

# Daily Update

Your daily market news, moves  
and outlook



## SEASPRAY FINANCIAL

Wealth & Investment Management

### Monday, 24th of February

## Markets Outlook

Monday has provided us with an extension to Friday's risk-off tone across global markets, albeit stronger today than Friday. Equities have been hit particularly hard today, as we head for the closing bell in Europe both the EuroStoxx 50 index and the DAX 30 are down over 4%, this is as big a pullback as we've seen since last summer.

Gold futures are up nearly 2% since they reopened last night while we have also seen a huge increase in demand for sovereign bonds today. US 10-year yields are down from 1.47 on Friday to 1.38 currently, at their lowest level since July 2016. Interestingly, financial markets are now pricing in not one, but two rate cuts from the Federal Reserve by September of this year. The next FOMC meeting on the 18th of March will be watched very closely by investors.

Oil prices are down over 4% this afternoon, with WTI Crude approaching the \$51.00 mark and Brent Crude in the \$55.20s.

Looking to the week ahead, we have a relatively sparse economic calendar, we will see earnings reports from Home Depot, Scotiabank, Standard Chartered, Bayer, Salesforce, and Novartis AG.

## Key Events to Watch

- 24/02/2020 - Japanese Bank Holiday
- 25/02/2020 - US Consumer Confidence
- 27/02/2020 - US GDP
- 28/02/2020 - European CPIs

## Market Moves

FX	Value	Daily Change	YTD Change
EUR/USD	1.0845	0.56%	-3.49%
EUR/GBP	0.8361	-0.13%	-0.82%
GBP/USD	1.2971	0.70%	-2.63%
USD/JPY	111.58	-0.48%	2.44%
EUR/JPY	121.02	0.08%	-1.13%

Equity Indices	Value	Daily Change	YTD Change
S&P 500	3,337	-1.05%	3.31%
DAX	13,579	-0.62%	-1.25%
EuroStoxx	3,800	-0.59%	-2.05%
FTSE	7,403	-0.44%	-4.78%
Nikkei 225	23,386	-0.39%	-1.14%

Fixed Income	Value	Daily Change
US 10yr	1.473	-0.042
US 2yr	1.354	-0.035
Bund 10yr	-0.428	0.024
Gilt 10yr	0.574	0.010
JGB 10yr	-0.064	-0.010

## Financial News Round Up

### Coronavirus Update

Global markets are feeling the pressure today from what is now starting to look like the significant spread of the Coronavirus outside of China. Oil markets and equity indices have been hit particularly hard, with safe haven assets such as gold and the Japanese Yen showing strength as lower timeframe traders and investors trade this likely short term panic.

The number of infections in countries like South Korea, Iran, and Italy have jumped over the weekend, in South Korea over 700 people have the Coronavirus and 7 have died, while in Iran there are 43 reported cases with 8 deaths. Europe has seen its largest outbreak of the deadly disease so far in Italy with over 150 Italians becoming infected over just one weekend.

In China, nearly 78,000 infections have been reported and over 2,500 have died so far, mostly in the central province of Hubei. 29 countries have reported infections now.

### AIB Mortgage Rates

Just a couple of weeks after KBC and Ulster Bank cut their mortgage rates in Ireland we have seen an announcement from AIB that they will follow suit and cut their fixed mortgage rates, for the second time in under a year. The bank has decided to reduce their 3 and 5 year fixed rates from 2.85% to the new 2.55% while also cutting its "green" 5 year fixed rate from 2.5% to 2.45%.

### Mastercard in Dublin

Mastercard have announced today that they plan to 1,500 new jobs in Ireland over the next 5 years. An extension on the corporation's Leopardstown campus in Dublin is now set to become Mastercard's Technology Hub for Europe.

"This substantial investment and build out of Mastercard's operations in Dublin is a further strong endorsement of Ireland's standing in International Technology Services and its offering to companies considering locating here" said Martin Shanahan, the IDA's CEO.

### Airlines among the worst hit

Airline stocks around the globe are seeing huge losses today on the back of this latest news that the Coronavirus is reaching more countries and death tolls are continuing to rise. Ryanair shares are down over 13% today while other European airliners are also down, Lufthansa and Air France-KLM both lost over 8% on Monday. Across the pond markets are still trading today, American Airlines Group and Delta are down over 9% and 7% respectively.

Shares in tour operator TUI fell by nearly 10% in London today.

We will be continuing to monitor each of these stocks as the weeks and months go on, remembering that after the SARS outbreak in 2003 the travel industry saw a relatively sharp rebound once the virus was contained.