

# Daily Update

Your daily market news, moves  
and outlook



## SEASPRAY FINANCIAL

Wealth & Investment Management

### Tuesday, 22nd of September

## Markets Outlook

**Equities:** DAX and EuroStoxx indices have bounced by roughly half a percent this morning after selling off relatively strongly yesterday, both indices are approaching the bottom of their 3-month ranges. Fresh lockdown measures across Europe have kicked off the current risk-off sentiment in equity markets.

**Currencies:** The Euro has lost some ground this week, as traders exit risk assets and head for the perceived safe-haven Dollar, EUR/USD now back below 1.1750 for the first time since last Thursday. Sterling saw further declines on Monday as news emerged about the UK's latest restriction measures.

**Safe-havens:** Gold shed over 2% of its value yesterday as traders likely anticipated a profit-taking event in the precious metal as large institutions look to crystalize some gains in order to offset losses in equity markets.

**Looking ahead:** Tomorrow we see the highlight of the week in terms of economic data points, coming in the form of Manufacturing and Services PMIs for the month of September. European nations will release PMIs along with the UK tomorrow morning followed by the US in the afternoon. For corporate earnings, later today we get results from Nike, with Accenture on Thursday and Costco Wholesale Corp on Friday.

## Key Events to Watch

23/09/2020 - RBNZ Rate Decision

23/09/2020 - European PMIs

23/09/2020 - US PMIs

24/09/2020 - SNB Rate Decision

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	3,281	-1.16%	1.56%
DAX	12,542	-4.37%	-4.72%
EuroStoxx	3,160	-3.74%	-15.27%
ISEQ	6,253	-3.58%	-12.68%
FTSE	5,804	-3.38%	-22.77%
Nikkei 225	(Closed)	(Closed)	-1.25%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1769	-0.65%	4.57%
EUR/GBP	0.9182	0.25%	8.90%
GBP/USD	1.2814	-0.92%	-3.91%
USD/CHF	0.9143	0.35%	-5.30%
USD/JPY	104.64	0.10%	-3.66%
EUR/JPY	123.15	-0.55%	0.74%

Fixed Income	Value	Daily Change
US 10yr	0.669	-0.013
US 2yr	0.139	-0.010
Bund 10yr	-0.522	-0.033
Irish 10yr	-0.149	-0.023
Gilt 10yr	0.155	-0.021
JGB 10yr	(Closed)	(Closed)

## Financial News Round Up

### UK Restrictions

The Pound this morning has slipped to its lowest levels since late July versus the Dollar, ahead of a new set of restrictions to be announced by Prime Minister Boris Johnson this evening as new daily cases continue to tick higher in the UK. Johnson is expected to introduce a 10pm compulsory closing time for restaurants and bars, along with his continued urging of the UK workforce to work from home where possible.

"What we hope is we can take appropriate steps now, which mean that if we succeed in beating back the virus, then we will in the future be able to progressively relax them" said Cabinet Officer Minister Michael Gove to the BBC. Mr. Gove was unable to say how long the new measures are expected to be in place.

This news follows similar new restrictions which have been introduced in Dublin by the Irish Government over the weekend. New daily cases are expected to continue to rise in the capital over the coming days, according to the Irish Times on Tuesday, with the real possibility of further measures being brought in for Dublin and other counties either by the end of this week or early next. Ireland currently has 90 confirmed Covid-19 cases in its hospitals with 17 of these patients in ICU.

### Kingfisher

London-headquartered multinational retailing company Kingfisher's shares are over 9% higher on Tuesday, following the release of the firm's first half earnings (up to July 31st) results in which they saw a 23.1% rise in H1 profit as consumers embraced DIY and gardening over the lockdown and early-summer periods.

"The recovery has continued into the third quarter to date, with growth across all banners and categories" said chief executive Thierry Garnier today, "The crisis has prompted more people to rediscover their homes and find pleasure in making them better. It is creating new home improvement needs, as people seek new ways to use space or adjust to working from home".

Kingfisher saw adjusted pre-tax profits of £415m over the six-month period, beating analysts' expectations for just £337m. Total sales dropped by 1.3% to £5.92b, while e-commerce sales surged by 164% and now represent 19% of the firms overall sales compared to last year's 7%: a sign of the times.

Shares are up over 33% YTD to £2.89. Kingfisher have suspended their interim dividend payout due to "ongoing uncertainty". Despite its rally of recent months, this name still trades at a FY21 P/E of 14.4 times and an EV/EBITDA of 6.4 times which are reasonable discounts to their 10-year averages.

Please contact [info@seasprayfs.ie](mailto:info@seasprayfs.ie) for more information on Kingfisher and other similar names within its sector.