

Daily Update

Your daily market news, moves
and outlook



SEASPRAY FINANCIAL

Wealth & Investment Management

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Markets Outlook

Equities: European equity markets have opened slightly lower today after last week's strong performance with FTSE up 6.4% and Euro stoxx up 2.5%. The main themes in the markets continue to be optimism surrounding vaccine development and the policy support dynamic underpinning the bullish narrative. This was further underpinned by US politics after the Democrats took control of the Senate. This offset more immediate concerns over increasing coronavirus infections (and lockdowns) and a shaky start to vaccine rollout in Europe, which threatens to delay the recovery. UK Government is said to be considering strengthening its lockdown rules, with the health service under pressure and no signs yet of the infection rating peaking. Germany experiencing similar dynamic with coronavirus infection numbers rising. French poll said majority of people lack confidence in government's ability to deal effectively with virus or manage vaccines. Losses are likely to be limited as the positive impact of global government stimulus packages will support markets.

Currencies: The dollar pushed higher Monday, rebounding from recent lows on the back of rising Treasury yields. The Dollar Index, which tracks the greenback against a basket of six other currencies, was up 0.3% at 90.335, and is now over 1% higher than the almost three-year low it hit last week. After a prolonged period of dollar weakness, investors are now betting on economic recovery spurring an uptick in inflation and an end to extreme accommodation by the Federal Reserve toward the end of the year.

Safe Havens: Gold was down on Monday morning, following a slump of more than 4% during the previous session, over a strengthening dollar and U.S. Treasury yields.

Key Events to Watch

- 13/01/2021 - ECB president Speaks
- 13/01/2021 - EUR Industrial Production M/M s
- 13/01/2021 - US CPI
- 14/01/2021 - German GDP

Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	3,825	0.55%	1.83%
DAX	14,049	0.58%	2.41%
EuroStoxx	3,645	0.62%	2.60%
ISEQ	7,700	-0.77%	4.39%
FTSE	6,873	0.24%	6.39%
Nikkei 225	28,139	2.36%	2.53%

FX			
EUR/USD	1.2180	-0.27%	-0.23%
EUR/GBP	0.9030	0.27%	1.14%
GBP/USD	1.3492	-0.51%	-1.31%
USD/CHF	0.8876	0.26%	0.29%
USD/JPY	104.16	0.23%	0.94%
EUR/JPY	126.88	-0.07%	0.69%

Fixed Income		
US 10yr	1.098	-0.009
US 2yr	0.133	0.004
Bund 10yr	-0.526	-0.013
Irish 10yr	-0.314	-0.015
Gilt 10yr	0.277	-0.015
JGB 10yr	0.035	-0.001

Financial News Round Up

Samsung & Intel

Samsung Electronics shares rose the most in almost 10 months after Intel Corp was said to be considering asking the South Korean giant and Taiwan Semiconductor Manufacturing Co. to make some of its most sophisticated chips, a major departure for the Silicon Valley pioneer. After successive delays in its chip fabrication processes, Intel has yet to make a final decision less than two weeks ahead of a scheduled announcement of its plans, according to people familiar with the deliberations. Any components that Intel might source from Taiwan wouldn't come to market until 2023 at the earliest and would be based on established manufacturing processes already in use by other TSMC customers, said the people, asking not to be identified because the plans are private. Intel is still holding out hope for last-minute improvements in its own production capabilities. Talks with Samsung whose foundry capabilities trail TSMC's, are at a more preliminary stage, the people said. TSMC and Samsung representatives declined to comment. An Intel spokesperson referred to previous comments by Bob Swan, the company's chief executive officer. Swan has promised investors he'll set out his plans for outsourcing and get Intel's production technology back on track when the company reports earnings Jan. 21. The world's best-known chipmaker has historically led the industry in advanced manufacturing techniques, essential for maintaining the pace of performance increases in modern semiconductors. But the company has suffered years-long delays that have put it behind competitors that design their own chips and contract TSMC to do the manufacturing. Intel shares slid 1% on Friday. Samsung shares soared more than 9% to an all-time high on Monday, the biggest gain since March on an intraday basis. TSMC, which is already operating at full throttle and may not have spare capacity in the short run, stood largely unchanged in Taipei after a 7-day winning streak.

Open Orphan

It is reported this morning that Dublin -Listed Open Orphan said that its first volunteer has been dosed in an intranasal Covid-19 vaccine clinical trial. The volunteer was treated with the Codagenix needle free, intranasal Covid-19 vaccine called COVI-VAC. COVI-VAC. It is a single-dose vaccine against SARS-CoV-2, the virus that causes Covid-19. It contains the entire virus in a weakened form. The clinical trial is being conducted by Open Orphan subsidiary Hvivo at its London facility. Hvivo is working in collaboration with United States biotech group Codagenix to conduct a Phase I study of COVI-VAC. The study will evaluate the safety and tolerability of the single-dose intranasal vaccine candidate in 48 healthy young adult volunteers. The study will also evaluate the vaccine's ability to cause an immune response. In a statement today Open Orphan said COVI-VAC has the potential to address several key logistical challenges to immunisation against SARS-CoV-2 at a global scale.