

# Daily Update

Your daily market news, moves  
and outlook



## SEASPRAY FINANCIAL

Wealth & Investment Management

### Friday, 27th of March

## Markets Outlook

**Equity indices** in Europe are lower this morning after seeing 3 days of consecutive gains. DAX30 is down over 2% on Friday while EuroStoxx50 is down over 3%. Similarly, S&P500 is set to open slightly lower at 14:30, S&P futures are currently up over 17% from Sunday night's lows. Volatility obviously remains a constant theme, with the VIX hovering around the 55 to 75 region all week.

**For currencies:** EUR/USD continued higher on Thursday, we expect currency volatility to remain high next week. We will be watching this pair for a potential top over the next 2 weeks, and expect the dollar to see increased demand soon for a multitude of reasons.

**For safe-havens:** Gold remains very volatile, pulling back slightly in recent days to trade in the \$1,620s. Sovereign bonds have actually had a relatively quiet week, after what has been a very interesting month for the government-backed safe havens. We still expect to see US 10 year treasuries heading higher in the coming months, with yields shrinking and heading for 0.00%

**Looking ahead:** Friday should be a quiet end to the week. We would not be surprised by a slight down-day in equities today as market participants unwind positions ahead of the weekend.

## Key Events to Watch

29/03/2020 - Europe Daylight Savings Time Shift

31/03/2020 - China Manufacturing PMI

01/04/2020 - US ISM Manufacturing PMI

02/04/2020 - US Unemployment Claims

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	2,630	6.24%	-18.59%
DAX	10,001	1.28%	-25.82%
EuroStoxx	2,847	1.70%	-25.69%
ISEQ	5,196	4.56%	-30.11%
FTSE	5,815	2.24%	-25.73%
Nikkei 225	19,389	3.88%	-18.04%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1030	1.36%	-1.80%
EUR/GBP	0.9038	-1.32%	7.04%
GBP/USD	1.2203	2.66%	-8.20%
USD/CHF	0.9632	-1.41%	-0.43%
USD/JPY	109.60	-1.45%	0.35%
EUR/JPY	120.88	-0.11%	-1.45%

Fixed Income	Value	Daily Change
US 10yr	0.848	0.021
US 2yr	0.299	-0.027
Bund 10yr	-0.368	-0.100
Irish 10yr	0.149	-0.139
Gilt 10yr	0.381	-0.057
JGB 10yr	0.009	-0.041

## Financial News Round Up

### US Unemployment Claims

Yesterday we saw the highest ever weekly reading from the United States Unemployment Claims figure, coming in at 3.28 million. Analysts expectations had varied from below 1m all the way to 4m. This figure shows the number of individuals that have filed for unemployment insurance in America for the first time, over the past week.

This gloomy figure pushed the US Dollar lower vs all other major currencies yesterday, further extending the USD pullback that we have seen since Monday.

Despite the disappointing result from this figure, US equity indices pushed higher yesterday, reflecting a possible overextension to the downside last week. Trading conditions will likely remain difficult in these indices as volatility persists and these weekly unemployment figures continue to vary hugely over the coming months.

The previous record for Unemployment Claims was set in 1982 with a reading of 669,000.

### Applegreen

Irish food and fuel retailer Applegreen has seen a surge in stock price on Friday morning, up over 13% vs its Irish peers who are mostly in the red today. This is as a result of Applegreen reporting FY 2019 earnings results, with group revenue surging by 53% to €3.1 billion, and group adjusted EBITDA up 141% to €140.4 million. Applegreen had a growth in fuel revenue in 2019 of 10.8%.

The company has warned that they could see a significant reduction in profitability for 2020 due to the COVID-19 outbreak.

"We are highly conscious of the considerable uncertainty created by the current COVID-19 crisis but are confident in the defensiveness of our business model and the strength of our balance sheet and liquidity" said CEO Bob Etchingham.

We are currently flat Applegreen.

### Airbus

This morning investment bank Credit Suisse has reiterated their 'outperform' rating on Airbus, albeit cutting their target price on the stock from a previous €170 down to €87. This revised target, if hit, represents a 29% upside from current levels.

"We reduce our overall delivery expectations to 785/820/895/999 aircraft for 2020-23, -11%/-15%/-10%/-3% vs our previous forecasts, and leave our 2024 expectation unchanged at 1,085." the bank said in a statement today.

Airbus shares are down 6% in Paris on Friday, compared to the French CAC 40 equity index which is down just 4.5%.