



Monday, 23rd of March

Markets Outlook

Stock markets in Europe have undone Friday's gains after opening lower this morning, as S&P 500 futures overnight sunk to their lowest prices since December 2016. These losses come as a result of politicians in the US failing to come to an agreement regarding a near \$2 trillion funding package last night.

For currencies: most currency pairs took a break on Friday, trading with less volatility this morning too. The USD has seen a massive rally over the past 2 weeks. The US Dollar index, which measures the greenback against a basket of other major currencies, is currently trading around the 103 level, if the index pushes on to 104 this will be the strongest it has been since 2003. GBP/USD is down almost 13% in 2020, after the slow and arguably poor reaction by Boris Johnson's Conservative Party to the COVID-19 outbreak across the nation.

For safe-havens: Bond yields remain very volatile, US 10 year treasuries are back below 0.8% having touched 1.2% last Thursday.

Looking at today: We will see no major economic data points today. Later in the week we will see PMIs from Europe, the UK, and the US, we will also see CPI inflation figures from the UK, the BOE's rate decision, and US unemployment claims. Volatility will likely continue this week.

Key Events to Watch

24/03/2020 - European PMIs
24/03/2020 - US PMIs
25/03/2020 - UK CPI
26/03/2020 - BOE Rate Decision

Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	2,304	-4.34%	-28.66%
DAX	8,928	3.70%	-35.16%
EuroStoxx	2,548	3.85%	-34.29%
ISEQ	4,603	3.88%	-39.57%
FTSE	5,190	0.76%	-34.27%
Nikkei 225	16,887	2.02%	-28.61%

FX	Value	Daily Change	YTD Change
EUR/USD	1.0695	0.03%	-4.76%
EUR/GBP	0.9186	-1.31%	9.02%
GBP/USD	1.1643	1.35%	-12.59%
USD/CHF	0.9866	0.06%	1.99%
USD/JPY	110.82	0.09%	1.86%
EUR/JPY	118.51	0.12%	-3.00%

Fixed Income	Value	Daily Change
US 10yr	0.885	-0.240
US 2yr	0.325	-0.121
Bund 10yr	-0.326	-0.072
Irish 10yr	0.263	-0.018
Gilt 10yr	0.557	-0.096
JGB 10yr	0.080	0.039

Financial News Round Up

Coronavirus Update

Equity markets have taken a fresh blow at their opening bell on Monday morning after the steady spreading of COVID-19 across Europe and North America. 340,000 people worldwide have now been diagnosed with the virus, and the death count has hit 15,000. Italy, who has surpassed China in the number of reported deaths, has seen nearly 5,500 people die with 59,000 nationwide infections. The Italian government has ordered that all businesses (except those deemed essential) to close down, while simultaneously banning all domestic travel.

Across the pond, there are over 35,000 confirmed cases in the US alone with 457 deaths reported, cases are rumored to be higher than what has been reported, simply due to a broad lack of testing in the States. Equities across the board are lower on Monday after news broke last night that within the US Senate, Republicans and Democrats failed to agree on further stimulus measures that would have acted as short term support for equities and in theory served to relieve US markets of their currently high levels of volatility.

Irish Economy

Tánaiste Simon Coveney has announced that the Irish government are set to introduce a spending package that will go "well beyond" what they have currently got in place. This new package is due to be announced mid-week with the goal of the scheme to "keep employers and employees connected" while also providing Irish households with much needed income during these uncertain times. This new package is rumored to be similar to the UK's current scheme which pays 80% of would-be wages to those not working because of the outbreak.

Finance Ireland has been forced to postpone its IPO which was scheduled to take place in May. The non bank lender was previously expected to raise over €100m while going public.

Real estate agents in Ireland are in the process of launching online 3D tours of their listed houses, encouraging buyers to continue to view properties and place bids. We would encourage potential mortgage seekers to use this new service over the coming weeks despite not physically visiting houses.

As of Monday morning, Ireland currently has 906 confirmed COVID-19 cases with 4 deaths so far.

JCDecaux

Oddo BHF have cut their target price on the stock of outdoor advertising corporation JCDecaux from €30 to €25. If this new revised target is reached, this will be a 35% increase in price from current levels. Analysts at Oddo BHF are of the opinion that the advertising group are entering into this crisis in a position of relative strength when compared to its competitors. Potential acquisition opportunities could arise for JCDecaux if and when smaller advertising firms run into liquidity problems in the coming weeks. In theory this will 'purify' this market and lead to a healthy concentration for JCDecaux based on fundamentals.