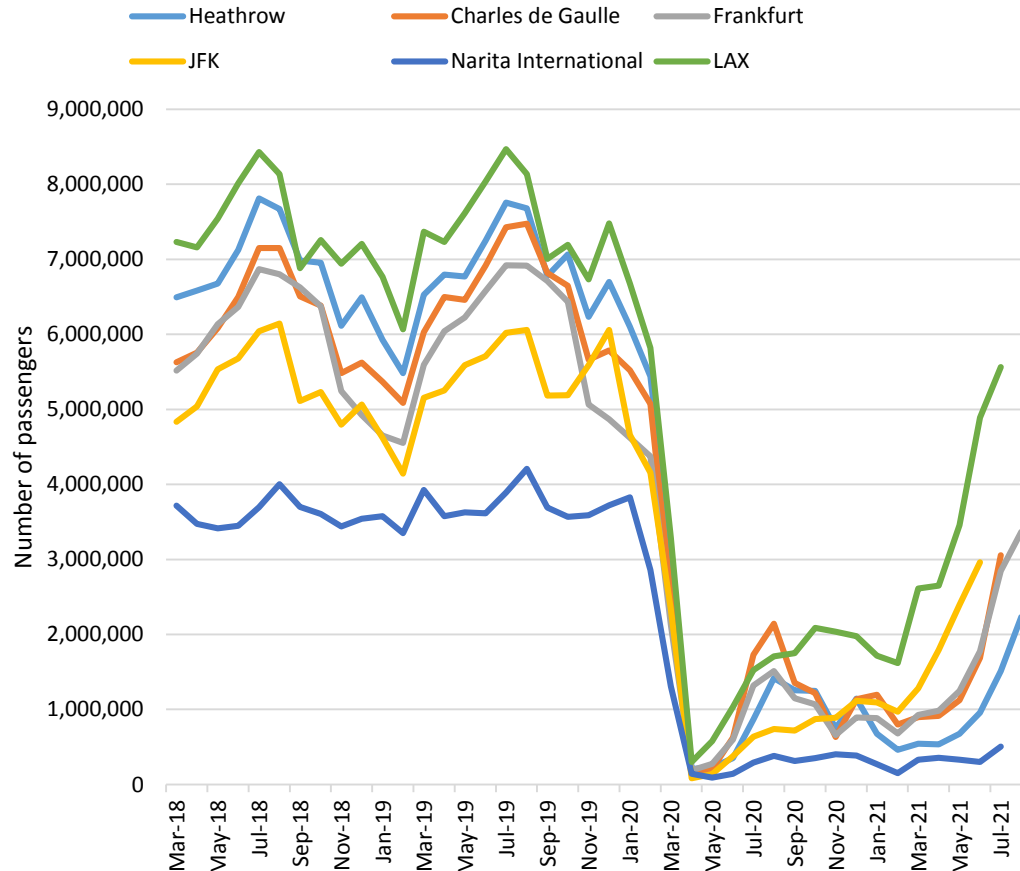
Source: Transport for London

- Mobility to workplace has been similarly impaired in most Central London boroughs.
- Levels of mobility have started to recover slightly over previous month (about 10% increase across the boroughs).
- Mobility to workplace in City has improved by 7% over the last month but its still down 48% compared to pre-pandemic levels.

