

# Daily Update

Your daily market news, moves  
and outlook



## SEASPRAY FINANCIAL

Wealth & Investment Management

### Tuesday, 30th of June

## Markets Outlook

**Equities:** Stock markets are mixed in Europe this morning, in a day that is set to be relatively quiet on the calendar. EuroStoxx is flat while DAX is marginally higher for Tuesday. The VIX volatility index is approaching the lower end of its 2-week range, down to \$32.20 this morning.

**Currencies:** Euro was slightly higher yesterday, lifted by the general risk-on tone across markets. Sterling grinded lower for most of June, EU-UK trade talks are underway this week and will likely be the main driver of the currency.

**Safe-havens:** Gold is set for its biggest quarterly advance since 2016 as Q2 comes to a close today, the metal up 17% since the beginning of April. Gold is now the top performing asset in the world, following the new waves of stimulus and fiscal spending we have seen since the current pandemic began.

**Looking Ahead:** Tuesday is set to be relatively quiet in terms of economic data points. Canada will release its monthly GDP reading this afternoon, followed by the Fed Chair Jerome Powell speaking at 17:30 Irish time. US Treasury Secretary Steve Mnuchin will speak along with Powell today. US Non-Farm Payrolls on Thursday will be the highlight of the week for markets, aside from any virus developments.

## Key Events to Watch

30/06/2020 - Fed Chair Powell Speaks  
01/07/2020 - US 'ISM Manufacturing PMI'  
01/07/2020 - Fed Meeting Minutes  
02/07/2020 - US Non-Farm Payrolls

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	3,053	1.47%	-5.50%
DAX	12,232	1.18%	-7.54%
EuroStoxx	3,232	0.87%	-13.60%
ISEQ	6,030	1.02%	-16.54%
FTSE	6,225	1.08%	-17.88%
Nikkei 225	22,274	1.27%	-5.78%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1242	0.17%	0.06%
EUR/GBP	0.9140	0.51%	8.09%
GBP/USD	1.2299	-0.34%	-7.38%
USD/CHF	0.9513	0.35%	-1.61%
USD/JPY	107.57	0.31%	-0.83%
EUR/JPY	120.93	0.49%	-0.78%

Fixed Income	Value	Daily Change
US 10yr	0.627	-0.005
US 2yr	0.152	-0.012
Bund 10yr	-0.470	0.004
Irish 10yr	0.015	-0.012
Gilt 10yr	0.152	-0.021
JGB 10yr	0.014	0.008

## Financial News Round Up

### Royal Dutch Shell

Anglo-Dutch oil giant Royal Dutch Shell has announced today that it plans to write \$22 billion off the value of its assets while also reducing its outlook for energy prices this year, citing the massive Covid-led demand shock that markets have dealt with over recent months. Ahead of its earnings announcement in just one month, Shell said it expects a 40% drop in its Q2 fuel sales year-on-year, down to 4 million barrels per day. The firm also lowered its average price forecast for Brent Crude Oil for 2020, down from \$60 to \$35. For next year Shell have lowered expectations to \$40 and for 2022 to \$50, both also down from \$60 per barrel. The company also cut its long-term refining profit margin forecasts by 30%.

RDS shares are down over 2% in both Amsterdam and London this morning and are down over 40% YTD. Royal Dutch Shell in April reported new plans to scale down greenhouse gas emissions to net zero by 2050.

### UK GDP

The United Kingdom released their 'Final GDP' figure before market open this morning, coming in at -2.2% for Q1, down from -2.0% for the preliminary version of the Q1 figure which was released in May. This is the most that the UK's economy has contracted since 1979, following huge cuts in household spending as the region headed into the beginning of their lockdown period.

Earlier this month the Bank of England stated that the British economy may have contracted by up to 20% during H2 of this year, as nearly every sector was significantly affected by the lockdowns. Prime Minister Johnson is widely expected to announce his plan to speed up the British economy's recovery later today, when is set to declare the fast-tracking of £5 billion worth of infrastructure investment.

### Irish Jobs Data

According to the CSO, this week's Pandemic Unemployment Payment (PUP) claimants data fell to 439,000, down 26,900 from last week. At the peak of the crisis, 598,000 people across the country were receiving this payment.

"The Covid-19 crisis has continued to have a significant impact on the labour market in Ireland in June 2020", the CSO said in a statement, "While the standard measure of Monthly Unemployment was 5.3% in June, a new 'Covid-19 Adjusted Measure of Unemployment' could indicate a rate as high as 22.5% if all claimants of the PUP were classified as unemployed".