

# Daily Update

Your daily market news, moves  
and outlook



## SEASPRAY FINANCIAL

Wealth & Investment Management

### Friday, 1st of May

## Markets Outlook

**Equities:** A general risk-off tone swept through equity markets on Thursday after the worse than expected weekly US Unemployment Claims release. The main European stock markets are shut today for labour day. Nikkei 225 was down almost 3% overnight.

**For currencies:** Euro rallied yesterday vs USD and the Yen after the ECB opted against increasing their current QE programme, this had been speculated to have been a possible outcome from the central bank meeting by some investors. The Dollar has grinded lower all week.

**For safe-havens:** Sovereign bonds in Europe saw a bid yesterday with dropping yields, following the ECB meeting and decision to drop lending rates for banks down to -1%. Yields in America were steady to marginally higher, US 10yr remains at and around the 0.6% mark today. Gold has pulled back somewhat, now trading below the \$1,700 reference point.

**Looking ahead:** Markets that are open will likely display much lower volume traded on Friday as many countries enter into bank holiday's today and Monday. The only economic data point of significance today will be the US' ISM Manufacturing PMI which will be released at 15:00 Irish time.

## Key Events to Watch

01/05/2020 - US Manufacturing PMI  
05/05/2020 - RBA Rate Decision  
05/05/2020 - US Non-Manufacturing PMI  
07/05/2020 - BOE Rate Decision

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	2,912	-0.92%	-9.85%
DAX	10,857	-2.25%	-18.02%
EuroStoxx	2,925	-2.37%	-21.82%
ISEQ	5,603	-1.48%	-22.00%
FTSE	5,901	-3.50%	-23.45%
Nikkei 225	19,627	-2.80%	-17.07%

FX	Value	Daily Change	YTD Change
EUR/USD	1.0957	0.75%	-2.09%
EUR/GBP	0.8700	-0.28%	3.50%
GBP/USD	1.2594	1.01%	-5.35%
USD/CHF	0.9654	-0.85%	-0.56%
USD/JPY	107.18	0.44%	-1.59%
EUR/JPY	117.44	1.20%	-3.65%

Fixed Income	Value	Daily Change
US 10yr	0.646	0.024
US 2yr	0.201	0.005
Bund 10yr	-0.580	-0.084
Irish 10yr	0.089	-0.045
Gilt 10yr	0.234	-0.048
JGB 10yr	-0.028	0.022

## Financial News Round Up

### General Update

- The now infamous weekly US Unemployment Claims figure came in on Thursday afternoon at just over 3.8m, compared to our in-house expectations of circa 3.5m. This figure has been dropping for four weeks now, 30 million Americans have filed for these unemployment benefits since late March.
- ECB released their monetary policy statement yesterday. The central bank decided not to increase any of the current asset purchasing programme's which are in place, however signaling that they are ready to do so. ECB did announce plans to boost bank lending by dropping this specific rate to -1%, subsequently driving yields in Europe lower.
- President Trump last night raised the prospect of using fresh tariffs against China, following the country's poor handling of the Coronavirus outbreak. Trump accused China of spreading misinformation in the early stages of the pandemic, even claiming that he had seen evidence of the virus starting in a Chinese laboratory. Tensions will likely be heightened once more as Q2 data emerges and the true damage to the US economy is uncovered.

### Apple

Tech giant Apple beat most analysts' expectations with their Q1 2020 earnings results last night, reporting overall sales of \$58.3b and earnings of \$2.55 per share. This compares to Q1 2019 sales of \$58b and beats our official Seaspray forecast of \$55b. iPhone sales were down marginally whereas iCloud and streaming-related revenues had risen.

Apple's sales in China came in at \$9.46b, down less than a billion from this time last year as the country began to emerge from their lockdown before the rest of the world. All Apple stores in the region had reopened by mid-March, CEO Tim Cook indicated: "As compared to February, we saw a nice improvement in March and a further improvement in April. China is headed in the right direction".

Apple is just over 10% below its February all-time highs, closing trade on Thursday at \$293.80.

### Ryanair

Ryanair shares are holding up relatively well this morning after the budget airliner stated today that it could take two years for passenger demand to return to normal. Ryanair now plans to ground 99% of its flights until July, and expects a loss of €100m in Q2, a quarter in which they have never lost money before.

The company now expects no more than 50% of its original traffic target of 44.6m in the months from July-September, usually its busy season.

The airliner will release its earnings results in just over 2 weeks. Shares are down over 5% this morning to £9.77 in London.