Airport traffic recovers sharply



Airport Traffic Statistics



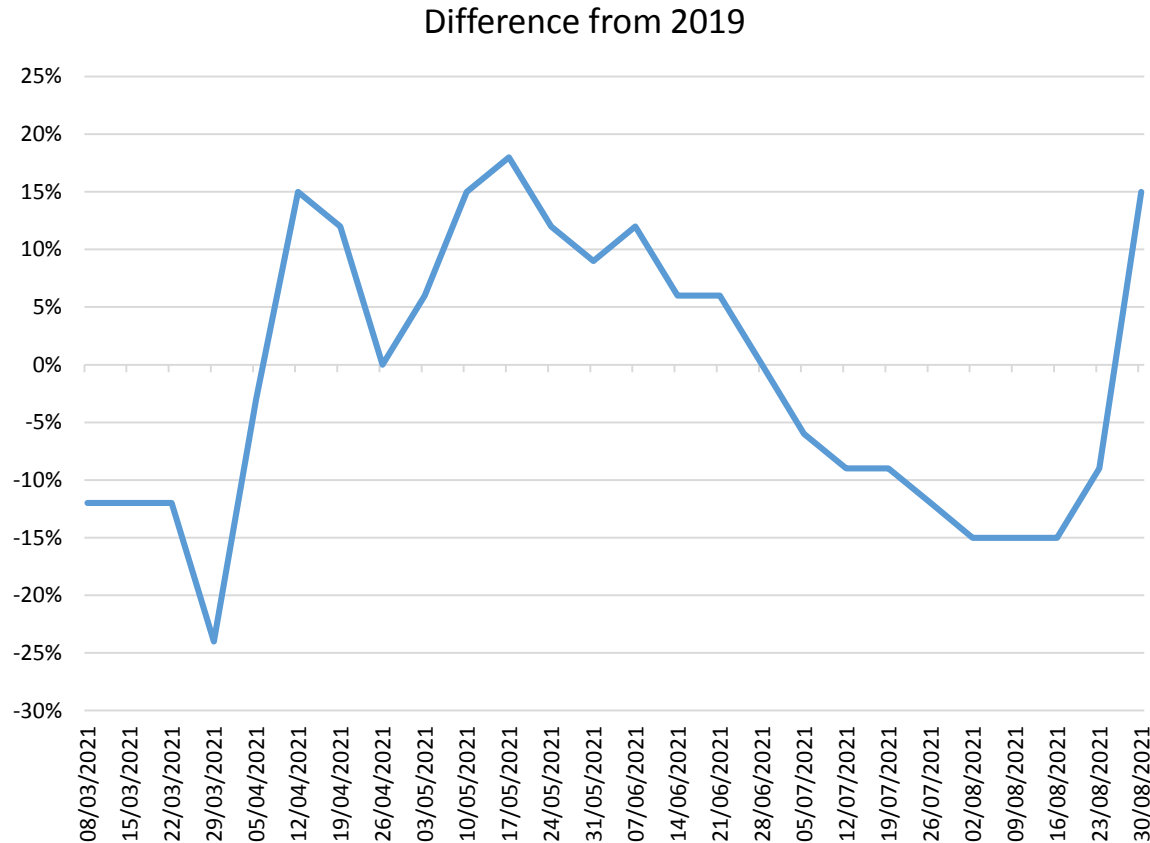
- After British travel restrictions have been lifted in July, international traffic at London Heathrow recovered significantly.
- However, number of passengers at Heathrow remains below JFK, Charles de Gaulle, LAX or even Frankfurt Airport.

Sources: Heathrow Airport, JFK Airport, Charles de Gaulle Airport, Frankfurt Airport, Narita International Airport, Los Angeles International Airport

