

# Daily Update

Your daily market news, moves  
and outlook



## SEASPRAY FINANCIAL

Wealth & Investment Management

### Monday, 6th of July

## Markets Outlook

**Equities:** European markets have gapped up on Monday morning relatively strongly, having since pared some of these gains as the morning has gone on. This positive move comes as the continent continues to take steps towards a recovery with each passing week. DAX and EuroStoxx are roughly 1.5% higher on the session so far, trading their highest prices in almost 4 weeks.

**Currencies:** FX was extremely quiet on Friday, trading with lower volumes due to the US bank holiday and closed stock markets in the region. Currencies are expected to continue their run of low volatility this week, with no major economic data points. EUR/USD is likely to remain between 1.12 - 1.14.

**Safe-havens:** Safe-havens were very quiet on Friday, gold is slightly lower this morning following the 9-year highs in the asset last week.

**Looking Ahead:** This week will be quieter in terms of economic data releases, market participants are likely to focus more on the progress of 'new daily cases' in the United States and many emerging markets such as Brazil and Russia.

This afternoon we get the release of the Non-Manufacturing PMI from the US, expected to come in at 50.0 following two months in contractionary territory below the 50 mark.

## Key Events to Watch

06/07/2020 - US Non-Manufacturing PMI

07/07/2020 - RBA Rate Decision

10/07/2020 - US PPI

14/07/2020 - UK GDP

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	(Closed)	(Closed)	-3.12%
DAX	12,528	-0.64%	-3.59%
EuroStoxx	3,294	-0.77%	-10.22%
ISEQ	6,030	-1.10%	-14.64%
FTSE	6,157	-1.33%	-16.61%
Nikkei 225	22,714	1.83%	-3.98%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1249	0.08%	0.67%
EUR/GBP	0.9010	-0.06%	7.01%
GBP/USD	1.2485	0.14%	-5.87%
USD/CHF	0.9459	0.06%	-2.62%
USD/JPY	107.51	0.01%	-0.96%
EUR/JPY	120.94	0.10%	-0.30%

Fixed Income	Value	Daily Change
US 10yr	(Closed)	(Closed)
US 2yr	(Closed)	(Closed)
Bund 10yr	-0.432	0.001
Irish 10yr	0.025	-0.001
Gilt 10yr	0.190	-0.001
JGB 10yr	0.037	0.006

## Financial News Round Up

### German Factory Orders

Before market open this morning, we saw the release of 'German Factory Orders' for the month of May. This figure records the change in the total value of new purchase orders placed with manufacturers in the country over a 4-week period.

Despite being a positive reading, the figure came in at a miss of 10.4%, vs consensus 15% expectations. This is the largest month-on-month rise for the figure since records began in 1991, after the region suffered a record drop in activity during the previous two months. The figure for March came in at -15.6% while April was a significant -25.8%, as Germany went through its full lockdown phase along with most of Europe.

DAX 30 is up over 1.5% this morning, EUR/USD is +0.45%.

### Eurozone Retail Sales

At 10am this morning we got data from May regarding retail sales across the 19 Euro nations. While this is a lagging indicator of how the economy is performing, it is important to note that the figure saw a record jump of 17.8% from April, beating analysts' seemingly optimistic forecasts of 15.0%. Much like the German Factory Orders above, Eurozone Retail Sales suffered 2 consecutive months of record falls in the releases prior to today's beat. We must remember that the recovery in Europe is still far from complete, year-on-year May's retail sales in the region were 5.1% lower.

### Brexit Negotiations

EUR/GBP was choppy with heightened volatility last week, as EU-UK trade negotiations resumed, calming comments from the EU's chief Brexit negotiator Michel Barnier helped sentiment somewhat. However, over the weekend Ireland's EU trade commissioner Phil Hogan claimed that frustration does exist on the EU side, about the fact that good faith which is required on both sides is simply not happening.

"I still believe there will be a deal. The ambition of that deal on the European Union side is real. I don't see the same ambition at the moment on the UK's side so, the ball is in the UK's court, if they want a deal, there is a deal to be done" said Hogan.

Michel Barnier is due to travel to London next week, with the aim of resolving issues around the EU Court of Justice and similar matters. EUR/GBP is 0.4% higher on Monday, currently finding fair value at 0.9040.