

# Christmas and Brexit double bill put strain on UK supermarkets

REUTERS, London

For Britain's supermarket groups Christmas 2020 will be like no other, with the challenge of unprecedented demand due to the COVID-19 crisis followed by the risk of disruption to supplies at the end of the Brexit transition period on Dec. 31.

Queues are already forming outside UK supermarkets at peak times and shoppers should expect them to lengthen in the run-up to Christmas as the big four players - market leader Tesco, Sainsbury's, Asda and Morrisons - and their smaller rivals wrestle with meeting a jump in demand whilst adhering to social distancing requirements.

Then, from January, shoppers face the prospect of gaps on shelves if supply lines from the European Union are disrupted.

Market researcher Nielsen forecasts UK shoppers will spend 2 billion pounds more in supermarkets in the quarter to Dec. 26 than in the same period last year, or a total of 33 billion pounds. Some analysts believe that could prove a conservative estimate.

While a forecast increase in demand is not unique to Britain - in the U.S., for example, researcher IRI expects a near one fifth jump in quarterly food and beverage spending - the added dimension of Brexit adds to the operational



REUTERS/FILE

**A shopper wearing a protective face mask passes Christmas trees for sale and a sign indicating 24-hour opening times at a Tesco supermarket amid the spread of the coronavirus disease at London in Britain.**

difficulties UK supermarket groups are facing.

In Britain, demand beyond the normal seasonal pick-up is being driven by a large chunk of the population still working from home and tight restrictions on cafe, pub and restaurant openings in many parts of the country.

Supermarkets also have more mouths to feed -- with many of the five million or so Britons who normally travel abroad for Christmas staying in the UK, and the early return of university

students to the family home.

Britons are also keen to indulge over Christmas after such a miserable year.

"Frankly people have had enough (of COVID) and I think they're going to have a big blow out," said Shore Capital analyst Clive Black.

Sainsbury's said on Thursday its sales since early November had exceeded expectations.

"That's why we're working really hard to make sure that we can expand the capacity in

the supermarkets, that's why we're asking customers to shop on their own...to make sure we can get more into the store," said Simon Roberts, CEO of Britain's second largest grocer.

Roberts, like Tesco CEO Ken Murphy, is tackling his first Christmas in the top job.

Supermarkets are asking customers to shop for seasonal products early to spread volume out, encouraging them to use handheld devices that bypass checkouts and extending trading hours. They are also lobbying government to relax strict Sunday trading laws and allow all-night deliveries.

Another industry executive observed that when queuing Britons snaked around supermarket car parks at the outset of the pandemic in March the sun was shining and a wartime "Dunkirk spirit" prevailed.

"When it's pouring down that will go less well," he said.

To try and keep spirits up in the December cold, Asda and Sainsbury's are trialling virtual queuing apps where customers can wait in their cars until there is room for them in store, while Morrisons and Asda have constructed canopies to protect waiting shoppers from the rain, with the latter also making 25,000 umbrellas available.

Online home deliveries have been ramped up and click & collect capacity expanded.

# Huawei CFO back in Canada court in extradition case as US negotiates resolving charges

REUTERS, Vancouver

Huawei Chief Financial Officer Meng Wanzhou will return to a Canadian court on Monday as witness testimony in her U.S. extradition case resumes, amid news last week that her lawyers and U.S. prosecutors held talks to reach a deal that could see her release and to return to China after two years of house arrest.



REUTERS

**Huawei Technologies Chief Financial Officer Meng Wanzhou stands at the entrance to her home in Vancouver, British Columbia, Canada on December 4.**

Meng, 48, was arrested in Canada in December 2018 on a warrant from the United States. She is facing charges of bank fraud for allegedly misleading HSBC Holdings Plc about Huawei Technologies Co Ltd's business dealings in Iran, causing the bank to break U.S. sanctions.

She has said she is innocent and is fighting the extradition from under house arrest in Vancouver.

U.S. prosecutors are discussing a deal with lawyers for Huawei's Meng to resolve criminal charges against her, a person familiar with the matter said on Thursday, signaling a potential end to a case that has strained ties between the United States, China and Canada.

Her lawyers have argued in the British Columbia Supreme Court that Meng's extradition should be thrown out based

on alleged abuses of process that took place during her investigation by Canadian border officials and subsequent arrest by police.

They have also claimed the case has been politicized to the point where Meng would not receive a fair trial in the United States, pointing to comments made by President Donald Trump in an interview with Reuters in December 2018 about his willingness to use Meng as a bargaining chip in trade talks with China.

