

Daily Update

Your daily market news, moves
and outlook



SEASPRAY FINANCIAL

Wealth & Investment Management

Thursday, 2nd of July

Markets Outlook

Equities: Risk assets were mixed yesterday, with the US registering some small gains. Equities in Europe are rallying this morning, with the benchmark EuroStoxx 50 index up over 1.5% on the day so far. Positive news has emerged overnight regarding results from a potential vaccine developed by Pfizer.

Currencies: The Dollar was on the back foot on Wednesday and into this morning, in line with the risk-on tone which is evident in equity markets. EUR/USD is approaching the 1.13 mark once again while GBP/USD is back above 1.25. We may see some increased volatility for the Dollar with the afternoon's releases.

Safe-havens: Gold was over 1% lower yesterday, as news hit the wires of a potential vaccine which is currently in early-stage human trials. This follows a 6-month period in which the precious metal was the top performing asset in the world, showing an 18% gain in H1.

Looking Ahead: All eyes will be on the jobs data from the US this afternoon, we will see the NFP release from the States along with the Unemployment Rate and weekly Unemployment Claims figure at 13:30. Friday will likely be very quiet as stock markets in America shut for the 4th of July holidays.

Key Events to Watch

02/07/2020 - US Non-Farm Payrolls

03/07/2020 - US Bank Holiday

06/07/2020 - US Non-Manufacturing PMI

07/07/2020 - RBA Rate Decision

Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	3,115	0.50%	-3.56%
DAX	12,260	-0.41%	-5.71%
EuroStoxx	3,228	-0.17%	-12.31%
ISEQ	5,991	0.30%	-15.19%
FTSE	6,157	-0.19%	-17.61%
Nikkei 225	22,128	0.03%	-6.39%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1252	0.17%	0.58%
EUR/GBP	0.9020	-0.42%	6.77%
GBP/USD	1.2474	0.59%	-5.75%
USD/CHF	0.9458	-0.15%	-2.43%
USD/JPY	107.47	-0.43%	-1.06%
EUR/JPY	120.93	-0.26%	-0.48%

Fixed Income	Value	Daily Change
US 10yr	0.676	0.018
US 2yr	0.164	0.012
Bund 10yr	-0.390	0.072
Irish 10yr	0.073	0.054
Gilt 10yr	0.213	0.048
JGB 10yr	0.050	0.014

Financial News Round Up

US Data Today

Over recent weeks, markets have priced in a further rebound in the US' Non-Farm Payrolls figure for June, with analysts forecasting a +3.04 million reading today, vs May's +2.509m and April's horrific -20.5m result. These high expectations come as many regions across the country eased social distancing measures last month with more businesses allowed to open their doors to the public. NFP equates to the change in the number of employed people in the United States during the previous month, excluding specific industries such as farming.

We will also see the monthly US Unemployment rate, expected to come in at 12.4%, a slight improvement on last month's 13.3% and the previous 14.7%. We see the potential for some increased volatility across markets later today, if the jobs data disappoints we could see a relatively strong intra-day selloff.

Volatility is low ahead of today's releases, with the S&P 500's VIX volatility index in the red once again today having pushed below \$30 yesterday, VIX is now at its lowest level since June 10th.

We will see the data release at 13:30 today Irish time.

Total Produce

Irish food producer 'Total Produce' has this morning released a trading update, in which it states that its trading for the first half of 2020 was "satisfactory", with sales staying resilient and broadly in line with the same period in 2019, despite the nationwide lockdown experienced over recent months.

Today's reassurance from Total Produce highlights to us the strength of the firm's operating model, particularly given the difficult economic backdrop during Q2. We remain bullish on the Irish stock.

"Total Produce is in a strong financial position and continues to focus on the growth and expansion of the business" the company said in their statement today.

Shares are 0.5% lower on Thursday and -21% YTD, down to €1.126.

Vaccine Hopes

Stock markets in Europe are pushing higher this morning as investors price in the possibility that we could see a Covid-19 vaccine emerge faster than was previously anticipated.

The vaccine, developed by Pfizer along with German biotech firm 'BioNTech' has shown some promise in early-stage human trials.

Both stock prices jumped as the news broke, with Pfizer trading 3.2% higher in New York yesterday evening and BioNTech shares gapping up on yesterday's open before pulling back to finish in the red.