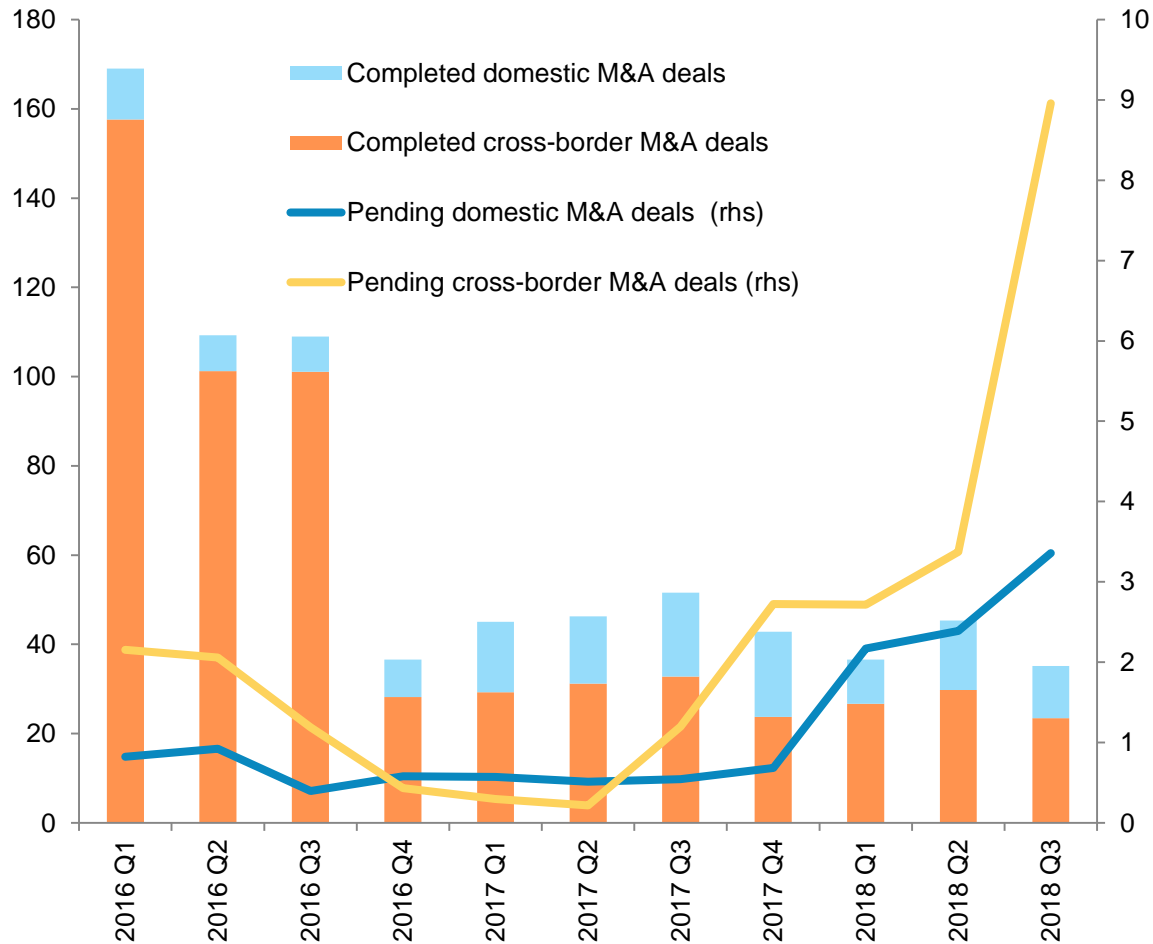


A NEW M&A REGIME POST BREXIT VOTE?

UK-targeted M&A deals value in GBPbn, 4Q sum



Since the Brexit vote, total M&A deals fell by 60% to GBP42.4bn on average, driven mostly by a plunge in cross-border M&A deals.

The rise in uncertainty in 2018 – as well as growing regulatory hurdles – has triggered a spike in pending M&A deals, which doubled to GBP12bn at end-Q3.

We give 70% probability for a last-minute “Blind Brexit” by January 2019, which will pave the way for a transition “status-quo” period until end-2020 and a broadly stable GDP growth (at 1.2% in 2019 after 1.3% in 2018).

However, unlocking the full pending deals will take time as uncertainty regarding the next trade agreement with the EU will prevail until at least mid-2020. On average we expect total M&A deals to remain half the amount compared to before the Brexit vote, in line with a muted cycle of business investment.

For more information please read our latest [report](#) on Brexit.