

Daily Update

Your daily market news, moves
and outlook



SEASPRAY FINANCIAL

Wealth & Investment Management

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Markets Outlook

Equities: Stocks are higher in Europe this morning with the DAX and EuroStoxx both up c.1% on the day. Equities have put in their strongest month in decades with European indices jumping around 30% from their March lows. In the US, Nasdaq futures are amazingly flat to slightly positive YTD, while S&P futures are down roughly 11% in the same period. Japanese markets remain closed for national bank holidays.

For currencies: USD was stronger on Monday and has continued that sentiment this morning. Euro is heading for the \$1.08 round number again.

For safe-havens: Gold pulled back last week, now just sitting above the \$1,700 mark, having gained over 6% in April. Bond yields varied on Monday, benchmark US 10yr treasuries have remained in a tight range between 0.55-0.67% for almost 3 weeks now.

Looking ahead: For economic data points in the week ahead, we are due to get Non-Manufacturing PMI data from the US at 15:00 Irish time today. Tomorrow will be quieter, with both the Bank of England's rate decision and the weekly US Unemployment Claims figure coming on Thursday. On Friday we will get unemployment rates and NFP from Canada and the US.

Key Events to Watch

05/05/2020 - US Non-Manufacturing PMI

07/05/2020 - BOE Rate Decision

07/05/2020 - US Unemployment Claims

08/05/2020 - US Non-Farm Payrolls

Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	2,842	0.42%	-12.01%
DAX	10,469	-3.61%	-19.57%
EuroStoxx	2,816	-3.81%	-23.60%
ISEQ	5,386	-3.86%	-23.99%
FTSE	5,753	-0.16%	-22.52%
Nikkei 225	(Closed)	(Closed)	-17.07%

FX	Value	Daily Change	YTD Change
EUR/USD	1.0908	-0.48%	-2.69%
EUR/GBP	0.8766	-0.39%	3.55%
GBP/USD	1.2444	-0.09%	-5.99%
USD/CHF	0.9651	0.26%	-0.27%
USD/JPY	106.75	0.01%	-1.74%
EUR/JPY	116.44	-0.47%	-4.39%

Fixed Income	Value	Daily Change
US 10yr	0.631	0.026
US 2yr	0.184	-0.020
Bund 10yr	-0.567	0.019
Irish 10yr	0.122	0.021
Gilt 10yr	0.231	-0.031
JGB 10yr	(Closed)	(Closed)

Financial News Round Up

General Update

- This month we are due to see some shocking, yet expected, economic figures from what was an April in lockdown for most of the developed world. We expect to see the worst ever Non-Farm Payrolls reading this Friday, at -20 million. A significant beat of this expectation could see a short-term boost in stocks. We also expect a massive jump in the US unemployment rate, to 16% in April. Importantly, markets have likely already priced in these poor results.
- Oil prices have rebounded over the last week, with WTI Crude at \$23 on Tuesday and Brent at \$29. WTI had put in a low of \$6.70 on April 21st. Supply is beginning to move in the right direction for higher prices to appear, but oil producing nations still have some way to go. The new OPEC+ production agreement came into effect on Friday.
- A general risk-on sentiment has gripped markets today after a long weekend of more clarity surrounding different European nations' plans to reopen their respective economies. In the US and UK daily new cases seem to have plateaued, whereas Spain and Italy yesterday saw their lowest number of new cases since early-mid March.
- Earnings season continues after the huge week just gone filled with winners and losers for Q1. Later today we will see results from Disney, Coca-Cola, Enbridge, American Express, Siemens Healthineers, and many more. Tomorrow Standard Chartered will announce results, along with PepsiCo, PayPal, and GSK, followed by Verizon, Linde, AbbVie, and Siemens on Thursday and Friday.

Total

French oil and gas major Total has seen a surge in share price this morning, up over 6% to €32.45 after the release of the group's earnings results from Q1.

Net adjusted profit was down last quarter by 35% to \$1.78b, beating most analysts' expectations and causing the stock to rally today. Total has seen a fall in cash flow of 31% to \$4.5b, plummeting in recent months along with oil prices.

The group has opted to keep their dividend stable at €0.66 per share, the exact same amount as was paid out this time last year. In desperate attempts to conserve cash during what are unprecedented times for the energy sector, some of Total's competitors have recently decided to halt their dividend payouts for 2020.