

# Daily Update

Your daily market news, moves  
and outlook



## SEASPRAY FINANCIAL

Wealth & Investment Management

### Monday, 18th of May

## Markets Outlook

**Equities:** Indices are rallying this morning as European 'new daily case' and death rates continue to fall even as nations go through their first stages of reopening. DAX 30 is up a robust 2.7% this morning while EuroStoxx 50 is 2.10%. Japanese and Australian equities were positive overnight. In the US, Nasdaq futures are up over 5% YTD while S&P futures are down 10% in the same period.

**For currencies:** Pound Sterling traded lower last week, as attention began to return to the ongoing uncertainty surrounding Brexit, mixed with a lack of investor confidence in Johnson's plan to bring the UK out of its current lockdown over the next month or so. The Dollar grinded slightly higher over the course of the week, leaving Euro at \$1.08 on Friday evening.

**For safe-havens:** Gold is pushing higher again on Monday morning and is quickly approaching April's highs. The metal is in its fifth consecutive green session today, and has gained 15.4% in 2020 so far. Government bond yields are mixed again today after much of the same on Friday. Shorter term US yields have continued to trade lower over recent weeks, edging further towards zero as markets priced in negative rates from the Federal Reserve.

## Key Events to Watch

20/05/2020 - UK CPI  
21/05/2020 - UK PMIs  
21/05/2020 - US PMIs  
22/05/2020 - European PMIs

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	2,863	0.39%	-11.36%
DAX	10,465	1.24%	-18.70%
EuroStoxx	2,770	0.38%	-24.11%
ISEQ	5,279	0.02%	-24.55%
FTSE	5,799	1.01%	-21.17%
Nikkei 225	20,127	0.45%	-14.89%

FX	Value	Daily Change	YTD Change
EUR/USD	1.0816	0.10%	-3.58%
EUR/GBP	0.8935	1.11%	5.54%
GBP/USD	1.2106	-1.00%	-8.57%
USD/CHF	0.9716	-0.16%	0.43%
USD/JPY	107.04	-0.21%	-1.31%
EUR/JPY	115.77	-0.10%	-4.82%

Fixed Income	Value	Daily Change
US 10yr	0.644	0.017
US 2yr	0.151	-0.004
Bund 10yr	-0.528	-0.005
Irish 10yr	0.107	0.022
Gilt 10yr	0.233	0.036
JGB 10yr	-0.013	-0.009

## Financial News Round Up

### The Week Ahead

With over 90% of S&P 500 firms having already reported Q1 earnings data over recent weeks, we are set to see a much quieter week in terms of corporate results. Tomorrow afternoon we will see both the Fed Chair Jerome Powell and US Treasury Secretary Steve Mnuchin speak. Both men will update Congress on the economic response to the Coronavirus pandemic, from central bank and fiscal standpoints respectively. The hearing will begin at 15:00 Irish time.

In terms of economic data points, it is a slightly quieter week. Monday and Tuesday will be fairly muted, on Wednesday evening the Fed will release minutes from their most recent meeting, which investors will look to for guidance on any potential future rate moves to come. Thursday 21st will see the release of Manufacturing and Services PMIs from both the UK and US, followed by PMIs from Europe on Friday. We are also due to get the weekly US Unemployment Claims on Thursday and ECB meeting minutes on Friday.

### Ryanair

Ryanair have seen a surge in share price on Monday morning following the budget airline's earnings release before market open. Shares are currently up over 10% on the day, to €9.36.

Ryanair reported a profit after tax of €1b for the 12 months leading up to March 31st, leaving out any sort of forecasts for the next year due to extreme levels of uncertainty. This net profit result was actually a 13% increase on the same period one year prior, while revenues were also up, 10% to €8.49b.

The airline is expecting a loss for Q2 somewhere in the region of €200m, followed by small losses for Q3 2020.

"For the next 12 months it's obviously impossible for us to today give you any guidance on either traffic numbers or on profits" Michael O'Leary said this morning, "We have no idea because it is entirely subject to passenger numbers, yields and the lifting of government restrictions."

### Oil Rises as Lockdowns are Eased

WTI Crude and Brent oil prices are both climbing this morning, up 9% and 6.4% to \$32.15 and \$34.60. This strong sentiment comes after a weekend of lower new daily cases across Europe as nations deal with the early stages of reopening their economies and each continue to plan ahead in that regard. Driven higher by the lack of a second wave so far, energy markets are pricing in a substantial increase in demand for the commodity this summer.

These lockdown easing measures come as OPEC supply cuts are beginning to take place, supporting markets after what was an unprecedented crash over March and April.