In previous weeks of witnesses' cross examinations, officials from the Canada Border Services Agency (CBSA) and the Royal Canadian Mounted Police (RCMP) testified in the court that the process leading up to Meng's investigation and arrest was rushed but by the book.

# Oil falls on surging virus cases and US-China tensions

REUTERS, London

Oil prices slipped on Monday as the positive impact from COVID-19 vaccines and an Opec+ deal on oil production cuts was undermined by surging coronavirus cases and heightened tensions between the United States and China.

Brent crude fell 76 cents, or 1.5 per cent, to \$48.49 a barrel by 0911 GMT. US crude was down 82 cents, or 1.8 per cent, at \$45.44.

"Surging virus cases and a Reuters report signalling the United States is preparing new sanctions on Chinese officials ... outweighed the positive sentiment driven by vaccine news," said Hussein Sayed, chief market strategist at FXTM.

Reuters exclusively reported that the United States was preparing to impose

sanctions on at least a dozen Chinese officials over their alleged role in Beijing's disqualification of elected opposition legislators in Hong Kong. Both oil contracts gained last week after Opec+, comprising of the Organization of the Petroleum Exporting Countries (OPEC) and its allies, agreed to increase output slightly from January but continue the bulk of existing supply curbs.

"With the Opec deal in the bag, now traders looked back at fundamentals, demand and supply, and they were forced to come back to earth as things are not looking good in the short term," said Bjornar Tonhaugen, head of oil markets at Rystad Energy. A surge in coronavirus cases globally has forced a series of renewed lockdowns, increasing strict new measures in the US state of California and in Germany and South Korea.

# Euro zone investor morale surges on vaccine hopes

REUTERS, Berlin

Investor morale in the euro zone rose more than expected in December, hitting its highest since February on expectations of an economic upswing thanks to the availability soon of vaccines to fight the coronavirus pandemic, a survey showed on Monday.

Sentix's index for the euro zone rose to -2.7 from -10.0 in November. A Reuters poll had pointed to a reading of -8.3.

The expectations index rose to 29.3 from 15.3, hitting its highest since April 2015 on expectations that coronavirus vaccines will help support growth.

The current situation index rose to -30.3 from -32.3, reaching its highest level since March.

"The Corona crisis year 2020 will end with a bang," Sentix Managing Director Patrick Hussy said in a statement headed: "Vaccine releases boom-like growth forces".

Sentix surveyed 1,112 investors from Dec. 3 to Dec. 5.

# Back to normal? Investors bet post-Covid world may not look so different



REUTERS/FILE

**Dan Ivascyn, group chief investment officer for PIMCO, speaks during a Reuters investment summit in New York City.**

REUTERS, London/New York

The global economy is suffering its worst slowdown since the Great Depression, millions have lost jobs and industries have been brought to their knees.

But some of the world's leading money managers reckon economies may not look so different from their old selves after the pandemic passes - many are betting on a speedy recovery and little 'scarring', with hardest-hit sectors rebounding fastest.

Fuelling the optimism are the vaccine breakthroughs, but underlying it is the view that thanks to vast government support and central bank stimulus, consumers and businesses will emerge less damaged than in past recessions.

"When you look at prior periods like this where pandemics have impacted regions of the globe, there tends to be a greater snapback or return to normal than some people may suggest," Dan Ivascyn, Chief Investment Officer (CIO) of PIMCO, told the Reuters Global Investment Outlook Summit this week.

Ivascyn did not think there would be "radical change post-pandemic", though employment levels will take time to recover.

Government job support schemes

and a spike in savings rates as people stayed indoors mean consumers have more cash to splurge on services when economies fully reopen.

Peter Fitzgerald, CIO for multi-asset and macro at Aviva Investors, pointed out that household income has actually risen during this recession. While demand for services collapsed, spending on goods is also up 10 per cent in 2020, he said.

He was wagering on a further rebound in the banking, leisure and tourism stocks in Europe that were whacked the hardest in the COVID-19 sell-off.

"Our view is that as you lift restrictions, the world will revert back to something more similar to what we had pre-coronavirus rather than some sort of new normal everybody likes to talk about," he said, noting that when the UK briefly lifted travel restrictions almost two million people booked flights to Spain for August.

Confidence among financial institutions about a strong recovery - demonstrated starkly with the series of record highs stock markets have recorded in recent weeks - may sit uncomfortably with rising unemployment and fears that a second wave of COVID-19 will undo a tentative economic rebound.

After plunging more than 30 per cent in February and March, global stocks have surged 60 per cent to record highs and appear to be picking up the record-long bull run where they left off.

