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Business positive Economy Sentiment - UK

Business confidence in UK is rapidly growing after the winning in the elections of the Conservative Party. Confidence measures found its highest level for more than three years according to company directors research. Many companies became optimistic about the economic progress which reach 21% in December, up from minus 18% in November and that indicates significant change. According to Institute of Directors this was the highest business confidence level since the 2016 EU referendum taking into consideration 952 companies between 13-20 of December. Additionally, a research showed that company directors have also become more optimistic about their own firm's perspectives increasing from 26% last month to 46%. It seems that Boris Johnson created a momentum around economic that allow companies to create a framework which firms could put in place plans to invest, hire staff and expand even more. Furthermore, the directors said that are receiving the supportiveness from the new government for the labour market and about cut firm's mounting bills.

Stocks appreciations from US-China deal

The Morgan Stanley Bank of America emphasizes on 29 Chinese stocks that could be favored from the US-China trade deal completion. Almost the half of these stocks suffered the most and are related to companies from Information and Technology sector and 8 out of the were originated from consumer goods sector. It seems that these class of stocks will probably earn more appreciation based on the stock's previous reaction to trade volatilities as Morgan Stanley announced in a recent report and these 29 stock's exposures surpassed 25% of the US market share. As Donald Trump stated he had an optimistic discussion with China's leader Xi Jinping a fact that reinforced trade deal between the two sides on the first phase of the trade agreement. China today revised downwards tariffs on more than 850 goods. They enhance their belief that Information Technology Internet and Transport stocks will benefit more from any escalation of trade tensions due to exposure to tariffs and technological constraints, while transport shares especially airlines will benefit from improved perspectives from global and international trade and from yuan-dollar strengthening exchange rate as Morgan Stanley said in its report. Some of the stocks that probably will benefit more is Lenovo with 31% exposure, Foxconn with 30%, Apple's ACC Technologies with 57% and Samsonite the largest pork producer in the world at 37%. The stocks of the above companies are listed on Hong Kong Shanghai or Shenzhen Stock Exchanges.



Asia Economy – Milestone for 2020

The Asian Economy seems to be a milestone for the 2020, as the World Economic Forum estimates that the Gross Domestic Product of Eastern countries will significantly exceed the GDP of the rest of the world. There is an interesting clue that the Asian Economy is expected to contribute about 60% of the global growth and will be responsible for the vast majority (90%) of the 2.4 billion new middle -class members entering the world economy. This expansion will be derived from fast development countries such as China, India and all Southeast Asia and will lead to many new business decisions, governments and non-governmental organizations. The International Monetary Fund Data presents that the Asian GDP increased to 30k billion dollars 15k billion dollars more than 2014 which was 15k billion. Negative impact could be the China's aging population but from the other hand wages will raise and internal migration and reduction in savings will have a significant boost to consumption. Another example of Asia economy expansion from countries such as Indonesia, Philippines and Malaysia is that their workforce will be increased significantly, therefore the disposable income per capital will be increased as well. In order to achieve all these economic changes governments, need to create trade and investment reforms as this future unfolds. They will need to innovate and reform education to ensure a competitive and appropriately skilled workforce.

