

Daily Update

Your daily market news, moves
and outlook



SEASPRAY FINANCIAL

Wealth & Investment Management

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Markets Outlook

Most equity indices bounced yesterday, with the US leading the charge. The S&P 500 and Nasdaq 100 gained 4.6% and 4.5% on the back of hopes of heavy stimulus from the Federal Reserve. Markets are now pricing in a double rate cut from the Fed at their highly anticipated meeting in two weeks.

The US Dollar continued its pullback as the market digested news that the Fed will likely be cutting soon and leading the way for other central banks to follow. EUR/USD rallied 0.83% on Monday and burst back up through the 1.1100 level. In terms of safe haven assets, gold futures bounced yesterday, up 1.79% after what was quite a strong selloff on Friday as part of a pullback on the higher timeframes. Bond yields around the globe were mixed, with US treasuries pulling back slightly, after they saw huge demand last week while equities were trading lower.

Looking ahead to today, we have America's 'Super Tuesday' vote which will provide us with a clearer picture of who will run as US democratic candidate and take on Donald Trump in November's Presidential Election. Finance ministers from all of the G7 countries will take part in a conference call today to discuss the economic affect of COVID-19 and possible fiscal countermeasures.

Key Events to Watch

- 03/03/2020 - US Democratic Vote
- 04/03/2020 - BOC Rate Decision
- 04/03/2020 - US Non-Manufacturing PMI
- 05/03/2020 - OPEC Meetings

Market Moves

FX	Value	Daily Change	YTD Change
EUR/USD	1.1144	0.83%	-0.91%
EUR/GBP	0.8729	1.14%	2.98%
GBP/USD	1.2767	-0.29%	-3.73%
USD/JPY	108.53	0.79%	-0.60%
EUR/JPY	120.94	1.63%	-1.50%

Equity Indices	Value	Daily Change	YTD Change
S&P 500	3,090	4.60%	-4.35%
DAX	11,857	-0.27%	-8.00%
EuroStoxx	3,338	0.28%	-8.61%
FTSE	6,654	1.13%	-9.69%
Nikkei 225	21,082	-1.22%	-10.88%

Fixed Income	Value	Daily Change
US 10yr	1.163	0.049
US 2yr	0.909	0.073
Bund 10yr	-0.621	-0.002
Gilt 10yr	0.412	-0.044
JGB 10yr	-0.135	0.031

Financial News Round Up

US Super Tuesday

Registered democrats across 14 states in the US are set to head to the polls today in what has been branded 'Super Tuesday', the most important vote so far in the process of selecting a democratic candidate to take on the incumbent President Trump in America's November Presidential Election.

78 year old Bernie Sanders is the democrat in the lead heading into Super Tuesday, with former Vice President Joe Biden tipped to gain some supporters from Pete Buttigieg who dropped out of the race on Sunday. Biden's chances of becoming the democratic nominee have surged in recent days, after his convincing win in South Carolina on Saturday. Elizabeth Warren has not lived up to expectations recently and her campaign hopes remain uncertain, whereas Mike Bloomberg will be the wild card today as he joins the race for the first time.

We may see some dollar and US equity volatility on Tuesday night/Wednesday morning when results are released.

Reserve Bank of Australia

RBA cut rates overnight by 25 basis points to record lows, after what has been an important few days for global central banks and their overall switch to a strong dovish tone. Rates are now sitting at 0.5% in Australia, Governor Philip Lowe warned in his statement that global growth is expected to be lower in H1 of 2020, and that the RBA is ready to provide further action if needed.

"Given the evolving situation, it is difficult to predict how large and long-lasting the effect will be" Lowe stated, "Once the coronavirus is contained, the Australian economy is expected to return to an improving trend." AUD/USD popped higher after the rate release, and has been steadily trading above the 0.6550 mark since.

OPEC

The Organization of the Petroleum Exporting Countries (OPEC) are meeting today in Vienna with the aim of debating whether or not they will make deeper oil production cuts than they have already committed to. This comes as the novel Coronavirus has put a massive dent in global demand for the fuel as fears of possible travel restrictions grow and whole cities in China have shut down their manufacturing operations. A collective cut of 1.7m barrels per day was already agreed in December by OPEC which applies to their oil supply up to end of March. OPEC nations have discussed cutting by a further 1m barrels per day in a desperate attempt to support rapidly falling oil prices, this talk in recent days has caused a bounce in the commodity, however prices are still down nearly 10% since the start of last week.

WTI Crude Oil is currently trading at \$48 and Brent is \$53.