

## Between the lines

Week  
22



### Travel stocks soar on lockdown easing hopes

*Share prices of European travel and leisure stocks rose sharply on Tuesday (26 May) on renewed hopes that lockdown restrictions across the region would be shortly eased.*

Reports surfaced early in the week that Germany was planning to end travel warnings for tourist trips to 31 European countries, including the UK, from 15 June,

the coronavirus situation permitting. This followed news that Spain plans to reopen its borders to tourists – without quarantine measures – from July, while Greece lifted its restrictions on cafes and restaurants from Monday (25 May) and allowed travel to the Greek Islands to resume ahead of the official tourist season beginning in June.

In the UK, Prime Minister Boris Johnson signalled plans to allow non-essential retail businesses, including clothes and electronics shops, to reopen from 15 June, subject to continued progress in containing the coronavirus and strict social distancing processes being put in place.

Companies including IAG – the owner of British Airways and Iberia airlines – travel company TUI, budget airline easyJet, InterContinental Hotels and cruise operator Carnival all saw their share prices move quickly higher on the back of increasing clarity over the easing of restrictions.

The airline sector was further boosted by news that the German government had granted a €9bn rescue package for flagship airline Lufthansa in return for a 20% stake in the business. Although it was not all good news, as Latam Airlines, the largest airline in Latin America, filed for bankruptcy protection in New York to give it time to find a way to pay creditors and turn the business around.

### Aston Martin hires new CEO

*Shares in beleaguered UK car manufacturer Aston Martin rose more than 40% on Tuesday morning (26 May) after it announced its group chief executive officer (CEO) would be replaced.*



The company said current chief executive Andy Palmer had stepped down and would be replaced on 1 August by Tobias Moers, the current chief executive of Mercedes-AMG. In the meantime, Keith Stanton, currently vice president and chief manufacturing operations officer at Aston Martin, has been appointed interim chief operating officer to support executive chairman, Lawrence Stroll.

Aston Martin has struggled in recent years, with its share price falling more than 90% since its listing on the London Stock Exchange in 2018, forcing it to raise £500m of emergency funding in January 2020. The coronavirus has also hit the company hard with sales halving in the first three months of 2020 to just 578, resulting in a pre-tax loss of around £118.9m.

### The Quilter Market Explainer

*In response to the severe market volatility that has accompanied the outbreak of the global coronavirus pandemic, Quilter has launched the Quilter Market Explainer, a special fortnightly webcast for advisers and clients.*

All our previous broadcasts in this series are available on demand, to listen please click on the play button above.

The latest *Explainer* aired at midday today and featured Paul Craig, portfolio manager at Quilter Investors, and Jonathan Raymond, investment manager at Quilter Cheviot discussing Brexit. With just a month to go until the UK has to confirm whether or not to extend the Brexit transition deadline, the topics under discussion included where Brexit stands in the midst of the coronavirus pandemic and what it means for investors.

[Click here to find out more](#)



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