

Daily Update

Your daily market news, moves
and outlook



SEASPRAY FINANCIAL

Wealth & Investment Management

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Markets Outlook

Equities: Markets are in the red again today across Europe, with DAX and EuroStoxx down roughly half a percent. This comes on the back of further heightened tensions between China and the US. Investors will be watching this afternoon's data closely.

Currencies: The Dollar is somewhat stronger on Friday, as traders likely take profits before the weekend closing bell. EUR/USD touched 1.19 this week for the first time since May 2018. Pound Sterling rallied after yesterday's BOE meeting, and their revising upwards of UK GDP forecasts.

Safe-havens: Yields continue to slowly grind lower on Friday as the benchmark US 10yr once again makes its way towards the 0.50% round figure. Similarly, German 10yr yields are slowly falling towards -0.60% and have been since early June. Silver has followed gold higher recently, up 44% over the past 3 weeks.

Looking Ahead: The highlight of the day will undoubtedly come from the US Non-Farm Payrolls release at 13:30 Irish time. This will be accompanied by the monthly US Unemployment Rate and also the Canadian equivalent.

For earnings, Friday will see results from Royal Caribbean Cruises and Bridgestone Corp. Earnings season will begin to wind down next week.

Key Events to Watch

07/08/2020 - US Non-Farm Payrolls
11/08/2020 - UK Unemployment Claims
12/08/2020 - RBNZ Rate Decision
12/08/2020 - UK GDP

Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	3,349	0.64%	3.66%
DAX	12,591	-0.54%	-5.14%
EuroStoxx	3,240	-0.86%	-13.67%
ISEQ	6,233	-0.46%	-13.28%
FTSE	6,026	-1.27%	-20.10%
Nikkei 225	22,329	-0.39%	-5.61%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1876	0.11%	5.56%
EUR/GBP	0.9032	-0.15%	6.92%
GBP/USD	1.3149	0.26%	-1.21%
USD/CHF	0.9097	0.14%	-5.74%
USD/JPY	105.55	-0.03%	-2.77%
EUR/JPY	125.36	0.08%	2.62%

Fixed Income	Value	Daily Change
US 10yr	0.538	-0.008
US 2yr	0.117	-0.002
Bund 10yr	-0.539	-0.027
Irish 10yr	-0.151	-0.022
Gilt 10yr	0.099	-0.027
JGB 10yr	0.007	-0.005

Financial News Round Up

Hammerson

Owner of Dundrum and Kildare Village shopping centres Hammerson Plc has announced plans to raise over £800m to help see the company through the current crisis, which has caused a sharp drop in its rental income and raised questions over the future of the retail industry.

Hammerson, a major British property development and investment company, currently have a market capitalisation of just £435m, now plan to raise £274m from the sale of the company's 50% stake in its European shopping outlet business, VIA Outlets, coupled with a further £552m by way of a rights issue. If Hammerson cannot raise the cash, it risks breaking covenants with its lenders.

"The pandemic has exacerbated structural shifts in retail, exerting further pressure on both property owners and brands, and provided further evidence that the UK's historic leasing model has served its time. It is outdated, inflexible and needs to change." said David Atkins, Hammerson's chief executive. Atkins is due to leave his role of more than a decade in 2021, while no replacement has yet been lined up for the firm, causing further uncertainty for investors. Shares are lower this morning by 0.75% to £47.06, and are trading over 84% lower YTD.

US-China Tensions

Global stock markets are slipping on Friday morning as tensions between the world's two largest economies once again take a turn for the worse. President Trump last night issued an executive order banning transactions with Chinese apps TikTok and WeChat, giving US groups 45 days to stop dealing with them.

This move, which caused parent company Tencent's shares to fall by over 5%, is likely to boost tensions between the two nations. The White House also delivered recommendations that all Chinese firms who are currently listed on US stock exchanges be de-listed unless they provide US regulators with direct access to their audited accounts.

This advancement in the tensions comes soon after the Trump Administration ordered China to depart its consulate in Houston, Texas which came as a retaliation to similar orders from China regarding the US consulate in Chengdu.

Tensions have been escalating steadily since the outbreak of Covid-19, with President Trump accusing China of mishandling the virus surge.

TikTok, who have 100 million users in the States at present, have announced plans to open their first European data centre in Ireland, investing circa €420m. "This data centre signals our long-term commitment to Ireland and we expect the data centre will create hundreds of new jobs, enable faster loading time and safely store European user data." said Global Chief Information Security Officer of TikTok, Roland Cloutier.