

From The Times

June 2, 2007

Need to know

Economics

Industrial activity levels sped up last month, according to the CIPS/NTC purchasing managers' index, a closely watched survey of the sector. Its headline activity gauge rose to 54.9 from 53.7 in April, on a scale where any figure above 50 indicates rising activity. Industry continued to raise prices aggressively, the survey suggested. Its output price index edged up to 56.9 from 56.8, matching a record high chalked up in February.

Eurozone quarterly economic growth slowed as expected at the start of the year as consumer demand contracted and export growth plunged, Eurostat data showed. It confirmed its earlier estimate that eurozone GDP rose by 0.6 per cent in the first quarter and was up by 3 per cent over the year. Eurostat also said that eurozone unemployment fell to a seasonally adjusted record low of 7.1 per cent in April from 7.2 per cent in March.

US manufacturing The US Institute for Supply Management said that its manufacturing index rose last month to its highest level in a year, providing hope that the economy will continue to expand despite a housing slump and rising gas prices. The index registered 55, above the April reading of 54.7.

US housing resales Pending sales of existing US homes in April unexpectedly fell to their lowest level since February 2003, according to the National Association of Realtors. Its Pending Home Sales Index fell by 3.2 per cent to 101.4 from an upwardly revised level of 104.8 in March.

Banking & finance

Down 0.35%

ACP Capital, the SME-specialist merchant bank, has bought a 20 per cent stake in GCI, a German private equity company, as part of its plan to build a business across Germany, Italy, France and the UK.

Aberdeen Asset Management completed its purchase of some of Deutsche Bank's Australian fund management businesses for A\$116 million (£48 million).

LCL, the French retail bank that is part of Crédit Agricole, announced that it planned to cut 3,519 jobs, or 15 per cent of its staff, by 2010.

IFR Capital, the AIM-listed investment company that focuses on the European food retail sector, has bought Homann Chilled Food in Germany for €89 million (£60.5 million). IFR took on €93 million debt as part of the deal.