

# Daily Update

Your daily market news, moves  
and outlook



## SEASPRAY FINANCIAL

Wealth & Investment Management

### Friday, 17th of April

## Markets Outlook

**Equities:** Stock markets are rallying on Friday as investors hope for an earlier than expected easing of restrictions around the globe. President Trump last night announced a protocol to reopen the United States' economy. This morning, DAX 30 and EuroStoxx 50 are up over 3% each, while S&P futures in the US are up over 2.5% in their pre-market session. In Japan, the Nikkei was up 2.90% overnight.

**For currencies:** USD has been fairly indecisive for 2 to 3 weeks now. EUR/USD has traded back and forth, resting this morning just above 1.08. Likewise, GBP remains relatively quiet, trading below \$1.25 today.

**For safe-havens:** Bond yields are fairly muted this morning as gold pulls back on this general risk-on sentiment. We expect to see further flows of money out of typical safe-havens and into equity markets today. Gold is down 1.5% on the day but up over 11% in 2020 so far.

**Looking ahead:** We will have a quiet day in terms of economic data points, instead focus will remain on any comments from government officials around the topic of easing public restrictions soon. Any comments from Trump on this matter will likely move equities on an intra-day basis.

## Key Events to Watch

22/04/2020 - UK CPI

23/04/2020 - UK Retail Sales

23/04/2020 - European PMIs

23/04/2020 - US PMIs

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	2,799	0.58%	-13.35%
DAX	10,295	0.16%	-19.84%
EuroStoxx	2,811	0.12%	-22.69%
ISEQ	5,082	2.27%	-27.00%
FTSE	5,628	0.55%	-23.45%
Nikkei 225	19,850	2.90%	-15.89%

FX	Value	Daily Change	YTD Change
EUR/USD	1.0859	-0.46%	-3.45%
EUR/GBP	0.8695	-0.24%	3.01%
GBP/USD	1.2488	-0.22%	-6.21%
USD/CHF	0.9692	0.48%	0.38%
USD/JPY	107.93	0.42%	-0.73%
EUR/JPY	117.20	-0.05%	-4.16%

Fixed Income	Value	Daily Change
US 10yr	0.674	0.028
US 2yr	0.231	0.028
Bund 10yr	-0.478	-0.007
Irish 10yr	0.187	-0.012
Gilt 10yr	0.296	0.005
JGB 10yr	0.019	0.003

## Financial News Round Up

### Chinese GDP

Overnight we saw the release of China's highly anticipated quarterly GDP figure, coming in at -6.8% vs our in-house expectations of -6.5%. This is the first negative GDP figure the country has experienced in decades and is unsurprising given the extreme measures taken following this outbreak. COVID-19 started its spread from Wuhan just before China's Lunar New Year holiday season which sees hundreds of millions travel around the nation.

The near-term future for China's economic data releases will continue to be reasonably uncertain, given the fact that global demand for China's goods will almost certainly remain sluggish in the weeks and months ahead as borders stay shut and trust is lower.

Consensus full year GDP forecasts for China are down to roughly 1.7%, which would be the worst annual reading since 1976.

### Gilead Sciences

Global risk sentiment has seen a boost on Friday after news emerged last night that a COVID-19 drug developed by American biotech company Gilead has shown positive results in a clinical trial.

The drug, named remdesivir, has been used in tests at the University of Chicago Medicine. The trial involved 113 severe COVID-19 patients who were nearly all discharged following rapid recoveries, however 2 died even after the treatment.

Last night, Gilead adopted a more cautious tone in their statement: "We understand the urgent need for a COVID-19 treatment and the resulting interest in data on our investigational antiviral drug remdesivir. The totality of the data need to be analysed in order to draw any conclusions from the trial".

Remdesivir has previously proven effective in stopping the Ebola virus from replicating.

Gilead stock is expected to open higher at 14:30 in New York today, having surged over 14% last night in after-hours trade.

Shares are already up 17% YTD even before Friday's opening bell.

### Irish Housing

Data from the Central Statistics Office this week has shown that residential property prices were up by 1.1% in Ireland in the 12 months leading up to February of this year. This equates to a 0.1% decline in Dublin's prices and a 2.4% increase in the rest of the country.

These figures obviously do not give us a flavour of the Irish housing market amid the current lockdown period, during which we have seen an expected collapse in activity.

According to the CSO data, Dublin house prices rose an astounding 93% from their February 2012 low up to February 2020.