

Minutes of the Weekly Macro Economic Analysis Team Meeting

Date: 21/02/24

Time: 7:30am

Duration: 2 Hours

Location: Dispensable, 4th Floor. 68 London Wall

Attendees:

- Jordan Hayes, Head of Macro Research, Lucidate
- Alex Reed, Head of UK Macro Research, Lucidate
- Charlie Smith, Junior Analyst - UK Macro Economics, Lucidate
- Dana Lee, Junior Analyst - UK Housing Market, Lucidate
- Elliot Kim, Junior Analyst - UK Trade Relations, Lucidate

Agenda:

1. Review of recent UK macroeconomic indicators and their implications.
2. Analysis of the UK housing market trends.
3. Update on UK trade relations and impacts on the economy.
4. Discussion of forecasts and policy implications.
5. Suggestions for follow-up research.

1. Review of Recent UK Macroeconomic Indicators

- **Presenter:** Charlie Smith
- **Summary:** Charlie presented the latest data on UK inflation, GDP growth, employment rates, and consumer spending. Inflation remains above the Bank of England's target, suggesting continued pressure on monetary policy. GDP growth is modest, with uncertainties surrounding Brexit and global trade tensions impacting business investment.
- **Impacts:**
 - Higher inflation could prompt further rate hikes by the BoE.
 - Slow GDP growth signals a cautious approach to tightening monetary policy.
- **Conclusions:** The economic indicators suggest a mixed outlook, requiring careful monitoring.
- **Suggestions for Follow-up Research:**
 - Deep dive into sector-specific performances.

- Analysis of wage growth and its impact on consumption.

2. Analysis of the UK Housing Market Trends

- **Presenter:** Dana Lee
- **Summary:** Dana reviewed recent trends in the UK housing market, highlighting a slowdown in price growth and a decrease in new housing starts. The affordability index has deteriorated, affecting first-time buyers and potentially slowing consumer spending.
- **Impacts:**
 - A cooling housing market could temper inflationary pressures.
 - May influence consumer confidence and spending, impacting GDP growth.
- **Conclusions:** The housing market is showing signs of cooling, which could have broader economic implications.
- **Suggestions for Follow-up Research:**
 - Impact of potential BoE rate hikes on mortgage rates and housing demand.
 - Regional analysis of housing market trends.

3. Update on UK Trade Relations and Impacts on the Economy

- **Presenter:** Elliot Kim
- **Summary:** Elliot provided an update on UK trade relations, focusing on recent negotiations with the EU and other trade partners. The ongoing uncertainty around Brexit and trade agreements is impacting export and import levels.
- **Impacts:**
 - Trade uncertainties could lead to volatility in the Pound and affect inflation.
 - Disruptions in trade flows may impact certain sectors more significantly.
- **Conclusions:** UK trade relations remain a critical factor for economic outlook, requiring close observation.
- **Suggestions for Follow-up Research:**
 - Sectoral analysis of trade impact.
 - Long-term implications of trade agreements on UK economy.

4. Discussion of Forecasts and Policy Implications

- **Facilitator:** Jordan Hayes
- **Summary:** The team discussed the implications of the presented analyses on future economic forecasts and potential policy directions. There was a

consensus on the need for a nuanced approach to monetary policy given the mixed economic signals.

- **Action Items:**

- Refine economic forecasts incorporating today's discussions.
- Prepare a briefing note on policy implications for internal review.

5. Suggestions for Follow-up Research

- **Facilitator:** Alex Reed

- **Summary:** The team proposed several areas for follow-up research, including a deeper analysis of consumer behavior, the impact of global economic trends on the UK economy, and the effects of technology on productivity.

- **Action Items:**

- Assign research tasks to junior analysts.
- Schedule presentations of findings in upcoming meetings.

Next Meeting: 28/02/24

Agenda Items:

- Presentation of follow-up research findings.
- Review of global economic trends and their impact on the UK.
- Update on monetary policy decisions by the BoE and implications.

