

Daily Update

Your daily market news, moves
and outlook



SEASPRAY FINANCIAL

Wealth & Investment Management

Monday, 20th of April

Markets Outlook

Equities: Stocks are fairly flat in Europe on Monday morning after Friday's strong risk-on tone gripped global markets and sent us higher. Volatility has been lower in April with the S&P's VIX steadily trading down over recent weeks. This volatility index is just above 40 today, dropping from a March high of over 85. Japan's Nikkei 225 index was down 1.25% overnight.

For currencies: FX has had a much quieter April than March, so far. Euro and Sterling are broadly flat this morning, having seen some strength on Friday as money flowed out of the safe haven Dollar.

For safe-havens: Bond yields were mixed on Friday as gold pulled back below the \$1,700 round figure. Yields in Europe are mostly flat this morning during what seems to be a quiet start to the week.

Looking ahead: Monday will be fairly muted in terms of data points. Thursday looks likely to be the busiest of the week for economic figures, with PMI releases due from Europe and the US, along with the weekly US Unemployment Claims. We will be keeping a close eye on equity indices this week and would not be at all surprised to see a short-term top followed by a test of the March lows relatively soon.

Key Events to Watch

22/04/2020 - UK CPI

23/04/2020 - European PMIs

23/04/2020 - US PMIs

24/04/2020 - UK Retail Sales

Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	2,874	2.68%	-11.03%
DAX	10,625	3.15%	-19.45%
EuroStoxx	2,888	2.70%	-22.63%
ISEQ	5,277	3.83%	-26.45%
FTSE	5,786	2.82%	-22.87%
Nikkei 225	19,648	-1.25%	-16.86%

FX	Value	Daily Change	YTD Change
EUR/USD	1.0878	0.38%	-3.08%
EUR/GBP	0.8698	-0.02%	3.28%
GBP/USD	1.2501	0.35%	-6.09%
USD/CHF	0.9673	-0.33%	-0.03%
USD/JPY	107.53	-0.40%	-0.85%
EUR/JPY	116.92	-0.06%	-3.89%

Fixed Income	Value	Daily Change
US 10yr	0.642	-0.038
US 2yr	0.202	-0.031
Bund 10yr	-0.471	-0.021
Irish 10yr	0.192	0.014
Gilt 10yr	0.302	0.006
JGB 10yr	0.025	0.014

Financial News Round Up

Mortgages in Ireland

The Banking and Payments Federation of Ireland has issued a statement this morning, in which they are making would-be house purchasers aware that they can seek extensions on the period of their mortgage approvals, considering the current lockdown situation.

"It's important to bear in mind that some delay may occur due to factors beyond the lender's control, for example, the ability of valuers to conduct a full inspection of a property or of legal practitioners to access everything that is required for them to complete all steps" said Brian Hayes, Banking and Payments Federation of Ireland CEO.

For whatever stage applicants may be at in the mortgage process, should they have any queries or concerns we would encourage them to reach out to us for valuable guidance and assistance during what is a significant milestone in their financial lives. At Seaspray, we have decades of mortgage experience, are not tied to any specific lender or bank, and always strive to remain objective when advising clients in what are undoubtedly very uncertain times.

Oil Markets

WTI Crude Oil prices have dropped to their lowest levels in over 20 years as fears continue to grow that nations will soon begin to run out of storage room, coupled with the fact that global demand for the commodity remains at extremely low levels as a direct result of travel bans and worldwide work-from-home schemes.

This fresh drop in prices comes as traders roll their futures positions across from the old expiring contract and into the new. This move into the June contract in Crude would indicate a rise in prices this morning, which in fact is not the reality. Crude's June contract trades at \$22.80 on Monday morning. The soon expiring May contract is down at \$13 as we write.

Vivendi

French mass media conglomerate Vivendi has seen its shares rally at the start of this week, currently up over 3% after the release of their Q1 2020 earnings results. The group reported an impressive 11.9% growth in sales, up to €3.87 billion, despite the Covid outbreak last quarter.

In a statement Vivendi did allude to the fact that it saw variable performances in its different businesses particularly in March, which was to be expected. These fluctuations were mostly seen in Editis, Havas Group, and Vivendi Village.