

# Daily Update

Your daily market news, moves  
and outlook



## SEASPRAY FINANCIAL

Wealth & Investment Management

### Monday, 10th of May

## Markets Outlook

**Equities:** European stock markets are seen opening higher Monday, following the global trend, with investors sanguine about the economic recovery despite Friday's disappointing U.S. employment report. Last week's trading ended on an upbeat note on Wall Street, with the blue chip Dow Jones Industrial Average and the broad-based S&P 500 hitting all-time highs. This positive tone has largely continued in Asia, and Europe is expected to see the benefit Monday. This comes despite U.S. nonfarm payrolls data on Friday showing jobs growth unexpectedly slowed in April, as the disappointing release raised expectations that U.S. interest rates would remain low for some time to come. Recent strong U.S. economic data had started to force investors to consider that the Federal Reserve would be pushed into raising interest rates earlier than the central bank had previously outlined.

**Currencies:** The dollar sank to a more than two-month low versus major peers on Monday after a disappointing U.S. employment report prompted investors to temper expectations for higher interest rates, with focus now shifting to inflation data this week. The dollar index, which measures the greenback against six rivals, stood at 90.259, after dipping as low as 90.128 for the first time since Feb. 26 earlier in the session. Notably, the British pound was the biggest gainer among the most-traded currencies, rallying 0.5% to the highest since Feb. 25, despite Scotland's leader saying another referendum on independence was inevitable after her party's resounding election victory.

**Safe-havens:** Gold was up on Monday morning in Asia, remaining close to a three-month high. iGold inched up 0.06% to \$1,832.35 in asian trade this morning.

## Key Events to Watch

11/05/2021 - German ZEW Economic Sentiment

12/05/2021 - BOE gov Bailey Speaks

12/05/2021 - German Final CPI M/m

12/05/2021 - Uk industrial Production m/m

12/05/2021 - US CPI m/m

## Market Moves

Equity Indices	Value	Daily Change	YTD Change
S&P 500	4,233	0.74%	12.69%
DAX	15,400	1.34%	12.25%
EuroStoxx	4,034	0.87%	13.56%
ISEQ	8,337	0.42%	11.50%
FTSE	7,130	0.76%	10.36%
Nikkei 225	29,524	0.57%	7.58%

FX	Value	Daily Change	YTD Change
EUR/USD	1.2157	-0.05%	-0.44%
EUR/GBP	0.8645	0.60%	-3.14%
GBP/USD	1.4061	0.64%	2.80%
USD/CHF	0.9009	-0.01%	1.81%
USD/JPY	108.88	0.26%	5.44%
EUR/JPY	132.38	0.31%	4.96%

Fixed Income	Value	Daily Change
US 10yr	1.595	0.016
US 2yr	0.147	0.002
Bund 10yr	-0.205	0.013
Irish 10yr	0.207	0.001
Gilt 10yr	0.761	-0.014
JGB 10yr	0.082	-0.003

## Financial News Round Up

### Re-opening

Today sees a major reopening of the economy with over 12,000 retail, personal services and galleries, museums, and libraries all reopening after over 150 days being closed. Likewise travel across counties can now occur. Investors will be watching to see does retail see a spike in activity thus generating much needed revenue for these businesses but also importantly generating tax receipts for the Irish Revenue. As we have already committed to spending over €12 billion on supporting the economy through PUP etc payments, it now becomes imperative that tax receipts start to be generated at an increased level to help the repayment of borrowings which have been used to support the country through the pandemic year.

### Open Orphan

The Dublin-listed pharmaceutical services company, Open Orphan, has announced that its subsidiary, Hvivo, has signed a £3 million contract to develop a "challenge virus" based on new emerging variants of Covid-19.

The contract is with Imperial College London as part of a Wellcome Trust funded initiative to manufacture a SARS-CoV-2 challenge virus.

Under the agreement, Hvivo will develop a new SARS-CoV-2 challenge virus based on new emerging variants of the virus, which will be used in future Hvivo run human challenge trials to allow direct comparisons of vaccines or antivirals against different Covid-19 variants. The shares closed on Friday at 0.3754.

### Greggs

The UK listed bakery and fast food chain, Greggs, has today raised its profit outlook after a strong recovery in sales following the easing of Covid-19 restrictions in the UK. An indication of what might be expected in the same sector in Ireland as we reopen today.

Greggs is best known for its sausage rolls, steak bakes and vegan snacks. It said like-for-like sales in the eight weeks to May 8 were down 3.9% compared to the same period two years ago, having been down 23.3% in the 10 weeks to March 13.

That gave a figure of down 13.5% for the 18 weeks to May 8.

Greggs made a record pretax profit of £108.3m in 2019 before slumping to a £13.7m loss in 2020.

In the company statement they indicated that "Given our recent trading performance, the board now believes that profits are likely to be materially higher than its previous expectation, and could be around 2019 levels in the absence of further restrictions." The shares were up nearly 7% in early trading this morning.