



52 -53 Margaret Street, London, W1W 8SQ  
Tel: 020 7268 0000

## **REASONS TO BE CHEERFUL PARTS ONE, TWO, THREE .....AND FOUR!**

'tis the season to be Jolly and boy can we all do with a dose of the season!

What a year! Unprecedented we suggest, doom and gloom has abounded around most of the UK economy but hope is on its way.

Next year is going to be good for four reasons.

### **PART ONE - THE BANKS**

The Banks have always led the jobs market by about 18 months, and we are now about 18 months into this, or we will be early next year. We have already seen some job activity in the banking world, in spite of the "Naughty Boy" tax imposed by Mr Darling.

They know by now exactly how much trouble they are in and they have to get back into the lending business which, call me old fashioned, is what they do isn't it? They have been announcing bumper profits for the second half of this year and they are cooking up ideas as to how to re-finance their balance sheets which will be sorted by Easter of 2010.

Lloyds Banking Group has already been successful in getting its rights issue away though the City has kept the news very low key for a change. They don't want to be seen to be gloating. This achievement by Lloyds should not be underestimated, it shows the resilience of the London Capital markets who have been through hell this year with demands placed on them from small to gargantuan size companies in need of fresh capital.

The banks have been in a net receipts position most of the year with people and businesses repaying debt left right and centre so they will have plenty of cash to lend in the New Year; that's not a problem. If they don't get back in quickly then they will have lost it all to Santander who are grabbing all the business they can at the moment usually with a confident smugness about them given that they were not hit as hard as most of the banking sector, they put this down to prudent financial management and a better understanding of Risk apparently.

### **PART TWO – UNEMPLOYMENT**

As previous recessions have shown there will be lots of opportunities coming up for businesses that are liquid and have access to capital. Larger companies have already made their plans and are looking at future growth both organic and through acquisition.

This will ultimately lead to an increased demand for people and with unemployment already slowing down and not expected to hit 3m anymore we will see a renewed



confidence with the public at large which will flow through into renewed demand and a switch away from saving into spending.

Official figures released last week show the unemployment rate was 7.9%, unchanged over the previous quarter and up 1.9% over last year. There were 28.9million people still in work between August and December of this year 53,000 more than in the previous quarter but down 432,000 on the same quarter last year.

This led one senior economist to say that this was 'The most positive set of job figures since the start of the recession providing much needed seasonal cheer after a year of bad economic news.'

The Venture Capital industry has struggled this year with a scarcity of deals and problems with their portfolio companies to sort out but the funds that are left have plenty of cash and are waiting in the wings to invest. It might never get back to the heady days of the late 1990's and early noughties but the injection when it comes will provide a further stimulus especially when the banks become their friends again next year.

### **PART THREE – THE WORLD**

UK plc is cheap and overseas visitors are buoying up our top end retail sales with Nottingham, somewhat surprisingly, just voted Europe's top Christmas shopping destination by Germany's top TV station.

Exporters are and will continue to do well on the back of the devalued pound. Official statistics for October show exports up on September by £0.9 billion with non EU countries representing £0.5 billion of this increase. Excluding oil and erratic items the volume of exports was 3.8% higher compared with September.

China and India are still growing and forecast to achieve double digit increases in the next two years; they along with Brazil will be engines for growth on the world stage helping to pull us out of recession. The latest official Chinese government forecast has industrial output growth up at 11% and a conservative 8% in for economic growth next year; they are a cautious bunch and have exceeded this figure every year over the recent past. Forecasts by private sector economists for economic growth next year range from 9% to 11% and are probably more on the button. In November alone industrial production was up a staggering 19.2% on the same month last year.

The potential internal demand from these countries is enormous the emergence of a middle class consumer base of possible a billion people has the potential to elevate the world economy onto a new plane not previously seen.

The USA, Germany, France and now even Ireland have all pulled out of recession and if we believe the economic gurus the UK itself will announce next quarter that we to are up and running and on our way out.

### **PART FOUR – SPORT**

First up is the Winter Olympics, not our strongest games historically but we have Shelly Rudman who gained a Silver in the Skeleton previously going for Gold and Nicola Minichiello and Gillian Cooke on Bobsleigh going for Gold again.



We are currently world champions in the men's Curling and watch out for Figure Skating, Short Track and Snowboard-Cross. Come on Team!

Next up, the Football World Cup. OK if you are Scottish, Welsh or Irish then the outlook isn't so good. But England are third favourites behind 'odds-on' Spain and second favourites Brazil, but ahead of Argentina, Italy and Germany.

After an impressive qualifying campaign our saviour, Signor Fabio Capello, will want to kick on and add to his already impressive tally of trophies, and this will be the last chance for our so called 'Golden Generation' of Golden Balls himself, JT, Rio Ferdinand, Frank Lampard, Stevie Gerrard, David James, Emil Heskey and Michael Owen if he goes. There must be enough motivation there to get into the medals surely. Gold? Well that may well depend on how well we take penalties, so let's hope that spot kicks are on the Good Signor's training schedule.

We think England have not had a better chance for years and are backing the boys to get to the Final – then, after 120 minutes of kicking the ball around.....we think England will win on penalties. Yes, you heard it here first.

Then the big one, The Ashes. Ricky Ponting has equalled a very unwelcome Australian record being only the second Aussie skipper ever to lose two Ashes series; can he beat his own record and make it a third?

At Burden Dare we think so! Yes, we are that bold. The Aussies are struggling against most sides now that their established players have retired: OK, they have some good youngsters coming through but so do we – and we think ours are better. Our summer in the long game was very impressive, we hold the urn, and South Africa will be a good test of how far our team have progressed. We sense a team spirit not seen for some years and some authoritative players coming through. A good dose of 'The Trotts' accompanied by a bit of KP Nuts and Broad shoulders should see the Aussies 'spun up the Swanny'. Come on the Barmy Army!!

Last but not least, let's not forget the Dream Team Formula 1 combination of McLaren, Hamilton and Button – hotly tipped for a close battle with the revamped Brawn team from Germany, combining Mercedes with Michael Schumacher. We think the Granddaddy of the sport has made an ill advised comeback and hope he doesn't resort to his old tricks of bumper cars to stop others winning races. We back our British boys for a One-Two, but we couldn't tell you which way round. Does it matter?

#### **IN CONCLUSION**

We at Burden Dare believe there are a number of excellent reasons to be cheerful about 2010, some of which we have given you above.

Most of all though it's down to everyone of us to come back in the New Year and get on with it, centuries have shown that we are a resilient bunch and very capable of sorting out this little old mess we find ourselves in.

***Let's get on with it shall we?***

**Have a Great Christmas  
and we wish you all a very prosperous New Year.**