

# Daily Update

Your daily market news, moves  
and outlook



## SEASPRAY FINANCIAL

Wealth & Investment Management

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## Markets Outlook

Global equity futures are pulling back this morning. Germany's DAX 30 index has opened lower, currently 0.8% off its all time highs which were achieved yesterday.

Sovereign bond yields rose yesterday as gold traded sideways in what was a general risk-on day for global markets. Bond yields have began falling this morning in line with equities, we expect yields to continue to steadily fall over the coming months, we will closely monitor any pullbacks or sideways trade.

Currencies saw more quiet trade yesterday, this has become the new norm for these markets although we did see some slight Euro weakness which caused it to breach the support level at \$1.0900. Last night the EUR/USD touched its lowest level since May 2017.

Looking ahead, today we will see inflation figures from the States, CPI and Core CPI, we expect both to come in at 0.2% which would keep volatility and market reactions subdued. Tomorrow we will see earnings from RBS, AstraZeneca, and Enbridge Inc.

## Key Events to Watch

13/02/2020 - US CPI

14/02/2020 - US Retail Sales

18/02/2020 - German Economic Sentiment

19/02/2020 - UK CPI

## Market Moves

| FX      | Value  | Daily Change | YTD Change |
|---------|--------|--------------|------------|
| EUR/USD | 1.0876 | -0.37%       | -2.92%     |
| EUR/GBP | 0.8393 | -0.40%       | -0.66%     |
| GBP/USD | 1.2958 | 0.04%        | -2.21%     |
| USD/JPY | 109.87 | 0.08%        | 1.04%      |
| EUR/JPY | 119.50 | -0.29%       | -1.90%     |

| Equity Indices | Value  | Daily Change | YTD Change |
|----------------|--------|--------------|------------|
| S&P 500        | 3,379  | 0.65%        | 4.60%      |
| DAX            | 13,749 | 0.89%        | 3.20%      |
| EuroStoxx      | 3,854  | 0.75%        | 2.32%      |
| FTSE           | 7,534  | 0.47%        | -1.13%     |
| Nikkei 225     | 23,827 | -0.14%       | 0.72%      |

| Fixed Income | Value  | Daily Change |
|--------------|--------|--------------|
| US 10yr      | 1.637  | 0.030        |
| US 2yr       | 1.446  | 0.012        |
| Bund 10yr    | -0.375 | 0.001        |
| Gilt 10yr    | 0.613  | 0.020        |
| JGB 10yr     | -0.039 | 0.012        |

## Financial News Round Up

### Coronavirus Update

Yesterday the number of deaths in the Hubei Province where the Coronavirus originated from more than doubled the previous daily record, with 242 people dying. The global death toll now exceeds 1,350, with almost 50,000 infections reported. The World Health Organisation has announced that the virus will officially be named "COVID-19". Global equities are pulling back on the news of this escalation in deaths while gold futures are up over 0.6% today.

### Capgemini

French multinational corporation Capgemini have seen a sudden drop in share price this morning after the release of their full year 2019 earnings report. Shares are down over 3% despite an earnings boost of 17% last year to €856m, which translates to an EPS of €5.15. They also saw a rise in operating margin of 0.2% from 2018, up to 12.3% which is in line with their full year targets.

Capgemini saw annual revenues of €14.12b which is up 7%, and have announced a 12% increase on their dividends, up to €1.90 per share.

### Nestlé

Nestlé, which is the world's largest food company, has lost over 2% of its share value this morning after the release of its 2019 earnings before markets opened this morning. Profits after tax increased to 12.6b Swiss Francs in 2019, which is actually a 24% increase, while underlying trading profit was just up 4.88% to 16.3b.

Likewise sales increased by 1.2% and organic growth by 3.5%.

Nestlé will raise its dividend payout to 2.70 Swiss Francs per share which will be paid out on April 15th.

### Airbus

The world's largest airline manufacturer Airbus has shed nearly 1.5% off of its share price this morning. They released FY 2019 earnings this morning, seeing a fall in consolidated EBIT to €1.33b from €5.04b the previous year, and a consolidated order intake of €81.2b vs €55.5b in 2018.

Total consolidated revenues were up 11% from 2018, coming in at €70.5b.

### Commerzbank

Frankfurt-based Commerzbank stock is rallying this morning, up over 5%. They have reported an impressive operating profit of €1.26 billion, and a slight increase in revenues y-o-y from €8.57b to €8.64b. Net profit actually fell to €644m, which takes into account a higher tax rate and a €101m restructuring charge for personnel reduction. Net profits were higher in 2018 at €862m.