

# Daily Update

Your daily market news, moves  
and outlook



## SEASPRAY FINANCIAL

Wealth & Investment Management

### Tuesday, 18th of August

## Markets Outlook

**Equities:** Stocks are flat to higher in Europe on Tuesday morning after a quiet and mixed session yesterday. EuroStoxx and DAX higher by roughly 0.50%. Asian stocks were in the red overnight after the Trump administration said it will tighten curbs on China's Huawei.

**Currencies:** EUR/USD is edging higher once again this morning, now trading back above 1.19 and approaching the yearly highs made by the pair over the last 2 weeks. Friday will be important for the Euro, as we get PMI readings from the continent throughout the morning. GBP/USD is half a percent higher as Brexit talks resume today.

**Safe-havens:** Gold is back above the \$2,000 mark, after gaining almost 3% yesterday. This comes after Berkshire Hathaway's news on Friday evening of a new stake taken in mining company Barrick Gold.

**Looking ahead:** Tuesday's macro calendar looks to be very sparse. Tomorrow evening we will see minutes from the most recent Fed meeting. On the corporate earnings front: later today we are due to get releases from both Walmart and Home Depot in the States. Thursday we will see results from CRH and Friday Kingspan.

## Key Events to Watch

19/08/2020 - OPEC Meetings

19/08/2020 - FOMC Meeting Minutes

21/08/2020 - European PMIs

21/08/2020 - US PMIs

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	3,381	0.27%	4.68%
DAX	12,920	0.15%	-3.10%
EuroStoxx	3,305	0.02%	-12.26%
ISEQ	6,346	-0.53%	-11.65%
FTSE	6,127	0.61%	-19.29%
Nikkei 225	23,051	-0.20%	-2.56%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1869	0.14%	6.08%
EUR/GBP	0.9057	0.15%	6.91%
GBP/USD	1.3102	-0.02%	-0.72%
USD/CHF	0.9064	-0.26%	-6.50%
USD/JPY	105.99	-0.53%	-2.89%
EUR/JPY	125.80	-0.39%	3.02%

Fixed Income	Value	Daily Change
US 10yr	0.692	-0.021
US 2yr	0.153	0.006
Bund 10yr	-0.449	-0.026
Irish 10yr	-0.113	-0.037
Gilt 10yr	0.219	-0.023
JGB 10yr	0.039	-0.002

## Financial News Round Up

### Brexit Talks Resume

The UK believes a trade deal can be reached with the European Union next month, according to Downing Street. This comes as talks resume today between the two sides in Brussels. The UK continues to rule out the possibility of extending the December deadline to reach an agreement.

"Our assessment is that a deal can still be reached in September" Boris Johnson's spokesman said on Monday, "There are many issues that will be discussed during this week's round, not least level playing field, fisheries, trading goods and services among others."

The two main stumbling blocks of this round of talks are access to British fishing waters, along with demands from the bloc that the UK tie itself relatively closely to the EU's state aid, labour and environmental standards in order to make sure it does not undercut the EU's single market with lower quality goods.

Earlier this month Michael Gove, a senior member of the Westminster cabinet, indicated that Ireland may once more have an important role to play in wider EU-UK negotiations this month and next.

### Persimmon

Britain's second largest house-building firm Persimmon has this morning reported H120 earnings results, in which it has seen profits tumble throughout the lockdown months which it describes as a period of "significant disruption". However, results did come in ahead of consensus market expectations, the company reported a 42.6% fall in pre-tax profits to £292.4m and a 32.2% drop in revenue to £1.19b. Persimmon has proposed what it describes as a "modest" interim dividend of 40p, replacing their old 125p payout which was cancelled earlier.

"Potential medium-term risks to demand associated with Covid-19, rising unemployment and Brexit remain, but long-term housing market fundamentals continue to be strong" said Persimmon this morning.

Shares are rallying on Tuesday, over 4% higher to 2,730 pence Sterling, and are now in positive territory YTD.

### Ryanair

The budget airline is due to bring down its flight capacity by 20% in September and October, citing a clear decline in booking over the past 2 weeks, most likely due to the rising uncertainty over virus levels in certain key mainland European nations.

"Over the past two weeks as a number of EU countries have raised travel restrictions, forward bookings especially for business travel into September and October have been negatively affected, and it makes sense to reduce frequencies so that we tailor our capacity to demand over the next 2 months" a Ryanair spokesperson said yesterday.