



Tuesday, 8th of September

Markets Outlook

Equities: Volatility in Europe was lower on Monday as expected, with US markets remaining shut for Labor Day. Indices paring some of yesterday's gains this morning, down circa 0.75%. Shares posted modest gains in Australia and Japan overnight, Chinese markets sold off as President Trump stated that he intends to curb the US' economic relationship with the nation.

Currencies: FX was muted on Monday with the exception of the GBP, which is showing further weakness this morning as fresh negotiations begin later between the EU and UK, following the UK's harsh weekend comments which adversely affected the currency.

Safe-havens: Yields were relatively quiet in Europe yesterday and will likely remain that way until the ECB's release in two days, with Bunds trading rangebound on lower volume. Gold is flat again today at \$1,933.

Looking ahead: Tuesday will be quiet, with no major economic data points to be released. Tomorrow afternoon we will get the Bank of Canada's rate decision, followed by the same from the ECB on Thursday just after midday. Friday morning will see the UK's July GDP reading with CPI inflation figures from the US that afternoon.

Key Events to Watch

- 09/09/2020 - BOC Rate Decision
- 10/09/2020 - ECB Rate Decision
- 11/09/2020 - UK GDP
- 11/09/2020 - US CPI

Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	3,426	(Closed)	6.07%
DAX	13,100	2.01%	-1.29%
EuroStoxx	3,314	1.64%	-11.78%
ISEQ	6,313	0.33%	-12.12%
FTSE	5,937	2.39%	-21.06%
Nikkei 225	23,274	0.80%	-1.62%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1817	-0.14%	5.31%
EUR/GBP	0.8973	0.45%	6.41%
GBP/USD	1.3166	-0.61%	-0.99%
USD/CHF	0.9159	0.25%	-5.18%
USD/JPY	106.25	-0.06%	-2.19%
EUR/JPY	125.56	-0.20%	3.00%

Fixed Income	Value	Daily Change
US 10yr	0.720	(Closed)
US 2yr	0.141	(Closed)
Bund 10yr	-0.460	-0.021
Irish 10yr	-0.101	0.027
Gilt 10yr	0.246	-0.015
JGB 10yr	0.032	-0.015

Financial News Round Up

US-China

President Donald Trump yesterday raised the prospect of "decoupling" the United States' economy from that of China, while also making claims that the nation is currently going through "the fastest recovery in US history". This rhetoric from Trump is unsurprising given the fact that we are now just 8 weeks out from the November 3rd General Election.

"If we didn't do business with China, we wouldn't lose billions of dollars. It's called decoupling. So you'll start thinking about it. You'll start thinking they take our money and they spend it on building airplanes and building ships and rockets and missiles." said the President.

Trump, in his Labor Day speech, also warned that he may block all federal contracts to companies that outsource work to China, and vowed to bring manufacturing jobs and crucial supply chains back to the States.

We expect to hear similar comments from Trump over the coming weeks as he uses his platform to boost his current campaign. Shares in China and Hong Kong sold off overnight, before recovering into this mornings close.

Glenveagh Properties

Irish homebuilder Glenveagh Properties this morning reported a 19% fall in revenue for H1 of this year, down from €45.5m during the same period one year prior to €37m in the six months to June 30th.

Over the period which included a national lockdown, the firm sold 123 new homes which was down from 158 the year before. In terms of forward guidance from Glenveagh, they have restored some level of confidence in investors by stating that they believe they can deliver roughly 650 units in 2020, if no new Covid restrictions are introduced. Underlying losses before tax for H1 came in at €7m, compared to a loss of just €3.8m in H1 2019.

"The continued strong demand from our private customers on the group's starter-home developments and the robust performance of the private rental sector during the period is encouraging" said Glenveagh CEO Stephen Garvey.

Shares are 4.75% higher in London on Tuesday following the release, almost 15% lower YTD.

Google in Dublin

Google has relinquished its plans to rent further office space in Dublin's docklands which would fit 2,000 employees, confirming today that the lease will not go ahead as planned. The space equated to 202,000 sq feet, spanned 7 stories tall, and was situated on Cardiff Lane in the capital. This move by the tech giant is not completely unexpected, and comes soon after Google extended its work-from-home policy until at least summer 2021 as the pandemic lingers and no successful vaccine has yet emerged.