

Daily Update

Your daily market news, moves
and outlook



SEASPRAY FINANCIAL

Wealth & Investment Management

Wednesday, 20th of May

Markets Outlook

Equities: Yesterday was mixed following Monday's strong risk-on sentiment which drove stocks to the high end of their month-long ranges. Equities in Europe are broadly flat this morning. Asian benchmark indices in Tokyo and Sydney were positive overnight.

For currencies: The Dollar is slightly weaker this morning, reflected by EUR/USD at +0.27% and GBP/USD (cable) at +0.12%. FX will likely see lower volatility today with the sparse macro calendar. The Euro remains in its tight \$1.08 - \$1.10 range.

For safe-havens: Government bond yields are marginally lower on Wednesday morning, following on from yesterday's move. Similar to most equity indices, US Treasury yields are at the higher end of their recent ranges, echoing the risk-on tone we have had this week.

Looking ahead: There will be no major economic releases today, markets will begin to look towards Manufacturing and Services PMIs due from Europe, UK, and US on Thursday. We will also see the weekly US Unemployment Claims figure tomorrow followed by UK Retail Sales and a BOJ rate decision on Friday to finish off the week.

Key Events to Watch

20/05/2020 - FOMC Meeting Minutes

21/05/2020 - European PMIs

21/05/2020 - UK PMIs

21/05/2020 - US PMIs

Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	2,922	-1.05%	-9.53%
DAX	11,072	0.12%	-16.60%
EuroStoxx	2,902	-0.32%	-22.57%
ISEQ	5,582	-0.22%	-23.23%
FTSE	6,002	-0.77%	-20.56%
Nikkei 225	20,599	0.81%	-12.94%

FX	Value	Daily Change	YTD Change
EUR/USD	1.0923	0.09%	-2.40%
EUR/GBP	0.8914	-0.39%	5.83%
GBP/USD	1.2253	0.49%	-7.73%
USD/CHF	0.9714	0.02%	0.08%
USD/JPY	107.71	0.34%	-0.86%
EUR/JPY	117.65	0.45%	-3.28%

Fixed Income	Value	Daily Change
US 10yr	0.692	-0.034
US 2yr	0.167	-0.008
Bund 10yr	-0.472	-0.003
Irish 10yr	0.110	-0.028
Gilt 10yr	0.247	-0.006
JGB 10yr	-0.002	0.000

Financial News Round Up

Powell and Mnuchin

Yesterday we saw Fed Chair Jerome Powell and US Secretary Steve Mnuchin speak about the United States' monetary and fiscal responses to the COVID-19 pandemic. The two men offered contrasting views on the pandemic and what the US' main priorities should be in the near-term. Mnuchin, echoing the views of the President, pointed to the argument that prolonged business shutdowns would pose major threats to the US economy for years to come. The Secretary cited widespread bankruptcies of small American businesses, and the recently unemployed millions of Americans, which could potentially span into the longer-term.

In contrast, Jerome Powell stressed that the nation is in the midst of an economic shock "without modern precedent", and that Congress should seriously consider providing further stimulus in order to prevent an even deeper recession.

US equities were slightly lower than Europe yesterday, with S&P500 -1.05%, Nasdaq -0.54%, and Dow Jones -1.59%.

Irish Consumer Sentiment

According to the KBC Bank consumer sentiment index, Ireland has seen a robust pick up this month after an unsurprisingly poor April.

The index rose to 52.3 this month, from the 42.6 result in April, which is Ireland's largest month-on-month increase in over 5 years. However, we are currently well below the sturdy 77.3 reading from early March.

"While the improvement should be seen as encouraging, the level of the May sentiment survey remains comparable with responses seen through the more difficult moments of the financial crisis a decade ago." said a KBC analyst on Wednesday.

Ireland's unemployment rate, including those who are currently claiming the emergency COVID-related jobless benefit pay, has risen rapidly from 4.8% to 28.2% over the past 8 weeks.

Eir

Following the mobile and broadband telecommunications company's quarterly earnings release, Eir has stated that they have seen "consistent solid growth", confirming pre-COVID plans and operations: "Our investment programme will continue in the coming months where it is safe to do so, with plans to roll out 5G to every major town in Ireland and continue passing more homes and businesses with superfast fibre to the home broadband".

Eir saw a decline in quarterly revenues by 1% to €307m, while seeing a 5% jump in EBITDA during the same period to €154m.

The firm's mobile base came to 1.17 million customers by March 31st, a 13% rise on the same period one year prior.