

# Daily Update

Your daily market news, moves  
and outlook



## SEASPRAY FINANCIAL

Wealth & Investment Management

### Monday, 14th of September

## Markets Outlook

**Equities:** European stock markets are marginally lower on Monday in relatively quiet early-week trade. Markets are likely to see lower than usual volumes today and tomorrow as investors sit on the sidelines ahead of an important Fed meeting on Wednesday evening. The S&P 500's VIX has sunk to \$26.65 this morning.

**Currencies:** FX markets saw a quiet end to last week, with no major moves registered in any of the main currency pairs. USD is edging lower this morning as positive newsflow emerges regarding potential vaccines, pushing EUR/USD slightly higher to 1.1865, however USD volatility is expected to be low ahead of the Fed meeting. Sterling has bounced roughly half a percent on Monday after losing over 3.5% of its value versus the Dollar last week amid ongoing Brexit drama.

**Safe-havens:** Gold should continue its sideways trade ahead of the Fed on Wednesday, the metal gained just 0.75% last week and remains in and around the \$1,950 mark. Likewise debt markets have been fairly directionless over recent weeks, with the US 10yr trading the middle of its range and yielding 0.66% on Monday morning.

## Key Events to Watch

16/09/2020 - US Retail Sales  
16/09/2020 - Fed Rate Decision  
17/09/2020 - BOJ Rate Decision  
17/09/2020 - BOE Rate Decision

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	3,341	0.05%	3.41%
DAX	13,202	-0.05%	0.13%
EuroStoxx	3,315	0.09%	-10.99%
ISEQ	6,369	0.42%	-10.65%
FTSE	6,032	0.48%	-19.70%
Nikkei 225	23,559	0.65%	-0.41%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1840	-0.04%	5.76%
EUR/GBP	0.9245	-0.11%	9.37%
GBP/USD	1.2808	0.11%	-3.25%
USD/CHF	0.9089	0.03%	-6.20%
USD/JPY	106.15	0.01%	-2.41%
EUR/JPY	125.75	0.30%	3.20%

Fixed Income	Value	Daily Change
US 10yr	0.669	-0.011
US 2yr	0.129	-0.012
Bund 10yr	-0.483	-0.028
Irish 10yr	-0.076	0.019
Gilt 10yr	0.185	-0.003
JGB 10yr	0.025	-0.001

## Financial News Round Up

### The Week Ahead

This week looks set to be busier on the face of it, we could potentially see some heightened volatility as we saw in the equity space almost two weeks ago when the VIX index reached \$38 briefly.

Today and tomorrow will be relatively quiet in terms of economic data points, with the exception of UK monthly unemployment claims tomorrow morning. Wednesday afternoon will see the release of August US Retail Sales results which will be followed by the most important data point of the week coming in the form of the Federal Reserve's rate decision and latest monetary policy statement at 19:00. In the early hours of Thursday morning the Bank of Japan will issue their policy statement and the Bank of England will do the same at midday on Thursday. None of these three central banks are expected to make any changes to their overnight interest rates.

UK and Canadian retail sales for last month will round off the week on Friday.

Aside from economic data, focus will remain on any further Brexit developments, positive or negative, and the Pound will likely remain sensitive as the week goes on. On the corporate earnings front, tomorrow we see results from FedEx Corp, followed by Next plc on Thursday and Applegreen on Friday morning.

### Mortgages in Ireland

New mortgage provider in the Irish market 'Avant Money' are set to start taking applications today, with the lowest rates on the market and currently advertising fixed rates as low as 1.95% and variable starting at 2.5%. Avant Money, previously known as Avantcard, has operated in the personal loan and credit card space in Ireland for the past 20 years, now diversifying into mortgages with speculation of further diversification in years to come.

AIB have this morning announced their introduction of a new range of fixed rate mortgages into the Irish market, which will start as low as 2.25% as competition builds in the mortgage lending market.

"AIB is committed to unlocking value for both new and existing customers. Our new LTV fixed rate bands give customers the opportunity to reduce their mortgage repayments as their capital balances reduce" CEO Colin Hunt said today.

### Greencoat Renewables

Irish renewable energy infrastructure company Greencoat has said its portfolio generation and availability were both on budget for H1 of this year, stating that its net cash generation came to €40m for the period. "We have delivered strong operational performance and robust dividend cover (5% dividend yield) in keeping with the company's strategy. The outlook for the business remains positive with a strong pipeline for further growth both in Ireland and Northern Europe" said CEO Ronan Murphy.

Shares are flat this morning at €1.19 in Dublin. At Seaspray, we reiterate our 'buy' rating on this stock with a view that a secular shift into the renewable sector is underway across Europe and is not set to lose steam any time soon.