

Daily Update

Your daily market news, moves
and outlook



SEASPRAY FINANCIAL

Wealth & Investment Management

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Markets Outlook

\$9 trillion of value has been wiped off global equity markets over the last 9 business days as the worldwide risk-off sentiment continues on Monday morning. European equity indices are deep in the red today while S&P 500 futures have been halted by CME at -5% which is their 'limit down' amount. The S&P will continue trading at 14:30 and will then be allowed to fall further with larger loss limits. Money is very quickly flowing into safe-haven assets as we write, German 10 year bund yields reached -0.8% this morning which is a record low. Gold touched \$1700 in the early hours of this morning, trading these prices for the first time since 2012.

Oil futures have opened drastically lower on Sunday night, Crude Oil is currently down 22% since last night after having dropped 10% on Friday.

On the currency front, JPY has seen a strong rally since the open last night, USD/JPY is down -2.8%. The Dollar is weaker against nearly all major currencies, EUR/USD currently higher by 1.2% in the 1.1420s.

Looking ahead, the ECB Rate Decision will be the main data release of the week, but markets will primarily be focusing on negative Coronavirus developments and any further travel restrictions that may come.

Key Events to Watch

11/03/2020 - UK GDP

11/03/2020 - UK Annual Budget Release

11/03/2020 - US CPI

12/03/2020 - ECB Rate Decision

Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	2,972	-1.71%	-8.00%
DAX	11,541	-3.37%	-17.44%
EuroStoxx	3,232	-3.91%	-18.62%
ISEQ	6,226	-2.81%	-16.26%
FTSE	6,462	-3.62%	-18.91%
Nikkei 225	19,698	-5.07%	-17.01%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1286	0.40%	1.52%
EUR/GBP	0.8649	-0.23%	2.57%
GBP/USD	1.3050	0.73%	-0.97%
USD/CHF	0.9374	-0.87%	-3.87%
USD/JPY	105.31	-0.81%	-5.62%
EUR/JPY	118.86	-0.39%	-4.20%

Fixed Income	Value	Daily Change
US 10yr	0.773	-0.145
US 2yr	0.510	-0.083
Bund 10yr	-0.713	-0.007
Irish 10yr	-0.176	-0.042
Gilt 10yr	0.232	-0.059
JGB 10yr	-0.138	-0.023

Financial News Round Up

Coronavirus Update

Global markets have opened the week in panic mode on the continued fears of a serious worldwide spread of Coronavirus which could potentially bring travel bans and begin to cause unnecessary mass panic. Reported cases around the globe have reached 107,000 with circa 3,600 deaths, most of which are from China. Despite the equity declines that we are witnessing and the general panic from markets, China does seem to be reaching a peak in confirmed cases: the country reported no new infections outside of the Hubei province today for the second day in a row.

The Italian government has placed large parts of its north in a complete lockdown in an attempt to contain the virus, this includes the cities of Venice and Milan and a quarter of Italy's population.

Oil Crash

Oil markets have crashed overnight as Saudi Arabia launches an aggressive price war with other oil-producing nations. After failed OPEC+ talks on Friday, in which Russia refused to cut production further than they already have recently, Saudi Arabia have now announced they will in fact raise rather than cut their production and reduce selling prices of their oil in a desperate attempt to secure buyers and boost revenues in a time of very low oil prices.

Saudi Arabia now plans to expand its production by 10 million barrels per day starting in April, which is being seen as an attempt to punish Russia, the world's second largest oil producer, for not accepting the proposed production cuts by OPEC last week.

WTI Crude Oil and Brent Oil futures reopened on Sunday night, gapping down by over 20%, adding to the global panic in stock and fixed income markets. Oil markets are trading their lowest prices since February 2016, with Crude reaching as low as \$27.40 overnight. We haven't seen the fuel trade below \$26 since 2003.

Oil markets had already been suffering in recent weeks from the anticipated slowdown in global demand for the product, and potential travel restrictions which may come as a result of the COVID-19 outbreak.

Airbus

Swiss investment bank UBS has cut its target price and earnings forecast for Airbus due to the effect of the Coronavirus outbreak on the airline sector. Despite cutting its target on the stock from €153 to €140, the bank maintains its 'buy' rating on the aircraft manufacturer. UBS now expects Airbus' production to fall next year to 5%, down from previous forecasts of 12%.

Airbus shares are down almost 6% this morning, having bounced from -12.5% on the opening bell in Paris this morning. Shares are currently trading in the €93.80s.