

Daily Update

Your daily market news, moves
and outlook



SEASPRAY FINANCIAL

Wealth & Investment Management

Tuesday, 15th of September

Markets Outlook

Equities: Indices in Europe grind higher on Tuesday morning as volatility falls ahead of the three central bank releases to come later in the week. This risk-on sentiment comes after China reported a beat of expectations for their August Industrial Production and Retail Sales figures in the early hours of this morning.

Currencies: The Dollar was on the back foot on Monday, albeit with lower volumes traded. This move came as positive news-flow surrounding Pfizer's and AstraZeneca's vaccine candidates emerged, causing a slight risk-on tone in markets.

Safe-havens: Gold is up on the week so far, having gained 0.7% yesterday and 0.5% so far today, the metal is approaching the higher end of the range it has been confined to for over a month now, currently trading at \$1,973. Sovereign bonds have been very quiet over recent days, remaining fairly directionless.

Looking ahead: This afternoon is set to be very quiet in terms of economic data, markets will likely remain fairly muted ahead of the Fed on Wednesday evening. UK CPI and US Retail Sales will come tomorrow during the day, ahead of the central bank release. For corporate earnings, eyes will be on FedEx later today, with Next plc delivering results on Thursday and Applegreen on Friday.

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	3,383	1.27%	4.73%
DAX	13,193	-0.07%	-0.63%
EuroStoxx	3,316	0.03%	-11.56%
ISEQ	6,399	0.48%	-9.93%
FTSE	6,026	-0.10%	-19.89%
Nikkei 225	23,454	-0.44%	-0.85%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1868	0.23%	6.03%
EUR/GBP	0.9237	-0.09%	9.36%
GBP/USD	1.2844	0.28%	-2.98%
USD/CHF	0.9083	-0.07%	-6.40%
USD/JPY	105.72	-0.41%	-2.71%
EUR/JPY	125.47	-0.17%	3.16%

Fixed Income	Value	Daily Change
US 10yr	0.676	0.004
US 2yr	0.137	0.004
Bund 10yr	-0.477	0.007
Irish 10yr	-0.080	0.016
Gilt 10yr	0.195	0.016
JGB 10yr	0.015	-0.001

Financial News Round Up

Ocado

British online supermarket Ocado has today released its latest trading update, in which it has seen a 52% rise in revenue in the 13 week period up to August 30th to £587.3m, with the ongoing Covid situation generating massive demand for online deliveries. This growth compares with the group's 27.2% in H1 of this year and 40% in Q2.

Seen in its forward guidance, Ocado now expects £40m in full year Group EBITDA, comparing to analysts' forecasts which range from £11.0m - £37.9m. However, we must remember that the firm is still forecasted to make a loss out to FY22 at a minimum, and is currently trading at a full-year 2020 EV/EBITDA of 661 times.

Ocado switched to Marks & Spencer products on September 1st, moving away from Waitrose products, a move which is said to have been received well by customers.

Shares in the online supermarket have gapped higher on this morning's open, up 5% on the day to £2,470 in London. Ocado has gained over 92% YTD in the face of the pandemic, all of which time the stock has remained on our core stocklist. At Seaspray, we maintain our 'hold' rating on Ocado at these levels, please contact info@seasprayfs.ie for further information on this name and on our current stocklist.

Kingspan

Irish-based building materials company Kingspan has today reported that it has agreed terms on a €750m 'Green Private Placement', a type of instrument which has the specific aim to raise money for climate and environmental projects. Kingspan have said that the weighted average fixed interest coupon is 1.78% per annum, with weighted average maturities of 9.7 years.

"The pricing is a testament to Kingspan's planet passionate strategy and provides long term capital to further develop the group in the years ahead" said Chief Financial Officer Geoff Doherty, "As well as extending our maturity profile this transaction will leave us with in excess of €2 billion of cash and committed undrawn facilities".

Irish SMEs

According to a new study by the Economic and Social Research Institute (ESRI) which was published today, small and medium sized businesses in the country may have lost somewhere in the region of €6 to €10 billion between March and June due to the pandemic-related restrictions. Depending on many variable factors, those figures could rise to between €8 and €12.3 billion by the end of the year, according to the Institute.

Over a million Irish people work for SMEs currently.