

UK and EU growth

The most recent retail sales figures for the UK showed a welcome boost in April. The three month on three month was only up 0.1%, as March was a poor figure. In the Eurozone the latest three month on three month figure for retail sales shows no growth at all, after a disappointing April.

Retail remains very competitive, with a lot of pressure on older brands trading from too many High Street locations. On line shopping expanded by 17.3% in the UK over the last year, taking business away from more traditional outlets.

The UK's PMI figure for services came in at 54 this month. This is similar to the Composite PMI for the Eurozone of 54.1.

There has been a slowdown in both the Eurozone and UK economies so far this year, with retail growth subdued. In the UK this is the result of the tighter money policy the Bank has been pursuing. The EU figures were compiled before the latest worries in markets about the situation in Italy.