



### Friday, 8th of May

## Markets Outlook

**Equities:** Stocks have opened higher in Europe this morning following another green day on Thursday, ahead of important unemployment data this afternoon from the States. This risk-on sentiment over the past 24 hours has been helped by reports that US-China trade negotiations are back on track despite the ongoing pandemic. The Nikkei 225 was up almost 2.5% overnight.

**For currencies:** The Euro bounced yesterday off its \$1.08 support region, still trading fair value in this 1.08 - 1.10 range. Yesterday saw moves out of the Dollar and Yen as more funds flowed away from safe-havens and into equities.

**For safe-havens:** German bund yields continue their steady grind further into negative territory this morning as they have done for the past month. Gold was up over 2% yesterday and has pushed on to \$1,730 on Friday.

**Looking ahead:** This afternoon we will see the release of the monthly Non-Farm Payrolls figure from the US, along with the nation's unemployment rate. Next week will be quieter, we will get US CPI and Retail Sales figures, the RBNZ Rate Decision, and GDP data from the UK. Investors will increasingly focus on individual nation's efforts to ease restrictions and any reports of a potential second wave.

## Key Events to Watch

08/05/2020 - US Non-Farm Payrolls  
 12/05/2020 - US CPI  
 13/05/2020 - RBNZ Rate Decision  
 13/05/2020 - UK GDP

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	2,881	1.15%	-10.82%
DAX	10,757	1.42%	-18.14%
EuroStoxx	2,879	1.25%	-22.75%
ISEQ	5,423	2.17%	-24.17%
FTSE	5,935	1.40%	-21.30%
Nikkei 225	20,152	2.43%	-14.70%

FX	Value	Daily Change	YTD Change
EUR/USD	1.0834	0.36%	-3.45%
EUR/GBP	0.8763	0.19%	3.43%
GBP/USD	1.2363	0.16%	-6.59%
USD/CHF	0.9730	-0.21%	0.48%
USD/JPY	106.29	0.12%	-2.11%
EUR/JPY	115.15	0.48%	-5.48%

Fixed Income	Value	Daily Change
US 10yr	0.639	-0.048
US 2yr	0.139	-0.037
Bund 10yr	-0.554	-0.047
Irish 10yr	0.147	-0.038
Gilt 10yr	0.235	0.006
JGB 10yr	-0.007	0.005

## Financial News Round Up

### Non-Farm Payrolls

At 13:30 Irish time today we are due to get the release of the US' NFP data along with their monthly unemployment rate. This follows yesterday's 3.169 million result in weekly unemployment claims, with over 33 million claiming these benefits since mid-March.

For today's main figure, a -22m result for April is broadly expected, vs March's reading of -701,000. For context, the US economy has never lost over 2 million jobs in one month before. In the past, the country has indeed seen higher unemployment rates than we are likely to see this time around: with the main difference being how sudden this shock has been where past downturns have been much more drawn out and painful.

Unemployment is expected to come in at 16.0% vs last month's 4.4%. As shocking as these expectations may sound, they have already been priced in by markets, which also have the potential to price in a quick recovery just as they did a quick downturn.

### ING

Dutch multinational investment bank ING Group have seen a jump in share price this morning, up almost 4% to €5.10 after the release of their quarterly earnings results before market open.

The group reported a 40% drop in net profit, down to €670 million for the three months leading up to March 31st, which equates to €0.17 per share. Despite this seemingly poor result, analysts' expectations were exceeded, causing a sharp rally in the stock on Friday morning.

Gross profits fell 36% to €1.02b, down from €1.58b this time last year. The bank also reported net new customer deposits of €9.2b, a CET1 solvency ratio of 14%, and return on equity of 8.4% for the quarter.

ING's shares have been hit hard in recent months along with the whole financials sector, and are now down over 50% since the start of the year.

### Siemens

German multinational conglomerate Siemens AG reported Q1 earnings results today, removing its guidance for the rest of 2020. The German giant announced that its group revenues have remained quite stable over the first quarter, at €14.1b. However, net profit did fall to €698m, down 64% from Q1 2019.

Siemens has reiterated that they are "well prepared" for this crisis, stating that they now have access to net cash in excess of €11 billion. CEO Joe Kaeser described the group's quarterly performance as a "robust quarter given the circumstances" and that the corporation "expects to reach the bottom in the third quarter".

Shares are up an impressive 6% on Friday, and are now down 23% YTD lagging slightly behind Germany's DAX 30 index.