Jim Leaviss, CIO of public fixed income at M&G Investments, said that what mattered for markets was the level of "scarring" - the longer-term impact of higher unemployment and business failures that could constrain future growth potential.

But he said many of the job losses so far had been in relatively lower-skilled sectors including retail and hospitality rather than higher-skilled manufacturing industries.

BlackRock's CIO of global fixed income, Rick Rieder, was notably bullish - he said that as economies rebounded, money would be made in buying industrial, leisure and housing companies and European banks.

"I'm very optimistic about the economy," he said.


No that economies will emerge totally unchanged in 2021 - mountainous debt piles, record sums of central bank bond-buying, soaring money supply and huge government expenditure mean inflation, low for so long, may finally return.

North American and European economies are unlikely to recover to pre-COVID-19 levels before 2022 at the earliest, economists say, while generous employment support schemes may mask the real hit to jobs.

Amundi's CIO Pascal Blanque, for one, said he expected a "regime shift" in the macroeconomy and the risk of stagflation - low growth and inflation together. "I think we will wake up somewhere in the 1970s," he said. "The consequences for financial stability are being challenged."

While Blanque thought the stock valuations of the Big Tech firms were a "perfect bubble waiting to burst", others said the 2020 shock could act as a catalyst for the digital revolution.

Virtual working, online shopping and reliance on newer technologies to save costs all accelerated during the pandemic.



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| S.L No. | Tender No. Date  | Name of the Item  | Cost of Tender Schedule  | Last date of Closing & opening   |
|---------|--|---|--|--|
| 01.     | IMP/Machine/SEM/26/ 2020-2021<br>dated 07/12/2020        | <b>Supply, Installation, Commissioning &amp; Validation of Following Machines (specification as per tender schedule):<br/>(Double Envelope System)</b><br><br><b>01. Automatic Vial Filling, Nozzle Pressing and Cap Sealing Machine — 01 (One)</b>               | Tk. 1000.00/set<br>Equivalent to<br>US\$ 12.00<br>Non-refundable | Closing : <b>05/01/2021</b><br>At 11.00 AM<br>Opening : <b>05/01/2021</b><br>at 11.15 AM |
| 02.     | IMP/Machine/SEM/27/ 2020-2021<br>dated 07/12/2020        | <b>Supply, Installation, Commissioning &amp; Validation of Following Machines (specification as per tender schedule):<br/>(Double Envelope System)</b><br><br><b>01. Cold Room with Refrigeration System having internal size: 13’x10’x10’ (LxWxH) — 01 (One)</b> | Tk. 1000.00/set<br>Equivalent to<br>US\$ 12.00<br>Non-refundable | Closing : <b>10/01/2021</b><br>At 11.00 AM<br>Opening : <b>10/01/2021</b><br>at 11.15 AM |
| 03.     | IMP/S.S Filter/SEM/28/ 2020-2021<br>dated 07/12/2020     | <b>Supply, Installation, Commissioning &amp; Validation of Following Machines (specification as per tender schedule):<br/>(Double Envelope System)</b><br><br><b>01. S.S. Filter press with Pump for Oral Liquid Section — 01 (One)</b>                           | Tk. 500.00/set<br>Equivalent to<br>US\$ 6.00<br>Non-refundable   | Closing : <b>12/01/2021</b><br>At 11.00 AM<br>Opening : <b>12/01/2021</b><br>at 11.15 AM |
| 04.     | IMP/Plastic Pallet/SEM/ 29/2020-2021<br>dated 07/12/2020 | <b>Supply of Plastic Pallet (specification as per tender schedule):<br/>(Double Envelope System)</b><br><br><b>01. Plastic Pallet — 300 Pcs</b>   | Tk. 500.00/set<br>Equivalent to<br>US\$ 6.00<br>Non-refundable   | Closing : <b>14/01/2021</b><br>At 11.00 AM<br>Opening : <b>14/01/2021</b><br>at 11.15 AM |

Tender schedule will be sold from the Accounts Department of Essential Drugs Company Limited, Dhaka on payment as stated above during office hours on all working days (except Friday, Saturday and Govt. Holidays). No tender schedule will be sold on the opening date of the tender.

The tender will be accompanied by an amount of Earnest Money in the form of Bank Draft / Pay Order / Bank Guarantee from any Schedule Bank of Bangladesh in favour of "Essential Drugs Co. Ltd." without which the tender will be considered as non-responsive.

EDCL authority reserves the right to accept or reject any or all the tenders without assigning any reason whatsoever.

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