

# Daily Update

Your daily market news, moves  
and outlook



## SEASPRAY FINANCIAL

Wealth & Investment Management

### Monday, 24th of August

## Markets Outlook

**Equities:** A pick up in US business activity and home sales helped push US & global equities and the dollar higher, counteracting earlier Covid lead stock declines in Europe. Early indications are that markets will open marginally higher this week after a positive close in Asia following Fridays rebound.

**Currencies:** The US dollar gained against the Euro for the first week since June as the impact of Covid was felt on a number of European business surveys.

**Safe-havens:** Gold dropped to its lowest level in over a week as the strong Dollar and US economic numbers dented Bullion's allure. As was indicated in our monthly review we believe gold could retrace to 1900 or lower and this will open a good entry point for new investors. The US 10 year has remained fairly stable and with the improved economic indicators is likely to reduce the possibility of negative US rates. However in Germany with increased COVID cases and weaknesses in Europe we are likely to see possible lower Bund levels this week.

## Key Events to Watch

25/08/2020 - US Consumer confidence

25/08/2020 - German GDP (QoQ) Q2

26/08/2020 - US Core durable goods orders

27/08/2020 - Fed Chair Powell Speaks

27/08/2020 - Jackson Hole Symposium

## Market Moves

| Equity Indices | Value  | Daily Change | YTD Change |
|----------------|--------|--------------|------------|
| S&P 500        | 3,397  | 0.34%        | 5.15%      |
| DAX            | 12,785 | 0.16%        | -3.50%     |
| EuroStoxx      | 3,269  | 0.79%        | -12.70%    |
| ISEQ           | 6,398  | 1.83%        | -8.57%     |
| FTSE           | 6,012  | 0.17%        | -20.29%    |
| Nikkei 225     | 22,920 | 0.17%        | -3.11%     |

| FX      | Value  | Daily Change | YTD Change |
|---------|--------|--------------|------------|
| EUR/USD | 1.1796 | -53.00%      | 5.21%      |
| EUR/GBP | 0.9012 | 0.43%        | 6.65%      |
| GBP/USD | 1.3090 | -0.92%       | -1.29%     |
| USD/CHF | 0.9117 | 0.45%        | -5.83%     |
| USD/JPY | 105.79 | -0.29%       | -2.59%     |
| EUR/JPY | 125.46 | -0.10%       | 2.49%      |

| Fixed Income | Value  | Daily Change |
|--------------|--------|--------------|
| US 10yr      | 0.636  | -0.004       |
| US 2yr       | 0.147  | 0.000        |
| Bund 10yr    | -0.510 | -0.003       |
| Irish 10yr   | -0.169 | -0.018       |
| Gilt 10yr    | 0.205  | 0.003        |
| JGB 10yr     | 0.027  | -0.004       |

## Financial News Round Up

### The Week Ahead

As we come to the end of the reporting season in the US the week ahead is expected to be primarily focused towards economic indicators. In Ireland we have a relatively busy week ahead with Paddy Power's parent company Flutter entertainment reporting on Thursday. Likewise hardware retailer Grafton Group and Irish ferries operator Irish Continental all reporting interim results also on Thursday. They will be closely watched to see how Covid has effected their outcome. On Friday the fruit distributor Total produce will have its AGM.

### Consumer Confidence

After three months of growth in consumer confidence in Ireland, in August we have seen a fall in confidence in August. The KBC bank Irish consumer sentiment index fell from 62.6 to 58.9. Early analysis suggests that it is likely due to concerns around employment combined with mixed news on the strength and speed of recovery tinged with COVID rebound fears.

### COVID and AstraZeneca

It emerged over the weekend that the Trump administration is considering fast-tracking an experimental COVID-19 vaccine being developed by AstraZeneca Plc and Oxford University for use in the United States ahead of the Nov. 3 elections, the Financial Times reported. One option being explored would involve the U.S. Food and Drug Administration (FDA) awarding "emergency use authorization" in October to the potential vaccine, which was developed by Oxford and licensed to AstraZeneca, the FT reported. Despite Trump's administration issuing statements on this, AstraZeneca denied having discussed an emergency use authorization for its potential vaccine with the U.S. government.

The company said that the late-stage Phase 2 and Phase 3 trials for its vaccine candidate are still ongoing in the United Kingdom and other markets globally and that it did not anticipate efficacy results until later this year. Mark Meadows, White House chief of staff, and Steven Mnuchin, Treasury secretary, told top Democrats that the administration was considering fast-tracking a vaccine in a July 30 meeting with Nancy Pelosi, the speaker of the House of Representatives, FT said, citing a person briefed on the meeting. There are no approved vaccines for COVID-19, but AstraZeneca's shot, called AZD1222, is widely seen as one of the leading candidates. However, the relatively small UK trial by AstraZeneca was not designed to produce sufficient data of the kind that would be required for emergency authorisation in the United States, sources cautioned FT. Speculation on this occurring is likely to provided market interest in the stock going forward.