

Daily Update

Your daily market news, moves
and outlook



SEASPRAY FINANCIAL

Wealth & Investment Management

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Markets Outlook

Equities continue to push on this morning, Europe's main equity indices are up over 3% on Tuesday. Both DAX and EuroStoxx have now bounced over 25% from those ugly lows of mid-March. Equity futures in America are rising this morning as the VIX continues to fall steadily, now in the \$43s.

For currencies: The USD has lost some ground on Tuesday, EUR/USD currently trading back above the 1.0850 level. GBP/USD has quietened down over the last week or so, remaining rangebound between 1.22 - 1.24.

For safe-havens: Gold looks set to put in its 5th consecutive green day today, bursting to 7 year highs last night and sitting at the \$1,700 point on Tuesday. Bond yields rose on Monday in tandem with stock markets around the globe.

Looking ahead: We have a very quiet day ahead of us in terms of economic data points. Tomorrow we are due to see minutes from the Fed's most recent meeting. Thursday the 9th will be the busiest day of the week, with UK GDP in the morning, followed by the ECB's meeting minutes, with the US weekly Unemployment Claims figure that afternoon. OPEC will also host meetings all day Thursday. US CPI will be released Friday as we head for Easter weekend.

Key Events to Watch

09/04/2020 - US Unemployment Claims

09/04/2020 - UK GDP

10/04/2020 - US CPI

10/04/2020 - Good Friday

Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	2,663	7.03%	-17.55%
DAX	10,072	5.74%	-20.15%
EuroStoxx	2,794	4.93%	-22.24%
ISEQ	5,017	4.86%	-27.94%
FTSE	5,582	3.08%	-23.48%
Nikkei 225	18,948	2.00%	-19.89%

FX	Value	Daily Change	YTD Change
EUR/USD	1.0793	-0.11%	-2.98%
EUR/GBP	0.8824	-0.23%	4.32%
GBP/USD	1.2230	0.10%	-6.95%
USD/CHF	0.9788	0.15%	0.52%
USD/JPY	109.22	0.46%	0.24%
EUR/JPY	117.89	0.34%	-2.75%

Fixed Income	Value	Daily Change
US 10yr	0.678	0.061
US 2yr	0.268	0.029
Bund 10yr	-0.424	0.016
Irish 10yr	0.275	0.022
Gilt 10yr	0.332	0.019
JGB 10yr	0.007	0.011

Financial News Round Up

Global Risk-On Sentiment

Stock markets rallied yesterday as Europe begins to focus on moving forward and planning for the next steps in the COVID-19 recovery. Positivity is beginning to prevail slowly but surely as markets start to realize that the previously priced-in worst case scenario is unlikely to play out in reality. China reported no new deaths from the virus yesterday while all of its new 32 confirmed cases were individuals that had arrived in the country yesterday.

Looking at Europe, new daily cases fell once again in Italy, Spain and Germany on Monday, meanwhile Austria has become the first EU nation to reveal that they will begin removing restrictions on the public after this Easter weekend coming.

Equities saw a robust rally yesterday as US indices jumped by over 7%, this surge has been continued this morning in Europe.

USD has pulled back slightly and bond yields have risen this week as money is pulled from safe-havens and investors' fears start to dissipate.

Overnight, Japan's Nikkei 225 gained 2%.

RBA

On the central bank front, we saw the Reserve Bank of Australia's rate decision in the early hours of Tuesday morning, the bank left interest rates unchanged at its record low 0.25%. The RBA had previously followed in the footsteps of other central banks and made an emergency rate cut in March while also announcing an unlimited asset-purchasing programme.

"There is considerable uncertainty about the near-term outlook for the Australian economy" RBA Governor Lowe said this morning, "Much will depend on the success of the efforts to contain the virus and how long the social distancing measures need to remain in place."

OPEC

Oil prices, which have been hit hard as a result of this Coronavirus pandemic, have bounced in the last week, WTI Crude is up at \$27 per barrel today having put in 18-year lows of just below \$20 recently. This bounce has come ahead of the now highly anticipated OPEC+ meeting which is set to take place on Thursday. Large oil producers including Russia and Saudi Arabia are now widely expected to agree on production cuts this week, as long as the US plays its part in cuts too according to OPEC sources.

This proposed production cut will aim to support oil prices during a difficult time for oil companies and producing nations alike. Worldwide demand for the commodity has fallen by circa 30% in recent months as a result of travel restrictions.