

Daily Update

Your daily market news, moves
and outlook



SEASPRAY FINANCIAL

Wealth & Investment Management

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Markets Outlook

Equities had a strong US session yesterday afternoon, with the S&P 500 and Nasdaq 100 pushing through all time highs once more, having pulled back slightly on Friday. The industrial sector is lagging behind somewhat, with the Dow Jones 30 index is still over half a percent off its all time high. Nasdaq futures are up an impressive 9.2% in 2020 so far.

Gold pulled back yesterday, and is broadly flat for the week so far, currently trading in the \$1570s. Bonds showed very low volatility yesterday in what was a very sparse day for economic data points, while currencies similarly remained in tight ranges with lower volume traded. We saw some slight weakness in the Euro, which is approaching the \$1.09 and £0.84 marks.

Looking to today, the main data point is the United Kingdom's GDP, which has just come in this morning at a beat of 0.3% month-on-month vs our in-house 0.2% expectation. UK manufacturing production has also been released, at 0.3% vs our expectation of 0.6%. Sterling is little changed after these releases.

Key Events to Watch

11/02/2020 - UK GDP

12/02/2020 - RBNZ Rate Decision

13/02/2020 - US CPI

14/02/2020 - US Retail Sales

Market Moves

FX	Value	Daily Change	YTD Change
EUR/USD	1.0911	-0.36%	-2.66%
EUR/GBP	0.8447	-0.56%	-0.09%
GBP/USD	1.2916	0.20%	-2.51%
USD/JPY	109.78	0.14%	1.16%
EUR/JPY	119.77	-0.22%	-1.54%

Equity Indices	Value	Daily Change	YTD Change
S&P 500	33,352	0.73%	3.75%
DAX	13,494	-0.15%	2.57%
EuroStoxx	3,793	-0.14%	1.81%
FTSE	7,446	-0.27%	-0.53%
Nikkei 225	23,685	-0.60%	0.12%

Fixed Income	Value	Daily Change
US 10yr	1.563	0.002
US 2yr	1.385	0.000
Bund 10yr	-0.409	-0.027
Gilt 10yr	0.558	-0.012
JGB 10yr	-0.058	-0.013

Financial News Round Up

Coronavirus Update

The latest data shows that over 1000 deaths have occurred from Coronavirus, with over 40,000 infections worldwide in 24 countries. 3,578 people have been reported to have recovered from the Chinese virus. 108 deaths from the virus were reported by the Chinese government on Tuesday which is actually a daily record.

The US dollar continues to see strength as do gold futures, ever since the breaking of the virus news in the second half of January. Global equities initially reacted adversely, but have since bounced back sharply, especially in the States where indices are mostly at all time highs.

The World Health Organisation (WHO) has come out and said that the spread of cases outside China could "be the spark that becomes a bigger fire".

TUI

Multinational travel company TUI has seen a surge in share price this morning, currently up over 11% on the day, after their earnings release before market open this morning.

TUI saw a rise in EBITDA to €111.5m in Q4 of 2019 which is their fiscal Q1, from just €27.2m in the same quarter a year prior.

The company has said that they have seen improved booking trends for their winter program, net loss for the reported quarter came in at €105.5m which is a slight improvement on the €112.2m loss a year prior.

Other airline shares have also seen a boost from the news, Ryanair is up 1.5% in London this morning.

Daimler

German automotive corporation Daimler AG has announced new plans to cut its dividend after lower than expected sales led to it reporting a weaker profit for 2019. The group's profits fell by over 60% last year, which is actually its worst annual performance in a decade. net profits are down to €2.7b from €7.6b in 2018, while the auto giant also cut dividend payouts from €3.25 per share to €0.90.

"We cannot be satisfied with our bottom line" said Ola Kallenius, board chairman, "We will take the necessary actions to enhance our financial strength as the basis for our future strategy".

Shares are down slightly as we write, at -0.25%.

Michelin

French tyre-maker Michelin has announced a beat in sales for FY2019, up 9.6% to €24.13b, while net income came in at €1.73m, up 4.2% y-o-y. Michelin have announced that they expect a flat to slightly negative performance at its divisions this year, shares reacted this morning, currently down -3.4%.

Oddo BHF have maintained their buy rating on Michelin stock, confirming target price of €125. Michelin is trading today at €103.