

Daily Update

Your daily market news, moves
and outlook



SEASPRAY FINANCIAL

Wealth & Investment Management

Wednesday, 1st of July

Markets Outlook

Equities: Markets are firmer in Europe on Wednesday morning, with DAX and EuroStoxx up circa 0.3% following a mixed but slightly positive session yesterday. The S&P 500's VIX index dropped below \$30 last night, as equities take a break from volatility and trade mostly sideways this and last week.

Currencies: EUR/USD is flat on the week so far, displaying lower volatility in June and currently sitting just below the 1.1220 mark. The Dollar should remain fairly muted ahead of tomorrow's data, with the possibility for some small movement tonight on the release of the Fed's most recent meeting minutes.

Safe-havens: Gold rallied by another 1% on Tuesday, now trading above the \$1,800 round figure this morning. The last time gold reached these prices was September 2011. Bond yields are higher again in Europe today following a move out of the safe-havens yesterday, pushing Bund yields up towards -0.4%.

Looking Ahead: Wednesday is likely to be another day of lower volatility, with markets looking forward towards Thursday's Non-Farm Payrolls and US Unemployment results. From the States today we will see the smaller 'ADP Employment Change' release this afternoon, followed by US Manufacturing PMI data. Europe will be quiet Wednesday on the economic data front.

Key Events to Watch

01/07/2020 - US 'ISM Manufacturing PMI'

01/07/2020 - Fed Meeting Minutes

02/07/2020 - US Non-Farm Payrolls

03/07/2020 - US Bank Holiday

Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	3,100	1.54%	-4.04%
DAX	12,310	0.64%	-6.86%
EuroStoxx	3,234	0.06%	-13.44%
ISEQ	5,973	-0.94%	-17.16%
FTSE	6,169	-0.90%	-18.25%
Nikkei 225	22,089	-0.89%	-6.49%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1233	-0.08%	0.22%
EUR/GBP	0.9058	-0.90%	7.25%
GBP/USD	1.2401	0.83%	-6.50%
USD/CHF	0.9473	-0.43%	-2.20%
USD/JPY	107.93	0.34%	-1.00%
EUR/JPY	121.24	0.26%	-0.78%

Fixed Income	Value	Daily Change
US 10yr	0.658	0.030
US 2yr	0.154	0.004
Bund 10yr	-0.453	0.018
Irish 10yr	0.002	0.004
Gilt 10yr	0.166	0.006
JGB 10yr	0.036	0.016

Financial News Round Up

Hammerson

British property development and investment company Hammerson REIT has released an update regarding the collection of its debt and rent this morning.

Hammerson has reported that rent collection for its Q3 in the UK, at just 16%, has been very weak as expected. This is largely due to restrictions placed on its shopping centre's around the UK, along with retailers bowing to pandemic-related pressures.

On a more positive note for the company, Hammerson has said that its lenders have agreed to relax part of their terms (the unencumbered asset ratio) for the next 18 months and it has recently increased its liquidity. This ratio, which is a coverage ratio of 'assets without secured debt' to 'unsecured net debt', has been temporarily reduced from 150% to 125% for the next year and a half, to be set at 140% from October 2021. This relaxation "provides additional headroom to enable the company to continue its strategy, including undertaking cross-portfolio disposals to strengthen the company's balance sheet" their statement read.

HMSO shares are trading down over 1.5% today, just below £0.80, having taken a significant hit so far this year, falling from over £3.00 in January.

"The company is confident that collection rates will continue to improve materially in all regions as agreements are progressed with brands" Hammerson said.

Irish Manufacturing

Ireland's manufacturing sector made a return to expansionary territory in June, according to AIB's 'IHS Markit Manufacturing PMI' survey. June's result came in at 51.0, up substantially from 39.2 just one month prior, with much of the nation's factories reopening being a main contributing factor. For context, similar manufacturing surveys in the UK and Eurozone showed comparable gains for June, rising to 50.1 and 46.9 respectively.

"Manufacturing conditions have not returned to normal. The collapse in orders in the March-May period means that backlogs continued to fall sharply, while inventories of finished goods shrunk further, with stocks of inputs also still in marked decline" said AIB's chief economist Oliver Mangan.