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News in Review

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"We need to bolster our protections against this new variant"

Following the discovery of the COVID-19 Omicron variant on UK shores, Boris Johnson took to the Downing Street podium on Saturday to announce *"temporary and precautionary"* measures to contain the spread of the variant.

First detected in South Africa last Wednesday and labelled a *'variant of concern'* by the World Health Organization, early evidence suggests Omicron has a higher reinfection risk. The Prime Minister commented, *"Our scientists are learning more hour by hour, and it does appear that Omicron spreads very rapidly and can be spread between people who are double vaccinated."* He added, *"We need to bolster our protections against this new variant... measures at the border can only ever minimise and delay the arrival of a new variant rather than stop it all together."*

Added to the 'Red List' last Thursday, South Africa, Botswana, Namibia, Zimbabwe, Lesotho and Eswatini have since been joined by Angola, Zambia, Malawi and Mozambique. In addition, PCR tests have been introduced for everyone entering the UK (test by the end of the second day following arrival and self-isolate until a negative result) and all contacts of new variant cases must self-isolate for ten days, even if fully vaccinated. From Tuesday, face coverings became mandatory again in shops, on public transport and other inside settings in England; and the booster programme will be rapidly extended, including offering boosters to all over 18s in the UK and reducing the gap between second doses and boosters. During a briefing on Tuesday, Boris Johnson confirmed that all adults will be offered a booster jab by the end of January. As with other stages of the vaccine rollout, people will be worked through by age group.

The new measures are due to be reviewed in three weeks, by which time better information will be available on the effectiveness of vaccines.

Markets react

Global stock markets faltered last week, as concerns intensified over the impact of the variant on global economic growth, with shares in airlines and travel firms hit particularly hard. Oil prices were also sharply lower but regained some ground. The Organisation of the Petroleum Exporting Countries and its allies (OPEC+) postponed technical meetings to later this week, giving themselves more time to assess the impact of the variant on oil demand and prices. Stock markets regained some ground this week but remain tentative, as investors closely assess the threat of the variant.

Bumper Black Friday spending to beat last two years

Consumer spending on Black Friday (26 November) is expected to surpass sales figures from the past two years, according to analysts. Barclaycard, which processes around a third of all card transactions, said that spending was up 23% on last year and 2.4% up on 2019 by 5pm GMT, while financial analysts PwC predicted that Friday's total spend would be £8.7bn – double that spent during last year's November lockdown.

Black Friday, originally a US event, may officially be just one day, but most retailers use extended periods to entice shoppers with heavy discounts in the run-up to Christmas. After last year's disappointing turnout, it is very much hoped that Black Friday's strong start will continue into the festive season.

The spending figures perhaps reflect a desire on the part of UK shoppers to get their Christmas shopping done early, with this year's sales set against a backdrop of international shipping issues and a UK-wide HGV driver shortage.

UK car output sinks to 65-year low

A shortage of computer chips has been blamed for the lowest car production level in over six decades this October. Production fell by 41% month-on-month, a situation which Society of Motor Manufacturers and Traders (SMMT) Chief Executive Mike Hawes called *"extremely worrying"*. The semiconductor shortage, compounded by the closure of a Honda manufacturing plant in Swindon in 2020, has resulted in the fourth consecutive month of decline.

There are some positives, however. The production of electronic and hybrid vehicles continues apace ahead of the government's ban on petrol and diesel cars by 2030, with production of battery electric cars rising by 17.5% to 8,454 cars in October. In total, UK car manufacturers have built over 50,000 zero-emission vehicles in 2021, according to SMMT figures.

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.