

Daily Update

Your daily market news, moves
and outlook



SEASPRAY FINANCIAL

Wealth & Investment Management

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Markets Outlook

Equities: As expected, the strong run in US markets continued overnight with Apple up over 4% post stock split, Zoom announced record figures and saw its price jump 25%, while Tesla used its strong recent share price to announce a \$5bn rights issue. Europe was mixed with Germany moving forward on stronger economic forecasts and increasing view that Germany manufacturing is getting back on track with strong consumer spending. However the ISEQ dipped on a range of negative stories including warnings that housebuilding was 27% in Q2 affecting Cairn and Glenveagh. Alongside this Ryanair warned they would cut flights to Ireland if travel restrictions are not lifted. Markets are expected to open higher today.

Currencies: Currencies are opening relatively flat today as markets absorb conflicting economic data and Covid numbers continue to surge but hospitalisations and death rates remain very low. The US ISM manufacturing PMI came out at 56 much higher than the expected 54. This provided good support for the dollar index.

Safe-havens: Gold having had a small run to \$1,980 has slipped a little overnight as the dollar was supported on the back of robust economic data. Oil continued to pick up to \$46.03 a barrel as economic data provides increasing support

Key Events to Watch

- 02/09/2020 - US ADP non-farm employment change
- 03/09/2020 - BOE Gov Bailey speaks
- 03/09/2020 - US ISM non - Manufacturing PMI
- 04/09/2020 - US unemployment rate
- 07/09/2020 - US bank holiday

Market Moves

S&P 500	3,527	0.75%	9.16%
DAX	12,974	0.22%	-2.07%
EuroStoxx	3,278	0.15%	-12.48%
ISEQ	6,402	-0.50%	-9.30%
FTSE	5,862	-1.70%	-22.28%
Nikkei 225	23,247	0.47%	-1.73%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1902	-0.07%	6.17%
EUR/GBP	0.8903	0.06%	5.35%
GBP/USD	1.3367	-0.10%	0.83%
USD/CHF	0.9114	0.24%	-5.87%
USD/JPY	106.04	0.08%	-2.38%
EUR/JPY	126.19	0.00%	3.62%

Fixed Income	Value	Daily Change
US 10yr	0.684	0.013
US 2yr	0.135	0.002
Bund 10yr	-0.437	-0.021
Irish 10yr	-0.091	-0.029
Gilt 10yr	0.299	0.003
JGB 10yr	0.037	-0.008

Financial News Round Up

Zoom

A company many had never heard of pre-covid and is now a global household name reported staggering numbers over night showing a 355% increase in turnover in the year to \$663.5 million. The result is that the company stock market valuation has reached a level equal to half the value of the giant US communications company AT&T. The company has seen the demand for its video conferencing services grow exponentially on a global basis. It has encountered teething problems but has been quick to resolve them and to develop new services. If they are successful in these new areas including VOIP the share price could continue to grow strongly.

Uniphar acquisition

The Dublin & London listed medical supplies business Uniphar has announced it is to acquire the Hickey pharmacy chain adding 36 stores to its existing 299 units. This is the fourth acquisition for the group in the last 9 months. The acquisition was announced as the company issued its half year results. Turnover in the period increased by 8.8% to €871.3million and Pre-rax profits were 9% higher at €16.4 million and its EBITDA grew by 12.6% to 30.2 million. The company reconfirmed its warning from May that the Covid 19 pandemic could cut 2020 earnings by €5million. This new acquisition will be earnings accretive from completion.

Ocado

The FTSE listed online retail distribution business which is on our recommended stock list has announced that expansion of its JV with Marks & Spenscer where Ocado is commencing retail deliveries for M&S in the UK. The retailer announced yesterday that its the first time its entire M&S food range is available online with over 6,000 items on sale. Ocado, which has three UK distribution centres now claim to be the "worlds largest dedicated online supermarket". The company has links in the US, Asia and Europe.