

Daily Update

Your daily market news, moves
and outlook



SEASPRAY FINANCIAL

Wealth & Investment Management

Friday, 7th of February

Markets Outlook

Global equities continued their rally yesterday, however beginning to slow down somewhat. The S&P 500 put in its fourth green day in a row as attention shifts away from the deadly Chinese Coronavirus despite a rising death toll. Coronavirus deaths are currently at 636 with over 30,000 people infected worldwide

EUR/USD has been grinding lower all week, down -2.22% for 2020 so far. The dollar has also been showing some strength vs JPY, moving higher steadily all week. Global sovereign bonds were very quiet yesterday, having pulled back earlier in the week when equities began surging higher.

We expect markets to remain very quiet this morning, in anticipation of the US Non-Farm Payrolls figure which is due to be released at 13:30 Irish time.

It is our in-house expectation that there will be 160,000 jobs added, and that the US unemployment rate will remain unchanged at 3.5% which is its lowest rate in over 50 years. A beat of expectations should send the main US equity indices through all time highs once more.

Key Events to Watch

07/02/2020 - US Non-Farm Payrolls
11/02/2020 - UK GDP
12/02/2020 - RBNZ Rate Decision
13/02/2020 - US CPI

Market Moves

FX	Value	Daily Change	YTD Change
EUR/USD	1.0981	-0.16%	-2.22%
EUR/GBP	0.8492	0.39%	0.32%
GBP/USD	1.2931	-0.55%	-2.47%
USD/JPY	109.96	0.14%	1.20%
EUR/JPY	120.75	-0.02%	-1.04%

Equity Indices	Value	Daily Change	YTD Change
S&P 500	3,345	0.33%	2.95%
DAX	13,574	0.72%	2.16%
EuroStoxx	3,805	0.73%	1.54%
FTSE	7,504	0.30%	-0.81%
Nikkei 225	23,827	-0.19%	0.72%

Fixed Income	Value	Daily Change
US 10yr	1.644	-0.005
US 2yr	1.449	0.008
Bund 10yr	-0.367	-0.012
Gilt 10yr	0.584	-0.027
JGB 10yr	-0.017	0.001

Financial News Round Up

Trump Acquitted

This week the world learnt that President Trump was found not guilty in his impeachment trial, ending a controversial bid to remove the incumbent president. Trump will soon become the first US president to be impeached and then go on to seek re-election. US equities weren't too phased when the news broke, while the USD remained relatively quiet.

Trump hosted a 1 hour long press conference yesterday after the result was released.

Credit Suisse

Swiss multinational investment bank Credit Suisse has seen a drop in share price this morning, currently at -1.05%, after news broke that company CEO Tidjane Thiam has just quit after what has been a power struggle at the highest level within the bank. Mr. Thiam is now set to be replaced by Thomas Gottstein who was the head of the bank's home business in Switzerland.

Thiam was made CEO nearly 5 years ago, amazingly having never previously worked for a bank..

L'Oréal

L'Oréal have seen their group revenues reach €29.87 billion after the release of full year 2019 results yesterday. Shares are currently up 0.6% this morning, currently up over 2% YTD.

Its net income came to €4.35 billion which is up 9.3% from 2018, earnings per share also rose by 9.3%, currently sitting at €7.74.

The French cosmetics company will host its AGM on April 21st at which the board of directors are set to propose a dividend payout of €4.25 for this year, which would be a 10.4% increase on 2019's payout.

Following the release, investment bank Morgan Stanley have confirmed their 'neutral' rating on the stock, with a target price of €235, currently trading at €268.

Nokia

Finnish telecommunications company Nokia has seen a surge in share price today, currently up over 4% on the day and 17.1% in 2020 so far. Yesterday we saw announcements from the US attorney general on 5G networks and Chinese giant Huawei. The attorney general said that the US could potentially acquire a majority stake in either Nokia or Ericsson, in a number of different ways. Only these two companies currently have the capability to compete with Huawei as 5G infrastructure providers. As of now the main concern remains that neither of them currently have the backing of a powerful country with a massive market, the way Huawei has China.