

# Daily Update

Your daily market news, moves  
and outlook



## SEASPRAY FINANCIAL

Wealth & Investment Management

### Thursday, 16th of July

## Markets Outlook

**Equities:** Stock markets rose on Wednesday across the board despite ongoing concerns over rising new daily case rates in the US. Indices in Europe have pulled back somewhat this morning, ahead of the ECB release later on, DAX and EuroStoxx currently down c.0.7%. Asian equities were mixed to lower overnight.

**Currencies:** FX was relatively quiet yesterday, with the Japanese Yen seeing some slight inflows following the BOJ release yesterday morning. ECB today could be a non-event for the Euro, with no major policy changes likely to come from the central bank. EUR/USD for now seems to have found some resistance at 1.14.

**Looking Ahead:** The highlight of the day will come from the European Central Bank, as they release their latest rate decision and monetary policy statement at 12:45 today, followed by a press conference with ECB President Christine Lagarde at 13:30. On the corporate earnings side of things: later on Thursday we will see results from Bank of America, Johnson & Johnson, Morgan Stanley, and Netflix.

## Key Events to Watch

16/07/2020 - ECB Rate Decision

17/07/2020 - US Consumer Sentiment

18/07/2020 - G20 Meetings

24/07/2020 - European PMIs

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	3,226	0.91%	-0.13%
DAX	12,930	1.84%	-3.13%
EuroStoxx	3,378	1.71%	-10.60%
ISEQ	6,264	2.86%	-13.33%
FTSE	6,292	1.83%	-17.42%
Nikkei 225	22,770	-0.76%	-3.75%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1411	0.12%	1.75%
EUR/GBP	0.9069	-0.13%	7.61%
GBP/USD	1.2582	0.24%	-5.38%
USD/CHF	0.9443	0.49%	-2.45%
USD/JPY	106.94	-0.28%	-1.47%
EUR/JPY	122.01	-0.18%	0.24%

Fixed Income	Value	Daily Change
US 10yr	0.633	-0.005
US 2yr	0.157	-0.004
Bund 10yr	-0.443	-0.003
Irish 10yr	-0.021	-0.006
Gilt 10yr	0.166	0.020
JGB 10yr	0.009	-0.007

## Financial News Round Up

### Chinese GDP

In the early hours of this morning China released their quarterly GDP result for the three months leading up to June 30th, coming in at 3.2% growth on the same period just a year ago. For comparison, analysts' consensus expectations for today's release were circa 2.2%, and China's Q1 result came in at a very sluggish -6.8%. This was the first decline for the figure in decades.

Many economists have continued to warn that official Chinese data points need to be taken with a grain of salt, with widespread and ongoing doubt that these results are altered for political reasons by the nation's ruling party.

We also saw the release of China's monthly Retail Sales figure, it was a miss of 0.5% forecasts, coming in at a contractionary -1.8%. Retail sales in the region have however been steadily rising since their deep -20.5% trough in February.

### ECB Today

At 12:45 Irish time today the European Central Bank are set to release their latest interest rate decision and monetary policy statement, not expected by analysts to majorly change this time around. At 13:30 ECB President Christine Lagarde will give a live press conference which will be watched closely by market participants for any clues or forward guidance from the bank.

Today's release comes after the central bank committed to buying record amounts of debt over recent months to combat the ongoing pandemic, along with it paying individual European banks to lend out its readily available cash. The ECB is likely to communicate that they will be remaining on alert for the remainder of the summer, ready to increase their bond purchases if needed, and provide bigger exemptions to banks.

The ECB's next release will come on Thursday September 10th.

### Yellow Grove REIT

Yellow Grove 'Real Estate Investment Trust' has this morning released a solid trading statement for activity up until the end of June 2020, displaying a robust performance during what has been one of the most challenging quarters in Irish economic history.

Yew Grove has announced that it collected 98% of rent due for Q3, significantly higher than that of its rivals who have averaged out at 72% for the quarter.

Yew completed 11 leasing events during Q2, ranging from large new lettings to WAULT accretive re-gears. The REIT's most notable lease event was that of Birch House, Millennium Park, with a large multinational corporation paying almost €700k rent p.a. This will be a 15-year lease.