

# Daily Update

Your daily market news, moves  
and outlook



## SEASPRAY FINANCIAL

Wealth & Investment Management

### Wednesday, 31st of March

## Markets Outlook

**Equities:** The main European indices are flat to marginally lower on Wednesday morning, after a strong session yesterday from risk assets on the continent. Wednesday is set to be quiet for Europe in terms of economic data points, we expect volatility to remain subdued and volumes to taper off as we head into the long weekend. Looking to the US: attention will begin to turn to Friday's NFP employment figure, the VIX trades around the \$20 mark this morning.

**Currencies:** EUR/USD is bouncing somewhat this morning, up 0.25% to 1.1742 having once again touched multi-month lows yesterday on the back of Dollar strength. Today's move has come as Treasury yields in the US move off their highs. The Dollar has moved higher this year so far as investors see a strong US economic recovery on the horizon, driven by massive fiscal stimulus and an aggressive vaccine rollout in the region.

**Safe-havens:** Gold is in the red again today, approaching the lows from a few weeks ago and currently trading at \$1,685. This move in precious metals is on the back of rising real yields in the US as inflation has yet to significantly pick up, while nominal bond yields continue to move higher each week.

**Looking ahead:** Looking to this afternoon, we are due to get a monthly GDP result from Canada, along with the US' smaller 'ADP Employment Change' figure. Tomorrow OPEC nations will meet throughout the day to discuss oil prices and levels of production, and we will also see the US 'ISM Manufacturing PMI' release for March. Much of Europe will be shut for the long Easter weekend this Friday, the US will release their Non-Farm Payroll figure for March, which will be closely watched by traders.

## Key Events to Watch

31/03/2021 - Canadian GDP

01/04/2021 - OPEC Meetings

01/04/2021 - US Manufacturing PMI

02/04/2021 - US Non-Farm Payrolls

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	3,958	-0.32%	5.39%
DAX	15,008	1.29%	9.43%
EuroStoxx	3,926	1.12%	10.27%
ISEQ	8,106	0.84%	9.81%
FTSE	6,772	0.53%	4.52%
Nikkei 225	29,178	-0.86%	6.32%

FX	Value	Daily Change	YTD Change
EUR/USD	1.1714	-0.41%	-3.92%
EUR/GBP	0.8524	-0.23%	-4.40%
GBP/USD	1.3739	-0.15%	0.56%
USD/CHF	0.9420	0.32%	6.43%
USD/JPY	110.34	0.51%	7.28%
EUR/JPY	129.25	0.10%	3.07%

Fixed Income	Value	Daily Change
US 10yr	1.710	-0.007
US 2yr	0.148	0.005
Bund 10yr	-0.277	0.043
Irish 10yr	0.057	0.014
Gilt 10yr	0.826	0.037
JGB 10yr	0.087	0.009

## Financial News Round Up

### Irish House Prices

According to Daft.ie's latest property report, Ireland's listed house prices have increased by 7.6% on average over the past year, the number of homes available to buy has simultaneously decreased by a whopping 34%. We note that the average listed house price in Q1 2021 came in at roughly €276,000, higher than the €256,000 recorded one year prior. This marks the second consecutive quarter now whereby prices have grown by circa 8% when compared with the same period one year prior.

While the average house price nationwide for Q1 2021 was 68% higher than the lowest point after the financial crisis, it is still one quarter below the peak we saw in 2007.

Taking a closer look at the results, Dublin saw 6.9% growth in prices for the 12 months to March 2021, while counties such as Cork, Galway, and Limerick saw larger increases, each between 11% and 12% higher.

"The total number of homes listed for sale in the 12 months to February nationwide was just 45,700, down a third on the previous 12-month period" said Ronan Lyons, author of the report and economist at Trinity College Dublin, "This sudden collapse in supply, at a time when demand has held up remarkably well, has converted into sharp upward pressure on prices" he added.

We believe the upward move in prices will likely continue as we head through 2021, driven by a large level of outstanding mortgage approvals coupled with low supply amid ongoing restrictions in the country.

### UK GDP

This morning before market open we saw the release of the UK's Q4 'Final GDP' result, coming in at 1.3% versus consensus expectations for just 1.0%. This figure is the second of two GDP releases for the period, the first of which is the preliminary result, coming roughly 45 days beforehand and having more of an impact on regional markets.

When we look at things from an inflation-adjusted point of view, Britain's economy remained 7.3% smaller than pre-pandemic times.

The Bank of England has recently alluded to the fact that households in the UK have compiled huge amounts of savings over the past year, which will likely fuel a jump in spending as lockdowns are lifted in Q2, the region's savings ratio rose to 16.1% from 14.3% in the third quarter, hitting a record high during 2020 of 16.3% vs 2019's 6.8%.

### Deliveroo

Shares in the food delivery company dropped as much as 30% in their trading debut on Wednesday, taking over £2b off the firm's valuation, this IPO had been highly anticipated and was London's largest for over a decade.

As we alluded to in yesterday's Daily Update, we, along with many other asset managers, are choosing to sit on the sidelines with regard to Deliveroo for now, with the company's narrow profit margin posing a significant risk in our view.