

# Daily Update

Your daily market news, moves  
and outlook



## SEASPRAY FINANCIAL

Wealth & Investment Management

### Tuesday, 12th of May

## Markets Outlook

**Equities:** DAX 30 and EuroStoxx 50 are flat to slightly higher on Tuesday morning following a mixed day for global equities yesterday. Japanese stocks were broadly flat overnight.

**For currencies:** GBP was lower on Monday, reflecting some investor confusion surrounding the UK's plan to ease lockdown restrictions this month. We see the possibility of further flows into the dollar throughout May as investors become anxious about a potential second wave in Europe.

**For safe-havens:** Gold has traded sideways for almost a month now, seemingly taking a break after what was a hectic March and April for the safe-haven. Gold benefited massively from the US Government's new spending packages announced in March. Bond yields are higher in Europe this morning, continuing yesterdays slight risk-on move in the asset class.

**Looking ahead:** This afternoon we are due to see the release of the US CPI inflation readings, multi-year lows are expected for both the CPI and Core CPI figures following the oil market crash of March and April.

In terms of corporate earnings we are coming to the end of the season, with very few big names left to announce this week.

## Key Events to Watch

12/05/2020 - US CPI

13/05/2020 - RBNZ Rate Decision

13/05/2020 - UK GDP

15/05/2020 - German GDP

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	2,930	0.02%	-9.30%
DAX	10,823	-0.74%	-18.19%
EuroStoxx	2,884	-0.82%	-22.77%
ISEQ	5,412	-1.74%	-24.29%
FTSE	5,939	0.06%	-20.93%
Nikkei 225	20,390	-0.12%	-13.91%

FX	Value	Daily Change	YTD Change
EUR/USD	1.0808	-0.28%	-3.53%
EUR/GBP	0.8761	0.37%	3.72%
GBP/USD	1.2336	-0.65%	-6.93%
USD/CHF	0.9731	0.19%	0.43%
USD/JPY	107.68	0.70%	-0.98%
EUR/JPY	116.38	0.42%	-4.47%

Fixed Income	Value	Daily Change
US 10yr	0.707	0.014
US 2yr	0.177	0.014
Bund 10yr	-0.510	0.030
Irish 10yr	0.188	0.045
Gilt 10yr	0.263	0.031
JGB 10yr	-0.006	-0.016

## Financial News Round Up

### Engie

Engie, the French multinational electric utility company, released earnings results this morning for the three months up to March 31st. The group reported current operating income of €1.9b, 6.6% lower than that of Q1 last year. EBITDA was also down, by 1.8% to €3.1b while sales were 3.7% lower at €16.5b.

Shares are down over 3.5% on Tuesday to €9.40 in Paris, -35% YTD.

"The gradual development of the Covid-19 crisis started to affect our Customer Solutions activities from March onwards. Our Renewables, Nuclear and Energy Management activities recorded satisfactory organic performances" the group said in a statement today.

### Ryanair

The budget airline has released a statement this morning indicating that it plans to work in tandem with public health authorities across the continent in order to return to 40% of its usual flight schedule from July 1st. Ryanair now plan to run circa 1,000 flights per day across 90% of its pre-virus network, starting in July.

While many shorter term investors shy away from the airline industry and continue to repeat negative narratives, we are focusing on specific names that could present us with longer-term entry points in the coming weeks/months. Ryanair remain on our stock watchlist at Seaspray, we believe the budget airline has the potential to acquire smaller and struggling airlines later this year. Contact [info@seasprayfs.ie](mailto:info@seasprayfs.ie) for further details on our stock watchlist.

### Allianz

German insurer Allianz has seen a 3% fall in its stock price on Tuesday following their worse than expected earnings results which were released before market open this morning.

Allianz reported a 29% drop in net profit for the quarter and 22.2% fall in operating profit down to €2.3b. Net profit attributable to shareholders came to €1.4b last quarter, down from €2b just a year ago. On a more positive note, revenues actually rose by almost 6% to €42.6b on the back of positive results from the group's life and health division.

### Vodafone

Shares in the multinational telecommunications company are a notable 9% higher today after Vodafone reported robust results for the 12 months up to March 31st. Group revenue was up to €45b, 3% higher than the previous year, while free cash flow increased by 12.2% to €4.9b. Adjusted group EBITDA rose during their fiscal year by 2.6% to €14.9b.

Vodafone is currently the world's second largest mobile operator. The provider plans to keep its dividend payout for this year as planned, at €0.09 per share.