

# Daily Update

Your daily market news, moves  
and outlook



## SEASPRAY FINANCIAL

Wealth & Investment Management

### Monday, 5th of October

## Markets Outlook

**Equities:** Stock markets opened higher in Europe this morning, as positive news-flow continues to emerge regarding President Trump's health. DAX and EuroStoxx are circa 0.70% higher on Monday morning, still trading near the lower end of their 4-month ranges. The VIX remains elevated this morning, opening close to its one-week high hit on Friday and currently sitting just above the \$29 mark.

**Currencies:** The Dollar is on the back foot today as funds flow into riskier assets during the morning session. This sentiment has pushed the Euro to \$1.1760 and the Pound to \$1.2960, as the Dollar Index approaches its lowest level in 2 weeks. FX traders will likely await further clarity on Trump's state of health before committing heavily to one side this week, GBP traders will be closely watching comments from Brussels and London as the weeks plays out.

**Safe-havens:** Precious metals bounced somewhat last week, gold finishing almost 2.5% higher and trading marginally lower this morning at \$1,904. We still see the potential for another short and sharp pullback in gold if investors scramble to realize gold profits amidst an equity sell off. This is not our base case scenario but would present us with long-term entry points in the asset.

## Key Events to Watch

05/10/2020 - EuroGroup Meetings  
05/10/2020 - ISM US Non-Manufacturing PMI  
06/10/2020 - RBA Rate Decision  
07/10/2020 - Fed Meeting Minutes

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	3,348	-0.96%	3.64%
DAX	12,689	-0.33%	-3.79%
EuroStoxx	3,190	-0.10%	-14.46%
ISEQ	6,386	-0.20%	-10.49%
FTSE	5,902	0.39%	-21.37%
Nikkei 225	23,312	1.23%	-1.46%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1713	-0.29%	4.69%
EUR/GBP	0.9052	-0.65%	7.28%
GBP/USD	1.2931	0.33%	-2.36%
USD/CHF	0.9209	0.28%	-5.21%
USD/JPY	105.33	-0.16%	-2.73%
EUR/JPY	123.35	-0.47%	1.82%

Fixed Income	Value	Daily Change
US 10yr	0.704	0.022
US 2yr	0.133	0.004
Bund 10yr	-0.534	0.008
Irish 10yr	-0.157	0.012
Gilt 10yr	0.247	0.025
JGB 10yr	0.019	-0.004

## Financial News Round Up

### The Week Ahead

We look to be set for yet another week of drama for financial markets, with a few key speakers due from the world's largest central banks, investors paying constant attention to Donald Trump's medical state, and Brexit talks which are rapidly running out of time as we head closer to the EU Council on October 15th and 16th. At home, the Republic of Ireland is rumoured to be entering Level 5 restrictions this week following NPHE's recommendations to the Government last evening and an ever-increasing 'New Daily Case' rate.

In terms of economic data points, the highlight for Monday will come from the US this afternoon when their 'ISM Non-Manufacturing PMI' is released, EuroGroup meetings will be held in Brussels all day today and we will be watching for any Brexit comments from officials. The Reserve Bank of Australia are due to release their rate decision and monetary policy statement in the early hours of Tuesday morning, which will be followed by speeches from ECB President Lagarde throughout the day and Fed Chair Powell in the afternoon.

Wednesday will see Lagarde speak again, with the minutes from the Federal Reserve's latest policy meeting released at 19:00 Irish time. On Thursday morning BOE Governor Bailey speaks followed by the weekly Unemployment Claims figure from the States, and the week will be rounded off on Friday by Industrial Production readings from Europe and Canada's Unemployment Rate.

### Update on Trump

All eyes will remain on President Donald Trump and any news-flow regarding his medical condition this week, as market participants attempt to estimate when Trump's election campaign will resume and the possibility of disruptions to the whole election as a result of the President's new illness.

Futures are rallying this morning in New York after news emerged over the weekend that the President's health was improving, bringing relief to markets after the sudden uncertainty of Friday last week. Trump, aged 74, was flown to hospital for treatment on Friday, with doctors in the meantime stating that he has responded well and could return to the White House as soon as Monday. Reportedly, he no longer requires supplemental oxygen and is able to return to his normal work-related activities.

In terms of this recent development having an impact on the election, we have not yet seen sufficient polling to assess whether his chances of winning have been increased or decreased over recent days.

Investors will be watching any developments over the coming days very closely.