

Week in review

Week ending 20 July 2018

Key highlights

1. Another fine mess
2. Tongue-tied
3. Holiday blues
4. And finally...

Another fine mess

Type the words ‘massive’ and ‘fine’ into Google and the top search result is, erm, Google. That’s because the tech giant was hit with a record-breaking €4.34 billion (\$5 billion; £3.9 billion) penalty this week by the European Commission. The charge? The company had been using its Android mobile operating system to illegally “cement the dominance” of its search engine. This represents the biggest antitrust fine ever doled out; but don’t fret, Google has it covered – its cash reserves topped \$103 billion in March this year.

Google wasn’t the only one digging out the chequebook this week. In the UK, Vote Leave – the official Brexit campaign group, fronted by Michael Gove, Boris Johnson and a bus – was fined £61,000 by the Electoral Commission after the watchdog found “significant evidence” of coordination with BeLeave, another campaign group. These findings have led some, including senior Tory MP Sarah Wollaston, to call for the referendum to be “rerun”. However, Prime Minister Theresa May – who already has enough on her plate thanks to a simmering Tory civil war – categorically rejected the idea. “There is not going to be a second referendum ... under any circumstances,” said her spokesperson. Strong words – but then Mrs May has been known to change her mind. In April 2017, for example, she emphatically said there would be “no general election until 2020” – only to perform an abrupt volte face when she returned from a walking holiday in the Swiss Alps. As Parliament breaks for its summer recess, staunch Remainers will be hoping the prime minister has a similar epiphany as she’s gambolling around northern Italy over the coming weeks.



Tongue-tied

In Misspeak (verb): 1. to speak, utter, or pronounce incorrectly.

Dating all the way back to 1150, misspeken, or misspeak as it's currently known, has become a favourite of politicians, slebs and the like when they find themselves in a bit of hot water, but don't actually want to, you know, admit they blundered. This week's example? President Donald J Trump. The Donald was in Helsinki on Tuesday for his much-anticipated one-to-one meeting with Russian President Vladimir Putin. During the subsequent press conference, one plucky journalist asked whether it was Russia that meddled in the 2016 US election, to which President Trump responded: "I don't see any reason why it would be".

Fast-forward 24 hours and a repentant president was again before the cameras, this time to clear things up: "In a key sentence in my remarks," he intoned "I said the word 'would' instead of 'wouldn't,'" before confirming: "The sentence should have been, 'I don't see any reason why it wouldn't be Russia.'" In other words, he misspoke. To be fair, it was a long week on the road for The Donald (a little golf here, a little NATO-cajoling there), so we'll give him the benefit of the doubt.

Holiday blues

UK holiday-makers converting their spending lolly got a nasty surprise on Thursday after sterling slumped to a 10-month low, thereby making euros and dollars more expensive to buy. The reason for the fall was a combination of surprisingly weak June retail sales, soft inflation data and the ongoing hoopla around Brexit. Investors now doubt whether the Bank of England will be able to raise rates on 2 August, as previously expected. This prompted traders to offload sterling.

The EFurther afield, markets were down...no, wait, markets were up over the week – whoops, easily done. The positive performance came after US Federal Reserve Chair Jay Powell delivered an upbeat assessment about the health of the world's largest economy. This helped counteract weakness in energy stocks, some disappointing earnings results (notably at Netflix) and another round of frustrating US/China trade talks. Overall, for the week to end-Thursday, the FTSE 100 Index was up 0.3% and the S&P 500 and the FTSE Europe (ex UK) climbed 0.1% and 0.6% respectively.

And Finally...

A new twist on a mainstay of a traditional Scottish breakfast hit the headlines this week. The delicacy in question is no stranger to controversy, however: Scots can't even agree on its name. Known variously as Lorne sausage, square sausage or slice sausage, the rectangular bread roll-filler – and hangover cure *par excellence* – is made from a mixture of minced meat, rusk and spices. This week, an Edinburgh hotel revealed that it is adding a new take on the auld favourite: square-sausage ice-cream. Served in a brioche bun and drizzled with toffee (for that all-important brown sauce look), chef Vladimirs Kruus has deemed the sweet-and-savoury creation "one for the adventurous". Let's just hope it all doesn't turn out for the *wurst*.

Please talk to your financial adviser for more information

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