Minutes Prepared By: Richard Walker

Approved By: Jordan Hayes, Head of Macro Research

Minutes of the Follow-Up Weekly Macro Economic Analysis Team Meeting

Date: 28/02/24

Time: 7:30am

Duration: 2 Hours

Location: Cognito, 4th Floor. 68 London Wall

Attendees:

- Jordan Hayes, Head of Macro Research, Lucidate
- Alex Reed, Head of UK Macro Research, Lucidate
- Charlie Smith, Junior Analyst - UK Macro Economics, Lucidate

- Dana Lee, Junior Analyst - UK Housing Market, Lucidate
- Elliot Kim, Junior Analyst - UK Trade Relations, Lucidate

Agenda:

1. Presentation of follow-up research findings.
2. Review of global economic trends and their impact on the UK.
3. Update on recent trade figures and their implications.
4. Analysis of unexpected house price gains.
5. Discussion on the implications of the early-called UK general election.
6. Refinement of economic forecasts and policy recommendations.
7. Planning for next steps and further research.

1. Presentation of Follow-up Research Findings

Sector-specific Performance Analysis (Charlie Smith)

- **Summary:** Focused on the tech and manufacturing sectors, noting resilience in tech but challenges in manufacturing due to supply chain issues.
- **Conclusions:** The tech sector may offer growth opportunities, while manufacturing needs supportive policies.

Wage Growth and Consumption Impact Analysis (Charlie Smith)

- **Summary:** Wage growth is not keeping pace with inflation, potentially limiting consumption growth.
- **Conclusions:** Consumer spending may remain subdued, affecting GDP growth forecasts.

Mortgage Rates and Housing Demand (Dana Lee)

- **Summary:** Explored the potential impact of BoE rate hikes on mortgage rates; higher rates could further challenge housing affordability.
- **Conclusions:** The housing market may face additional pressures, potentially slowing price gains.

Regional Housing Market Trends (Dana Lee)

- **Summary:** Noted significant variations, with London showing resilience while other regions face stagnation.
- **Conclusions:** Regional disparities could influence overall economic sentiment and consumer confidence.

Sectoral Trade Impact Analysis (Elliot Kim)

- **Summary:** Highlighted that industries such as agriculture and automotive are particularly vulnerable to trade disruptions.
- **Conclusions:** Sector-specific strategies may be needed to mitigate trade-related challenges.

2. Review of Global Economic Trends and Their Impact on the UK

- **Discussion:** The team discussed the robustness of global economic recovery, noting risks from rising global inflation and potential for tightened monetary policies worldwide.
- **Implications:** UK's economic outlook to be influenced by global demand and commodity prices, with a need to monitor international monetary policies closely.

3. Update on Recent Trade Figures

- **Presenter:** Elliot Kim
- **Summary:** Recent trade figures exceeded expectations, showing resilience in exports despite global challenges.
- **Implications:** Positive trade balances could support the Pound and contribute to economic stability, potentially offsetting some inflationary pressures.

4. Analysis of Unexpected House Price Gains

- **Presenter:** Dana Lee
- **Summary:** Contrary to expectations, housing prices surged, attributed to low supply and sustained demand.
- **Implications:** The surge could lead to wealth effects, boosting consumer confidence but raising concerns over affordability and potential overheating.

5. Discussion on the Implications of the Early-Called UK General Election

- **Facilitator:** Alex Reed

- **Summary:** The unexpected election call introduces political uncertainty, which could impact economic sentiment and policy continuity.
- **Implications:** Short-term market volatility expected; long-term impacts depend on the election outcome and resulting policy directions.

6. Refinement of Economic Forecasts and Policy Recommendations

- **Discussion:** Considering the new data and developments, the team agreed on a cautiously optimistic economic outlook but highlighted the need for vigilance regarding inflation, housing market dynamics, and political uncertainty.
- **Recommendations:** Suggested closely monitoring inflation trends, considering supportive policies for affected sectors, and preparing for potential volatility around the general election.

7. Planning for Next Steps and Further Research

- **Action Items:**
 - Monitor the impact of global economic trends on UK inflation and policy responses.
 - Analyze the effects of the general election on market sentiment and economic policies.
 - Continue sectoral analysis focusing on vulnerabilities and opportunities.

Next Meeting: [Insert Next Meeting Date Here]

Agenda Items:

- Update on post-election economic and policy landscape.
- Review of inflation trends and BoE policy responses.
- Further analysis of global economic developments and their impact on the UK.

Minutes Prepared By: Richard Walker

Approved By: Jordan Hayes, Head of Macro Research