

Daily Update

Your daily market news, moves
and outlook



SEASPRAY FINANCIAL

Wealth & Investment Management

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Markets Outlook

Equities: Stocks in Europe are circa 0.3% higher on Monday in relatively quiet morning trade with lower volumes. Volatility moved lower as last week progressed, with the VIX now approaching the \$26 mark. The VIX index has not traded below \$23.60 since February 25th.

Currencies: The Euro has started off the week on strong footing, pushing on this morning past the \$1.145 mark, its highest level since the pair's early March spike upwards. This move comes amid speculation that the EU Recovery Fund is very close to being fully agreed. PMI results this Friday will likely move the main currency pairs.

Safe-havens: Yields remain near the lower end of their ranges in the States, following a quiet week for safe-havens. The benchmark US 10yr bond is today yielding just 0.62%, while German bunds linger in negative territory, trading between -0.4% and -0.5% for most of July so far.

Looking at gold, upwards sloping trend-lines spanning back to the beginning of June are holding steady, the metal is up another 0.3% this morning to \$1,815. We remain overweight gold for the time being, and will likely continue on this path while Covid uncertainty is still a driving theme in markets.

Key Events to Watch

20/07/2020 - Ongoing EU Recovery Summit

23/07/2020 - US Unemployment Claims

24/07/2020 - European PMIs

24/07/2020 - US PMIs

Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	3,224	0.28%	-0.19%
DAX	12,919	0.35%	-2.83%
EuroStoxx	3,365	0.01%	-10.59%
ISEQ	6,221	-0.65%	-14.07%
FTSE	6,290	0.63%	-17.26%
Nikkei 225	22,717	0.09%	-3.97%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1428	0.39%	2.12%
EUR/GBP	0.9093	0.25%	7.76%
GBP/USD	1.2567	0.14%	-5.18%
USD/CHF	0.9387	-0.72%	-2.87%
USD/JPY	107.00	-0.25%	-1.32%
EUR/JPY	122.29	0.14%	0.77%

Fixed Income	Value	Daily Change
US 10yr	0.623	0.006
US 2yr	0.143	-0.004
Bund 10yr	-0.455	0.012
Irish 10yr	-0.020	0.015
Gilt 10yr	0.167	0.029
JGB 10yr	0.018	0.001

Financial News Round Up

The Week Ahead

This week is set to be quiet in terms of economic data, focus today will remain on what is now day 4 of the European Economic Summit. Tuesday will see the release of Canada's monthly retail sales while Wednesday will be another very quiet session. On Thursday we get the weekly US unemployment claims figure, expected to fall again for the 17th consecutive week. Friday will be the highlight for data points, with key European nations, the UK, and the US all reporting their Services and Manufacturing PMI results for July.

On the corporate earnings front: we are set for another busy week especially from the States. Tomorrow we will see Q2 results from Coca-Cola, along with UBS and Swiss pharmaceutical giant Novartis. Wednesday we get Nasdaq Inc and Microsoft, followed by a busy Thursday with American Airlines, Intel, Unilever, Daimler, RELX, and IG Group. Amazon will round up the week with their earnings release on Friday.

EU Recovery Talks

Talks in Brussels have entered their fourth day with still no agreement on how the proposed €750 billion Covid-19 recovery fund will be distributed and how much of it will be made up of grants versus low-interest loans.

During overnight negotiations Charles Michel, President of the European Council, floated a figure of €390b in grants for stricken countries. This is lower than initial proposals before the weekend but higher than earlier demands from the 'frugal' nations including Austria, Denmark, Sweden, and the Netherlands.

Irish Pandemic Pay

According to the latest data from the Department of Employment Affairs and Social Protection, the number of individuals claiming the 'Pandemic Unemployment Payment' has now fallen by nearly half since its peak in early May. On May 5th, 598,000 people in Ireland were in receipt of the payment, which has dropped a further 31,800 over the past week to 313,800.

Currently, a further 415,000 are having their earnings subsidised by the Irish Government by way of the Temporary Wage Subsidy Scheme.

According to the data, Accommodation & Food Services, Wholesale & Retail Trade, and Construction are the main sectors to benefit from workers returning over the past 7 days.