

Daily Update

Your daily market news, moves
and outlook



SEASPRAY FINANCIAL

Wealth & Investment Management

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Markets Outlook

Equities: Volumes were lighter yesterday across the board as we begin to head for Easter. US equities rallied after news broke that left wing Bernie Sanders pulled out of the Democratic Candidate race. Markets are quiet in Europe this morning ahead of the US' Unemployment figure later on. Japan was down very slightly overnight.

For currencies: The dollar was relatively quiet again yesterday, EUR/USD remains rangebound for now in the 1.085 - 1.09 region. Likewise GBP/USD, or cable as it's known to traders, has seen lower volatility over the last week, trading between 1.22 - 1.245.

For safe-havens: Gold is stronger this morning, sitting just above that important \$1,700 reference point. Gold put in 7-year highs on Tuesday of this week. Sovereign bonds were mixed again yesterday, showing lower volatility.

Looking ahead: Today is by far the busiest day of the week. All day there will be OPEC meetings taking place as nations attempt to agree on production cuts. In the afternoon, we will see minutes from the ECB's most recent meeting, the topical US Unemployment Claims, and finally we will see Fed Chair Powell speak at 15:00 Irish time. We expect equities to be choppy today.

Key Events to Watch

09/04/2020 - US Unemployment Claims

09/04/2020 - OPEC Meetings

10/04/2020 - US CPI

10/04/2020 - Good Friday

Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	2,749	3.41%	-14.88%
DAX	10,335	-0.21%	-20.33%
EuroStoxx	2,850	-0.24%	-22.67%
ISEQ	5,109	-0.10%	-27.05%
FTSE	5,677	-0.46%	-23.22%
Nikkei 225	19,317	-0.18%	-18.22%

FX	Value	Daily Change	YTD Change
EUR/USD	1.0858	-0.30%	-3.05%
EUR/GBP	0.8766	-0.74%	3.76%
GBP/USD	1.2387	0.39%	-6.52%
USD/CHF	0.9719	0.26%	0.29%
USD/JPY	108.82	0.10%	0.29%
EUR/JPY	118.16	-0.22%	-2.77%

Fixed Income	Value	Daily Change
US 10yr	0.771	0.054
US 2yr	0.256	-0.010
Bund 10yr	-0.308	0.057
Irish 10yr	0.273	-0.030
Gilt 10yr	0.375	-0.028
JGB 10yr	0.013	-0.010

Financial News Round Up

Bank of England

In a desperate attempt to get the nation under control and fight the alarming spread of COVID-19 across it's island, the BOE has agreed to lend money directly to the UK government in the short term, if funds cannot be raised from traditional debt markets quickly enough. The last time measures like this were broadly taken was 2008, and if made permanent would likely lead to hyperinflation.

"As a temporary measure, this will provide a short-term source of additional liquidity to the government if needed to smooth its cashflows and support the orderly functioning of markets, through the period of disruption from COVID-19" the central bank said in a statement this morning.

Quick COVID Update

Total COVID-19 cases around the globe have now surpassed the 1.5 million mark. This piece of worrying info (and similar doomsday-like soundbites) are likely to dominate newspaper headlines and spook those who do not have access to the correct information.

At Seaspray we always focus on the facts and strive to remain objective throughout these uncertain times. It is important to remember that the number of active cases around the globe is lower, at just over 1.1 million.

According to the latest figures on Thursday morning, just 4.3% of these active cases are in critical condition, or in other words just 48,000 people. In contrast, 337,000 people worldwide have recovered from this Coronavirus. The UK and US do still seem to be in relatively early stages of the spread when compared to Italy or Spain, new daily cases and deaths will undoubtedly rise over the next week or two. We expect this coming wave of new US and UK cases to weigh on global risk sentiment, and would not be at all surprised to see one more leg lower in US and European equities. We will be treating this move lower as an opportunity to begin deploying capital bit-by-bit into risk assets, always remaining objective as others panic and as the alarming headlines inevitably emerge.

Volkswagen Group

The Volkswagen Group, who own Audi, Porsche, Seat and VW themselves have announced this morning that their operations in China, of which there are 33, are showing "clear signs of business recovery". 32 of these 33 car and component plants are now back up and running.

The German car manufacturer has said that all of its 2,000 VW brand dealerships in China have reopened, with showroom traffic in the final week of March "comparable" to the same period in 2019.