



SEVENTY

FINANCIAL PLANNING

MAY SUFFERS MISHAPS ON STAGE

This week we had the spectacle of Theresa May being given a P45 while the set fell apart around her during her Conservative Party conference speech. While having a cough is hardly a sign of poor leadership, public calamity has very much become the prime minister's go-to move in recent months. The latest bit of party infighting is a most unwelcome return to form following a few weeks of certainty post Florence. It is probably time for things to come to a head – if the party wants to change leader it should get on with it, dragging it out while the Brexit clock is ticking will be terrible for everybody.

Elsewhere, the US government looks to be no closer to passing tax reform than it is to repealing Obamacare, as senators and congressmen try and craft a plan that cuts taxes, is revenue neutral and doesn't hurt whichever special interest has their ear. All this while they are still reeling from the effects of one of the deadliest mass shootings in Las Vegas.

THE MARKETS THIS WEEK

FTSE 100	S&P 500	Nikkei 225	Euro Stoxx 50	Hang Seng	US 10 Yr	UK 10 Yr	Brent Crude	Gold	Wheat	GBP USD
+1.93%	+1.67%	+1.64%	+0.27%	+2.95%	+0.03%	+0.04%	+1.20%	-0.90%	-1.34%	-2.40%

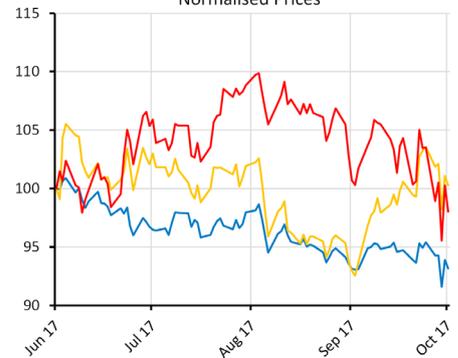
SPAIN: CATALONIA BATTLES FOR INDEPENDENCE



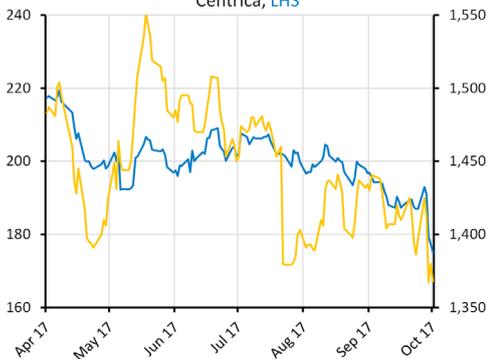
The Catalan regional government held an illegal independence referendum on Sunday, which resulted in Spanish police clashing with protesters as they attempted to prevent the vote taking place. Catalanian leaders said voters overwhelmingly backed independence, although turnout was only 40%. However, they haven't declared independence yet and their next step isn't clear. The King of Spain has declared that the Spanish government will not negotiate, leaving the situation volatile. The Euro declined 0.5 per cent against the US dollar on Monday and the gap between the German and Spanish ten-year government bond yields widened.

The economy of Catalonia is roughly the size of Portugal and the prospect of it breaking away from Spain unnerved investors on Tuesday. Spain's IBEX dropped nearly three per cent on Tuesday, its largest percentage decline in over a year. Banks in particular suffered with Santander down nearly three per cent and CaixaBank down four per cent. The IBEX had regained some of its losses by Thursday as CaixaBank announced it was considering relocating their headquarters.

CaixaBank, Santander & IBEX Index, Normalised Prices



SSE, RHS, Centrica, LHS



UK: MAY'S MESSAGE GETS LOST



Theresa May's speech at the Conservative Party conference in Manchester was overshadowed when a heckler handed her a pretend P45. Theresa May took the form being waved at her but immediately placed it on the floor before proceeding to cough through the remainder of her speech. The Chancellor, Philip Hammond, kindly handed her a cough drop and the Prime Minister slightly redeemed herself with a few jokes. She apologised for her handling of the general election calling it "too scripted and too presidential". May also took a softer tone towards Europe insisting that EU citizens were welcome in the UK and that the government wants them to stay.

May took aim at energy firms, commenting that the government will soon publish proposals for a price cap to combat the "broken energy market". Centrica and SSE fell six per cent and three per cent respectively. The pound held steady during the speech following an earlier rise on stronger than expected services data. This was short-lived as May's future as Prime Minister was questioned following the conference.

CARS: HURRICANE HELPS OUT AUTOMAKERS



Carmakers are getting a boost as cars destroyed in the path of Hurricane Harvey are replaced. A measure of all US car sales climbed this month following a spike in new car sales in the Houston area, which jumped 109 per cent following the hurricane, according to car shopping website Edmunds. Sales at US automaker General Motors jumped almost 12 per cent versus September 2016. General Motors shares soared on the news and Ford rallied too.

Elsewhere, China has taken charge of the electric car market, producing nearly half of all electric vehicles sold. The country has taken a bet on a successful future for the industry and the boost to domestic production has left many foreign car makers struggling to keep up. The Chinese government is funding its own manufacturers, providing subsidies for consumers and building an extensive network of charging stations. The domestic consumer has been cornered into buying electric cars as the chances of getting hold of a license plate in the busier cities depends on the type of car being purchased.

Ford, RHS, General Motors, LHS



This document has been prepared for general information only. It does not contain all of the information which an investor may require in order to make an investment decision. If you are unsure whether this is a suitable investment you should speak to your financial adviser. This information is not guaranteed to be correct, complete, or accurate. FE Research is a division of Financial Express Investments Ltd, registration number 03110696, which is authorised and regulated by the Financial Conduct Authority (FRN 209967). For our full disclaimer please visit www.financialexpress.net/uk/disclaimer.