Congestion levels spike significantly above pre-pandemic levels



TomTom Congestion Levels



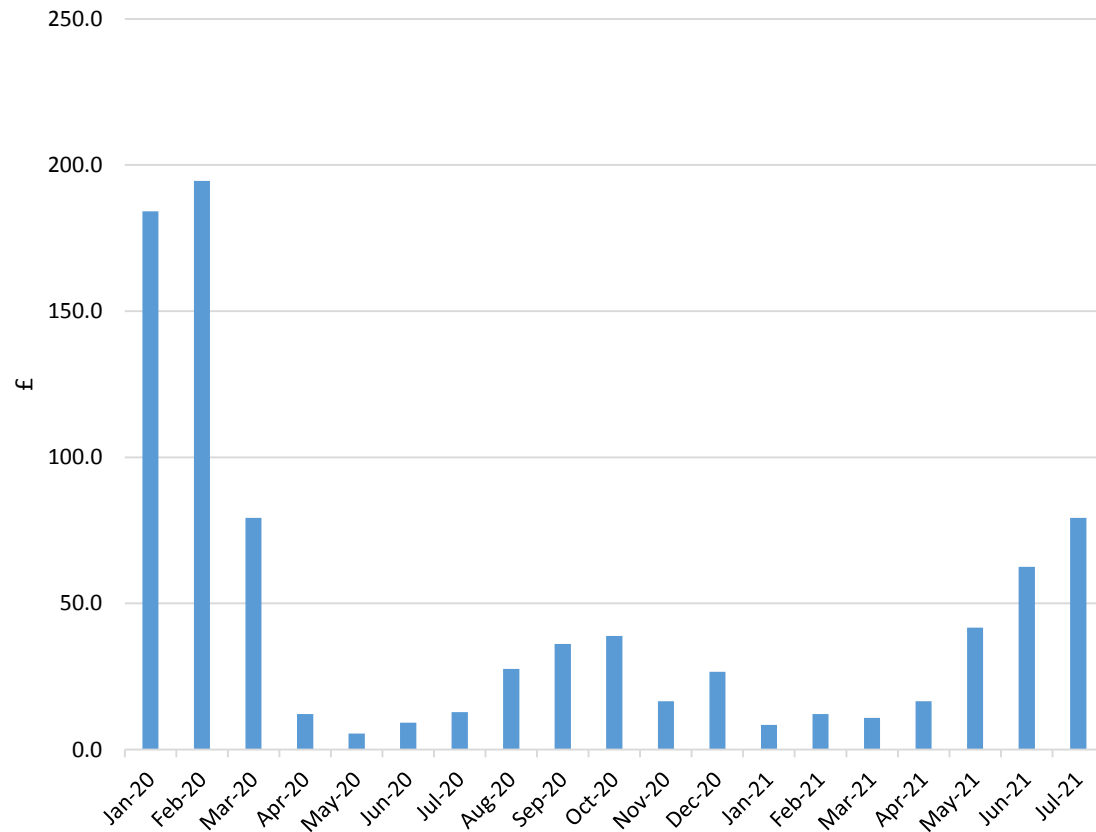
Source: TomTom

- London road congestion has shifted rapidly upwards in the last two months.
- While throughout July congestion levels tapered off to reach -15% (compared to 2019), in second half of August there was a significant increase in traffic resulting in an increase of +15% at the end of the month.

Hotel revenue recovers slowly but steadily



London Hotels - Total Revenue per Available Room (TRevPar)



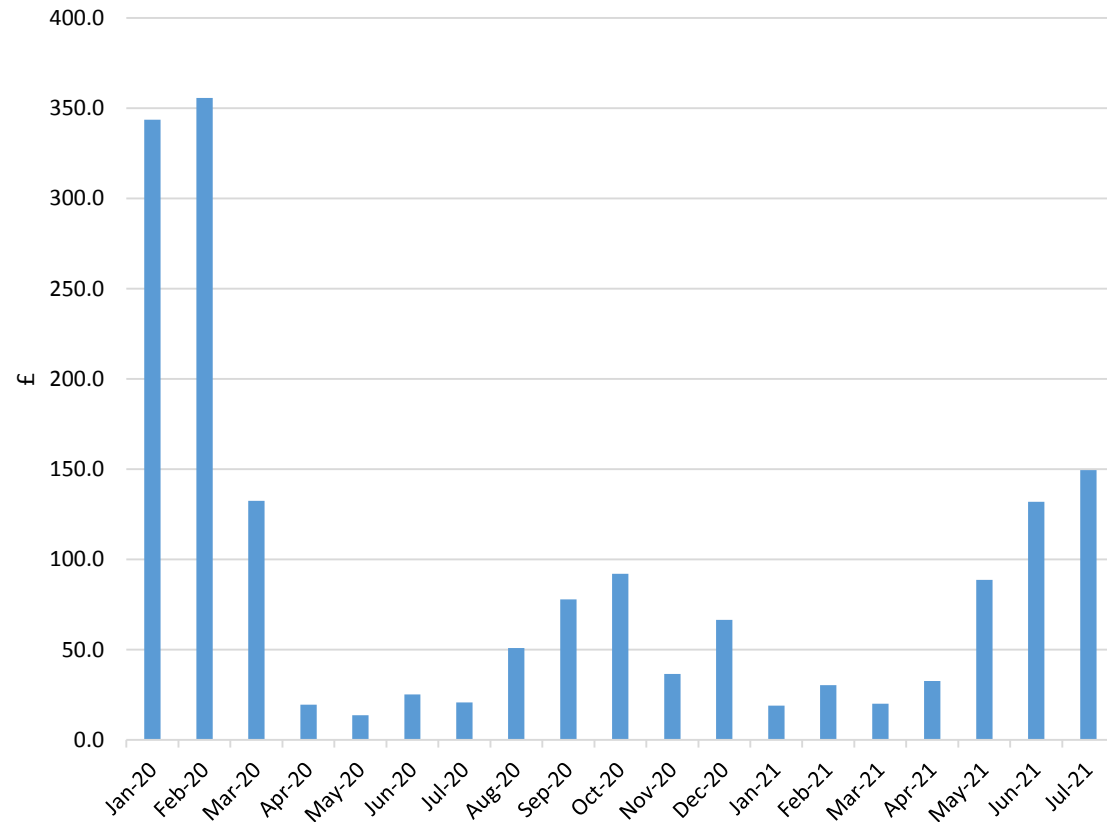
- Hotel revenue in London continues to recover but remains significantly below pre-pandemic levels.

Source: Knight Frank, HotStats

Luxury hotel revenue recovers slowly but steadily



London Luxury Hotels - Total Revenue per Available Room (TRevPar)



- Luxury hotel revenue records growth for 4th consecutive month.
- The same pattern of recovery can be observed across luxury and budget hotels.

Source: Knight Frank, HotStats

We like questions

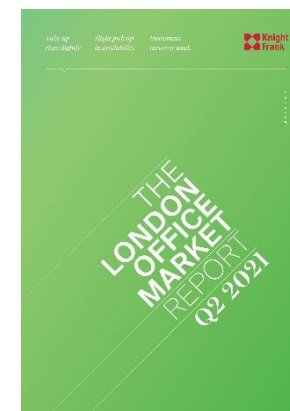
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FURTHER READING



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