

# Daily Update

Your daily market news, moves  
and outlook



## SEASPRAY FINANCIAL

Wealth & Investment Management

### Monday, 17th of February

## Markets Outlook

European equities are up slightly this morning, with the DAX 30 and EuroStoxx 50 having both touched their all time highs last week, we would not be surprised to see them grind up through these levels later on today. These equity gains are on the back of fresh talk of further Coronavirus-related policy stimulus from China's central bank. US equity and bond markets will remain closed today in honour of the United States federal bank holiday: President's Day. Currency markets were extremely quiet on Friday, however the Euro has shown some sustained weakness, having grinded lower all of last week, down over 1% on the week and over 3% YTD.

Today is set to be very quiet with no real economic data points of any importance. We have an interesting week ahead, we will see the German ZEW Economic Sentiment figure tomorrow, UK and Canadian inflation figures on Wednesday which will be followed by the minutes from the January FOMC meeting that evening, UK Retail Sales on Thursday, and finally on Friday we will see both Manufacturing and Services PMIs from France, Germany, UK and US. We expect these PMI figures to be market moving on an intra-day basis.

## Key Events to Watch

17/02/2020 - US Bank Holiday

18/02/2020 - German Economic Sentiment

19/02/2020 - UK CPI

20/02/2020 - UK Retail Sales

## Market Moves

FX	Value	Daily Change	YTD Change
EUR/USD	1.0832	-0.08%	-3.27%
EUR/GBP	0.8302	0.05%	-1.60%
GBP/USD	1.3047	0.00%	-1.63%
USD/JPY	109.75	-0.05%	1.12%
EUR/JPY	118.89	-0.14%	-2.18%

Equity Indices	Value	Daily Change	YTD Change
S&P 500	3,380	0.18%	4.62%
DAX	13,760	0.12%	3.88%
EuroStoxx	3,840	-0.15%	2.60%
FTSE	7,409	-0.58%	-1.53%
Nikkei 225	23,523	-0.69%	-0.56%

Fixed Income	Value	Daily Change
US 10yr	1.588	-0.021
US 2yr	1.430	-0.010
Bund 10yr	-0.401	-0.008
Gilt 10yr	0.629	-0.017
JGB 10yr	-0.029	-0.004

## Financial News Round Up

### Japanese GDP

On Sunday night we saw the release of Japan's GDP for 2019 Q4, which came in at -1.6% vs our already low forecast of -1.1%. The Nikkei 225 equity index has finished its Monday session down -0.69% as a result.

This is Japan's worst quarterly GDP contraction in over 5 years, with investors citing a recent tax hike and a deadly typhoon in the region as factors for the hefty drop in this figure. Japan is the world's third largest economy, and this hit has come even before the Coronavirus news started spreading in Asia in January.

Along with GDP, private consumption figures were also hit hard, down -2.9% on the previous quarter.

We will be closely watching Japan over the coming weeks and months to see what further affect the Coronavirus could have on their economy.

### Greencoat Renewables

Ireland-based operational wind farm investor Greencoat Renewables plc has purchased Letteragh Wind Farm in Co.Clare for €35.4 million. This is a 14.1 Megawatt farm which will boost Greencoat's portfolio of operational wind assets to 476 Megawatts.

Importantly, this new wind farm's revenues come under the REFIT 2 scheme, which will provide a guaranteed price floor for all electricity generated until 2032.

We maintain our 'hold' rating on the stock with a price target of €1.23 in the long run. Shares currently trade at €1.21.

### Tullow Oil

Irish-founded and London-headquartered multinational oil and gas exploration company Tullow Oil plc has seen a significant drop in share price this morning, currently down over 4% in London.

This comes after the company has announced that it will cease operations in its Marina-1 exploration well which is situated off the Peruvian coast, after drilling has reached its total depth with no oil found.

### Crédit Agricole

Financial services group Oddo BHF have maintained their 'buy' rating on Crédit Agricole stock and have increased their target price from €13.20 to €13.50. Shares are currently up over 1% this morning at €13.65.

Oddo BHF also highlighted a solid start to the bank's fiscal 2020, in addition to earnings guidelines which are supported by positive price conditions, as well as a change in its organisation which will commence at the start of 2022.