

Daily Update

Your daily market news, moves
and outlook



SEASPRAY FINANCIAL

Wealth & Investment Management

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Markets Outlook

Equities: European equity markets are set to open broadly higher amid a mixture of continued COVID vaccine optimism and positive sentiment from US politics despite the overnight riots in Washington. With Democrats having control now of both houses the Joe Biden stimulus policies for the economy and to overcome the Covid 19 effects will help to reflate the US. With the Riots quelled and the Senate finalising the process of approving Joe Biden as president there is talk increasingly now of removing Donald Trump from office before his expected departure date. Markets will want to see stability in politics asap and this will help drive markets.

Currencies: The dollar remained trading near its weakest level in nearly three years early on Thursday as the projected Democrat victories in the U.S. Senate runoffs in Georgia pointed to two years of loose fiscal and monetary policy. The Dollar Index, which tracks the greenback against a basket of six other currencies, was down 0.1% at 89.472, still close to its overnight low of 89.206, a level not seen since March 2018. The Euro/\$ fell 0.1% to 1.2317, after earlier reaching an almost three-year high of 1.2346. The euro was supported by stronger-than-expected German factory orders for November, which were the latest sign of the global manufacturing sector performing relatively strongly toward the end of last year.

Looking ahead: Busy economic data updates with Macro data releases in Europe include Germany Nov Factory Orders and Dec Construction PMI, Italy Dec Preliminary CPI, UK Construction PMI as well as Eurozone Dec Flash CPI, Economic Sentiment Indicator and Nov Retail Sales

Key Events to Watch

07/01/2021 - EUR flash CPI

08/01/2021 - US Non-Farm Payrolls

13/01/2021 - US CPI

14/01/2021 - German GDP

Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	3,748	0.57%	-0.21%
DAX	13,925	0.26%	1.48%
EuroStoxx	3,616	0.16%	1.79%
ISEQ	7,713	0.12%	4.57%
FTSE	6,862	0.31%	6.27%
Nikkei 225	27,490	1.60%	0.17%

FX			
EUR/USD	1.2296	-0.23%	0.71%
EUR/GBP	0.9051	-0.02%	1.39%
GBP/USD	1.3583	-0.15%	-0.62%
USD/CHF	0.8807	0.28%	-0.51%
USD/JPY	103.36	0.33%	0.18%
EUR/JPY	127.14	0.15%	0.91%

Fixed Income		
US 10yr	1.059	0.017
US 2yr	0.143	-0.002
Bund 10yr	-0.548	-0.002
Irish 10yr	-0.317	-0.004
Gilt 10yr	0.251	0.005
JGB 10yr	0.032	0.001

Financial News Round Up

USA

Following on from the Democrat's securing control of both the House and Senate and with markets initially rallying on expectations that the new administration will signal a return to strong stimulus for the US economy through a range of Covid stimulus packages, a focus on infrastructure investment and a general loosening of stimulus rules, all was thrown in the air when Donald Trump incited his supporters to invade US government buildings. In scenes more reminiscent of banana republics where dictators incite violence the sight of rioters running through the US houses of parliament will forever negatively cap the Donald Trump presidency. When control was finally re-established (and many questions will be asked about how the rioters gained access in the first instance as potential trouble had been flagged for weeks), Congress quickly went about its business again. As we write, the final objections to Joe Biden's election have been voted against and in the coming hour Joe Biden is finally expected to now be formally elected President of the USA. Definitely 2021 has got off to an exciting start.

Moderna

With the approval yesterday in Europe of Moderna's vaccine for Covid 19 the Chief Executive Stephane Bancel said on Thursday that Moderna (NASDAQ:MRNA) Inc is on track to deliver between 600 million and 1 billion doses of its COVID-19 vaccine this year. Bancel said Moderna had orders for 500 million doses of its vaccine and could comfortably make at least 600 million doses. He told a conference organised by Oddo BHF that the group was working to meet or even exceed a target for 1 billion doses, however. Bancel said it was still not clear how long the antibodies generated by the vaccines would last, but added that it could potentially be a couple of years.

Ryanair

In a statement this morning, Ryanair said it now expects its January passenger figures to fall to under 1.25 million. It also said that new Covid restrictions could also reduce February and March traffic to as little as 500,000 passengers each month. In response to the new restrictions, Ryanair said it will significantly cut its flight schedules from Thursday January 21. It said this will result in few, if any, flights being operated to/from Ireland or the UK from the end of January until such time as these "draconian travel restrictions" are removed. These new cutbacks will reduce full year traffic forecast from currently below 35 million to between 26 million to 30 million passengers. "Ryanair does not expect these flight cuts and further traffic reductions will materially affect its net loss for the year to March 31 since many of these flights would have been loss making," the airline added. The airline also called on the Irish and UK governments to accelerate what it called the slow pace of vaccine rollouts.