

Economic News

- » **Japanese machinery orders surged 8.8% on the month in July**, the highest growth in seven months, but economists worry that a surging Yen and a slowdown in overseas economies could snuff out a gradual recovery in capital expenditure.
- » **German industrial orders unexpectedly fell 2.2% in July**, weighed down by below-average volume in big orders, confounding expectations of a 0.5% rise, official data showed on Tuesday. Most of the drop came from abroad. A separate survey showed the decline in Germany's **construction sector slowed significantly in August** boosted by the first increase in new orders for 2.5 years.
- » **German exports fell unexpectedly month-on-month in July** after two months of strong gains, though the country's trade surplus widened due to an even larger decline in imports, official data showed on Wednesday. Exports fell by 1.5% from June, while imports fell by 2.2%.
- » The British Retail Consortium said **UK shop prices in August were 1.7% higher** than a year ago, up from an annual rise of 1.5% rise seen in July. The rise came from food inflation, which picked up to 3.8%, its highest since July 2009. Non-food price inflation slowed.
- » **British recruiters filled permanent jobs at the slowest pace in 10 months in August.** The Recruitment and Employment Confederation said its permanent placements index fell to 56.3 in August from 60.2 in July. The index has been declining since March when it hit a 12-year high of 65.2.

Market News

- » **FTSE 100** share index fell -0.58% to close at 5407 on Tuesday fell from a four-month closing high and ended a seven-session winning run on Tuesday, led lower by Barclays after management changes and miners on concerns over Australia's tax plan.
- » **S&P500** fell -1.15% to 1091 in very light volume on Tuesday as investors seized on renewed concerns about European banks as a reason to sell shares after strong gains last week. Worry about Europe's banks resurfaced after the Wall Street Journal reported major lenders understated holdings in potentially risky government debt during tests designed to probe banks' strength.



- » Japan's **Nikkei** average dropped -2.18% to close at 9024 on Wednesday as the Yen's advance to a fresh 15-year high against the Dollar extinguished an upbeat mood gained from last week's better-than-expected economic data.
- » **Sterling** today is \$1.5467. Sterling fell to a six-week low against the Dollar on Tuesday, pressured as the Euro sank versus the Dollar on concerns about the European banking system and by financial difficulties in the UK housing sector.
- » Today the **10 year Gilt yield** is 2.927. Gilt futures surged on Tuesday on renewed Eurozone bank jitters, but weak German industrial orders data meant gilts gave back some of the past week's outperformance versus Bunds.

Company News

- » Luxury goods group **Richemont's** (41.61CHF -0.6%) five-month sales jumped by more than a third, beating forecasts and confirming the strong rebound in the sector as wealthy Asians splash out again on pricey watches and jewellery. Swatch Group and LVMH have also reported double-digit growth in watches and jewellery sales in H1.
- » China Mobile shares fell 4 percent after **Vodafone** (158.9p - 0.63%) sold its stake in the company for nearly double what it paid. The sale was part of Vodafone's new strategy to exit non-strategic minority investments.