

# Daily Update

Your daily market news, moves  
and outlook



## SEASPRAY FINANCIAL

Wealth & Investment Management

### Friday, 29th of May

## Markets Outlook

**Equities:** European indices have opened roughly 1 to 1.5% lower on Friday morning. DAX and EuroStoxx50 have bounced 40% and 33% from their March lows respectively. Asian equities were slightly lower overnight following the news from Hong Kong/China, with the benchmark Japanese Nikkei down 0.29%.

**Currencies:** The US Dollar has lost ground for most of this week, with Euro now above \$1.1120. This grind lower for the greenback has come as funds flowed heavily into risk-assets earlier in the week. GBP continues its relatively quiet trade, remaining in the 1.21 to 1.26 region for the past 3 months.

**Safe-havens:** German 10yr bund yields have spent all of May slowly grinding higher in line with equities, and slowly heading up to -0.4%. The month of May saw a continuation of the US 10yr's sideways trade, currently in the middle of its range at 0.67%.

**Looking ahead:** Later today we will see President Trump hold a press conference in which he will address China's latest move to approve national security laws on Hong Kong. Over the weekend we are due to get the release of Chinese Manufacturing PMI. Attention will also remain on the gradual reopening of Europe this weekend.

## Key Events to Watch

29/05/2020 - US Core PCE

29/05/2020 - President Trump Speaks

31/05/2020 - Chinese Manufacturing PMI

01/06/2020 - US Manufacturing PMI

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	3,029	-0.21%	-6.22%
DAX	11,779	1.04%	-12.57%
EuroStoxx	3,095	1.44%	-18.48%
ISEQ	5,933	0.53%	-18.36%
FTSE	6,218	1.21%	-18.48%
Nikkei 225	21,852	-0.29%	-7.52%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1078	0.66%	-1.02%
EUR/GBP	0.8992	0.11%	6.67%
GBP/USD	1.2320	0.56%	-7.16%
USD/CHF	0.9643	-0.43%	-0.51%
USD/JPY	107.64	-0.07%	-1.32%
EUR/JPY	119.26	0.61%	-2.33%

Fixed Income	Value	Daily Change
US 10yr	0.697	0.004
US 2yr	0.174	-0.012
Bund 10yr	-0.425	-0.004
Irish 10yr	0.098	-0.038
Gilt 10yr	0.203	0.019
JGB 10yr	0.003	0.006

## Financial News Round Up

### US-China Tensions

Markets may become more fragile this evening heading into the weekend, as we see US President Trump hold a press conference later on Friday in order to address the latest Chinese parliament move to approve controversial national security laws for Hong Kong. We see the potential for some increased volatility, especially in US equity indices, should the President hit back at China in a meaningful or unexpected way.

Indices in Europe on Friday morning have opened lower following this aggressive move by China, as investors eye up yet another potential flare-up in the seemingly ever-growing tensions between the two nations. Market participants are also aware that Trump is likely to increase his anti-China narrative the closer we get to the November US election, in his attempts to rally support following the pandemic-caused economic shock this year.

### Renault

Renault shares are 6% lower this morning to €20.59, after a move higher earlier in the week. This comes after the French carmaker announced plans to cut almost 15,000 of its staff around the globe in what is a three year €2 billion cost-cutting plan for the manufacturer. These cuts will affect just under 10% of the company's 180,000 employees, Renault also plans to reduce its global production capacity to 3.3 million by 2024 from the current 4 million cars.

"I have confidence in our assets, our values and the direction of the company to succeed with the envisaged transformation and to return our group to its full value by deploying this plan" said Chairman Jean-Dominique Senard in a statement today.

### Irish Retail Sales

According to the Central Statistics Office, retail sales in the Republic unsurprisingly fell by 43.3% in April when compared to the same period in 2019, and by 35.4% when compared with March 2020.

This was Ireland's biggest monthly decrease for the figure since January 2009, which April 2020 has more than doubled to the downside.

The CSO also reported that online sales made up 15.5% of turnover for Irish retail business, an all-time high percentage for online sales.

According to the data release this morning, a distinct lack of car sales was evident in April. When excluding car sales, April's retail sales were down by 24.8% year-on-year and 23.7% in comparison to March of this year.