



### Friday, 5th of June

## Markets Outlook

**Equities:** Indices in Europe are rallying again on Friday, with DAX and EuroStoxx 1.7% and 2.1% respectively. These equity groupings have bounced 52% and 44% from their late-March low points. Optimism continues to grow in Europe as key economies open up with no sign of a second wave so far.

**Currencies:** The Euro was significantly stronger vs other major currencies on Thursday following the ECB's decision to boost their PEPP bond purchasing programme by €600b this year. Euro has dipped back below \$1.1330 and £0.9000 on Friday morning.

**Safe-havens:** Gold is approaching the lower end of its range amid the general risk-on sentiment in markets this week, down over 1% this morning to \$1,708. Sovereign bond yields continue to climb on Friday, with US 10yr breaking upwards out of its 2-month range.

**Looking ahead:** Market participants will be focusing on the Non-Farm Payroll figure to come from the United States at 13:30 today. We will also see the US Unemployment rate at the same time today. The main focus for next week will be Wednesday's Federal Reserve rate decision and monetary policy statement from the US.

## Key Events to Watch

04/06/2020 - ECB Rate Decision  
 04/06/2020 - US Unemployment Claims  
 05/06/2020 - US Non-Farm Payrolls  
 05/06/2020 - US Unemployment Rate

## Market Moves

| Equity Indices | Value  | Daily Change | YTD Change |
|----------------|--------|--------------|------------|
| S&P 500        | 3,112  | -0.34%       | -3.67%     |
| DAX            | 12,428 | -0.47%       | -4.20%     |
| EuroStoxx      | 3,262  | -0.22%       | -10.93%    |
| ISEQ           | 6,239  | 0.24%        | -12.26%    |
| FTSE           | 6,341  | -0.64%       | -14.96%    |
| Nikkei 225     | 22,860 | 0.72%        | -3.35%     |

| FX      | Value  | Daily Change | YTD Change |
|---------|--------|--------------|------------|
| EUR/USD | 1.1338 | 0.93%        | 1.23%      |
| EUR/GBP | 0.9002 | 0.76%        | 6.11%      |
| GBP/USD | 1.2595 | 0.17%        | -4.54%     |
| USD/CHF | 0.9555 | -0.60%       | -1.20%     |
| USD/JPY | 109.14 | 0.22%        | 0.65%      |
| EUR/JPY | 123.74 | 1.14%        | 1.89%      |

| Fixed Income | Value  | Daily Change |
|--------------|--------|--------------|
| US 10yr      | 0.818  | 0.070        |
| US 2yr       | 0.198  | 0.000        |
| Bund 10yr    | -0.319 | 0.027        |
| Irish 10yr   | 0.153  | 0.005        |
| Gilt 10yr    | 0.308  | 0.030        |
| JGB 10yr     | 0.043  | 0.015        |

## Financial News Round Up

### US Data Today

At 13:30 today we are due to get the release of both US Non-Farm Payrolls (NFP) and also the Unemployment rate for the nation. The NFP figure equates to the change in the number of Americans employed over the previous month, excluding certain industries such as farming. The figure captures data up to the 12th of each month, meaning today's result will reflect what happened in the US from April 13th - May 12th, which includes their early stages of reopening last month.

In terms of forecasts, our in-house expectation is for a -7.75 million reading for NFP, versus last month's profound -20.5 million. A beat of expectations could push global equities higher still, as we head towards the weekend break.

For the US Unemployment Rate, we are expecting 19.5% vs last month's 14.7% result. Should our forecast come true, this would be an all-time high for the data point since records began in 1948.

### Yew Grove REIT

Irish 'Real Estate Investment Trust' Yew Grove has released a trading update this morning, in which it reported to have received 97% of its rent for Q2 months so far, exceeding their own expectations of 95%. This news is very positive for the company, seeing as average rent collection for other European REITS during the same time period has spanned from 70-80%.

"We are encouraged that the strength of our tenant covenant across the portfolio and our close relationships with the occupiers of our buildings ensured our collections for the second quarter have remained robust despite the very challenging market conditions" said CEO Jonathan Laredo on Friday.

### Taylor Wimpey

British housebuilding company Taylor Wimpey have released a report today which included many positives for the firm, and indicated that construction work is progressing in most of its sites across the UK.

Taylor Wimpey reported that its order book has continued to grow, and is up 6% y/y in unit terms. Their order book currently stands at 11,228 homes, which currently sits at £2.78b, up from £2.52b just one year prior.

On another positive note, cancellation rates remained low throughout 2020 so far, with just 5% of its order book cancelling in the nine weeks from the beginning of the lockdown in the UK, versus 6% during the same time period in 2019.